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**OF THE
GENERAL ASSEMBLY
OF THE
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2013 REGULAR SESSION

VOLUME II

**First Part
of Seventy-Ninth Volume of Statutes at Large**

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leaving it elsewhere in their statutes. Where the Uniform Trust Code and Uniform Prudent Investor Act overlap, states were advised to enact the provisions of this Part and not enact the duplicative provisions of the Prudent Investor Act. Sections of this article which overlap with the Prudent Investor Act are Sections 62-7-802 (duty of loyalty), 62-7-803 (impartiality), 62-7-805 (costs of administration), 62-7-806 (trustee's skills), and 62-7-807 (delegation). For more complete instructions on how states were advised to enact the Uniform Prudent Investor Act as part of this Code, see the General Comment to Article 9. South Carolina followed the advice of the Uniform Code drafters by including the South Carolina Prudent Investor Act as Sections 62-7-901 through 62-7-932 of the SCTC.

All of the provisions of this Part may be overridden in the terms of the trust except for certain aspects of the trustee's duty to act in good faith, in accordance with the purposes of the trust, and for the benefit of the beneficiaries (*see* Section 62-7-105(b)(2)-(3)).

Section 62-7-801. Upon acceptance of a trusteeship, the trustee shall administer the trust in good faith, in accordance with its terms and purposes and the interests of the beneficiaries, and in accordance with this article.

REPORTER'S COMMENT

This section confirms that a primary duty of a trustee is to follow the terms and purposes of the trust and to do so in good faith.

This section describes a trustee's broad and general duty of good faith and establishes that a nominated or proposed trustee owes no duty to the beneficiary unless and until the trusteeship is accepted. See former South Carolina Probate Code Section 62-7-301 (a trustee has a general duty to administer the trust expeditiously for the benefit of the beneficiaries) and Section 62-7-305 (a trustee is under a continuing duty to administer the trust according to the objectives of the trustor); *Sarlin v. Sarlin*, 312 S.C. 27, 430 S.E.2d 530 (S.C. Ct. App. 1993) (a trustee's discretion must be exercised in good faith, consistent with the primary purpose(s) of the trust).

There was no prior South Carolina case law regarding the principle that there is no duty owed to beneficiaries without acceptance of the trust by the proposed trustee; however, there is general common law to that effect. Restatement, Second, Trusts Section 169.

Section 62-7-802. (a) A trustee shall administer the trust solely in the interests of the beneficiaries.

(b) Subject to the rights of persons dealing with or assisting the trustee as provided in Section 62-7-1012, a sale, encumbrance, or other transaction involving the investment or management of trust property entered into by the trustee for the trustee's own personal account or which is otherwise affected by a conflict between the trustee's fiduciary and personal interests is voidable by a beneficiary affected by the transaction unless:

- (1) the transaction was authorized by the terms of the trust;
- (2) the transaction was approved by the court;
- (3) the beneficiary did not commence a judicial proceeding within the time allowed by Section 62-7-1005;
- (4) the beneficiary consented to the trustee's conduct, ratified the transaction, or released the trustee in compliance with Section 62-7-1009; or
- (5) the transaction involves a contract entered into or claim acquired by the trustee before the person became or contemplated becoming trustee.

(c) A sale, encumbrance, or other transaction involving the investment or management of trust property is presumed to be affected by a conflict between personal and fiduciary interests if it is entered into by the trustee with:

- (1) the trustee's spouse;
- (2) the trustee's descendants, siblings, parents, or their spouses;
- (3) an agent or attorney of the trustee;
- (4) a corporation or other person or enterprise in which the trustee has such a substantial interest that it might affect the trustee's best judgment; and
- (5) a corporation or other person or enterprise which has such a substantial interest in the trustee that it might affect the trustee's best judgment.

(d) A transaction between a trustee and a beneficiary that does not concern trust property but that occurs during the existence of the trust or while the trustee retains significant influence over the beneficiary and from which the trustee obtains an advantage is voidable by the beneficiary unless the trustee establishes that the transaction was fair to the beneficiary.

(e) A transaction not concerning trust property in which the trustee engages in the trustee's individual capacity involves a conflict between personal and fiduciary interests if the transaction concerns an opportunity properly belonging to the trust.

(f) An investment by a trustee in securities of an investment company or investment trust to which the trustee, or its affiliate,

provides services in a capacity other than as trustee is not presumed to be affected by a conflict between personal and fiduciary interests if the investment otherwise complies with the prudent investor rule of Part 9. The trustee may be compensated by the investment company or investment trust for providing those services out of fees charged to the trust if the trustee at least annually notifies the persons entitled under Section 62-7-813 to receive a copy of the trustee's annual report of the rate and method by which the compensation was determined.

(g) In voting shares of stock or in exercising powers of control over similar interests in other forms of enterprise, the trustee shall act in the best interests of the beneficiaries. If the trust is the sole owner of a corporation or other form of enterprise, the trustee shall elect or appoint directors or other managers who will manage the corporation or enterprise in the best interests of the beneficiaries.

(h) This section does not preclude the following transactions, if fair to the beneficiaries:

- (1) an agreement between a trustee and a beneficiary relating to the appointment or compensation of the trustee;
- (2) payment of reasonable compensation to the trustee;
- (3) a transaction between a trust and another trust, decedent's estate, or conservatorship of which the trustee is a fiduciary or in which a beneficiary has an interest;
- (4) a deposit of trust money in a regulated financial-service institution operated by the trustee; or
- (5) an advance by the trustee of money for the protection of the trust.

(i) The court may appoint a special fiduciary to make a decision with respect to any proposed transaction that might violate this section if entered into by the trustee.

REPORTER'S COMMENT

Section 62-7-802(a) sets forth the Trustee's particular duty of loyalty owed to beneficiaries. See former South Carolina Probate Code Section 62-7-301, which states that a trustee has a general duty to administer the trust "for the benefit of the beneficiaries . . ." South Carolina case law provided similarly. See *McNeil v. Morrow*, 30 S.C. Eq. (9 Rich.Cas.) 172 (S.C. 1832); *Cartee v. Lesley*, 290 S.C. 333, 350 S.E.2d 388 (S.C. 1986); *Yates v. Yates*, 292 S.C. 49, 354 S.E.2d 800 (S.C. Ct. App. 1987).

Section 62-7-802(b) states the general rule governing trust property transactions affected by the trustee's conflict of interest. Such a

transaction is voidable by a beneficiary unless one of the stated exceptions is shown to apply.

Regarding the general power of a beneficiary to void a conflict of interest transaction, see former SCPC Section 62-7-706, which implied such a power. In the analogous situation of a personal representative's conflict of interest transaction, SCPC Section 62-3-713 provides that any transaction affected by "a substantial conflict of interest" is voidable unless (1) the decedent's will or contract expressly authorized the transaction, or (2) the transaction is approved by the court after notice.

In general, transactions involving trustee self dealing (selling trust property to trustee individually or buying property, as trustee, from himself individually) are voidable by beneficiaries without regard to good faith and fair consideration. See *Zimmerman v. Harmon*, 25 S.C. Eq. (4 Rich. Eq.)165 (S.C.1851) and *McCants v. Bee*, 6 S.C. Eq. (1 McCord Eq.) 383 (S.C. 18). Also, see Restatement, Second, Trusts Section 170, *comments b. and h. on subsection (1)*.

In subsection (b)(1), the first exception to the "voidable" rule provides that a beneficiary may not automatically void a conflict of interest transaction if the transaction is authorized by the terms of the trust. Former SCPC Section 62-7-706 implicitly provided for that exception. If the transaction was authorized by the trust agreement, it could be assumed that the court would approve the transaction. There is no prior South Carolina case law directly on point regarding authorization in the trust agreement for the conflict of interest transaction. However, there is general common law to that effect. The most commonly recognized exception to the duty of loyalty rule is where the settlor expressly or impliedly approved of the conflict of interest position or transaction. George Gleason Bogert and George Taylor Bogert, *The Law of Trusts and Trustees*, Section 543 (Rev. 2d ed. 1993) (where the testator/settlor created the conflict situation when his will or trust was drawn, by naming a particular person as personal representative/trustee who, after the opening of the estate/trust, would be exposed to a conflict between personal and representational interests, there is an implied exemption from the duty of loyalty, absent fraud or bad faith on the part of the fiduciary.)

Subsection (b)(2) provides the second exception to the "voidable" rule: a beneficiary may not automatically void a conflict of interest transaction if the transaction is approved by the court. Former SCPC Section 62-7-706 provided that conflict of interest transactions could be approved by the court. Prior South Carolina case law provided similarly. *Sollee v. Croft*, 28 S.C. Eq. (7 Rich. Eq.) (S.C. 1854) (the

court may permit a conflict of interest transaction.) Also, see Restatement, Second, Trusts Section 170, *comment f. on subsection (1)*; Honeywell v. Dominick, 223 S.C. 365, 75 S.E.2d 59 (S.C. 1953) (notwithstanding the general rule prohibiting a trustee from buying trust property at his own sale, the court may approve such a transaction upon finding a justifiable exception).

Subsection (b)(3), the third exception to the “voidable” rule, provides that a beneficiary’s right to void a conflict of interest transaction is subject to the limitation periods in SCTC Section 62-7-1005. Former SCPC Section 62-7-307 provided that claims against a trustee for breach of trust could be commenced within one year after receipt of final account disclosing the matter (actual disclosure) and in no event more than three years after a beneficiary’s receipt of a final account or statement, regardless of disclosure (constructive disclosure). See *Moyer v. M.S. Bailey & Son*, 347 S.C. 353, 555 S.E.2d 406 (S.C. Ct. App. 2001) (applying the provisions of former SCPC Section 62-7-307). See also *Rembert v. Gressette*, 318 S.C. 519, 458 S.E.2d 552 (S.C. Ct. App. 1995) (beneficiaries may lose claims against trustees due to laches).

Subsection (b)(4) contains the fourth exception to the “voidable” rule, providing that the transaction is not voidable by the beneficiary if the beneficiary consents to, ratifies, or releases the trustee with regard to the transaction as set forth in SCTC Section 62-7-1009. Former SCPC Section 62-7-307 implied that beneficiaries could consent to a breach; see also SCPC Section 62-3-713, governing personal representatives, which provides that a beneficiary’s right to void a conflict transaction may be lost by consent. See *Byrd v. King*, 245 S.C. 247, 140 S.E.2d 158 (S.C. 1965), applying Restatement, Second, Trusts Section 216, holding that a beneficiary may not hold the trustee liable for breach of trust if the beneficiary consented to the trustee’s act or omission. The comments to Restatement Section 216 set forth numerous fact-sensitive applications of the rule.

Subsection (b)(5), the fifth exception to the “voidable” rule, provides that a transaction contracted for prior to the person becoming trustee or before he contemplated becoming trustee is not automatically voidable by a beneficiary. There was no prior SC statutory or case law counterpart.

Whereas Section 62-7-802(b) applies an irrebuttable presumption to void certain conflict of interest transactions, Section 62-7-802(c) applies a rebuttable presumption of voidability for transactions involving trust property entered into with persons who have close business or personal ties with the trustee. There was no prior South

Carolina statutory counterpart. See *Scottish-American Mtg. Co. v. Clowney*, 70 S.C. 229, 49 S.E. 569 (S.C. 1904) (sale of trust property by trustee to trustee's spouse is voidable at the option of the beneficiary). Restatement, Second, Trusts Section 170 provides that a transaction with the trustee's spouse can be set aside as though it was made with the trustee himself. *Id.*, *comment, e. to subsection (4)*. A transaction with a non-spouse person who "is related to the trustee" makes the transaction suspicious but not ipso facto improper. *Id.*

SCTC subsection (c)(4) substitutes certain language for that in the UTC version and adds subsection (c)(5), not found in UTC Section 802, to clarify that the "interest," either "of" or "in" the trustee, must be "substantial" in order that such "interest" "might affect the best judgment of the trustee." This is consistent with *Scott on Trusts*, Secs. 170.10 - 13 and the corresponding sections of the Restatement of Trusts.

Subsection (d) addresses transactions between the trustee and a beneficiary that do not involve trust property. Subsection (d) creates a presumption that the trustee abused the confidential relationship, thereby requiring the trustee to rebut the presumption with evidence that the transaction was fair to the beneficiary. There was no South Carolina statutory counterpart. See *Guinyard v. Atkins*, 282 S.C. 61, 317 S.E.2d 137 (S.C. Ct. App. 1984) (transactions between a trustee and beneficiaries may be sustained where there is clear affirmative proof of fair consideration, perfect candor, and absence of advantage.) *Guinyard* involved a trust property transaction, but arguably would also apply to a non-trust property transaction between trustee and beneficiary. Restatement, Second, Trusts Section 170(2) permits transactions of the type described in subsection (d) only if the trustee satisfies the heightened standard of fairness and full disclosure.

Subsection (e) allows a beneficiary to void a transaction involving nontrust property entered into by the trustee personally if the transaction constituted an opportunity belonging to the trust. There was no South Carolina statutory or case law counterpart. See, however, Restatement, Second, Trusts Section 170, *comment k. to subsection (1)*.

Subsection (f) creates an exception to the no-further-inquiry rule for trustee investments in mutual funds, and allows trustees to take additional compensation for services provided to the investment company, subject to a duty of disclosure and subject to the duties imposed by the Prudent Investor Act. See Part 9. There was no prior South Carolina case law counterpart. Subsection (f) includes the word "otherwise" found in the 2004 Amendments to UTC Section 802.

Subsection (g) makes share voting or other exercise of entity control by a trustee a fiduciary function. Former SCPC Section 62-7-704(c)(3), (13), (14), (15), and (26) provides for trustee powers with respect to entity control. The exercise of said powers was subject to the prudent man rule and had to be exercised in the best interest of the beneficiary and consistent with the purposes of the trust. See *Weston v. Weston*, 210 S.C. 1, 41 S.E.2d 372 (S.C. 1947) (it is the duty of the trustee in voting shares of corporate stock to act in the best interests of the beneficiary).

Subsection (h) sets forth exceptions to the duty of loyalty, which apply if the transaction was fair to the beneficiary.

Subsection (h)(1) and (2) provides that a trustee is free to contract with the beneficiary about the terms of appointment and compensation. Subsection (h)(3) permits transactions involving the trust with other fiduciary estates in which the trustee is also the fiduciary or in which the beneficiary of the trust has an interest. Subsection (h)(4) permits the trustee to deposit trust assets in a financial institution operated by the trustee. Subsection (h)(5) permits the trustee to advance money for the protection of the trust. There was no prior South Carolina statute on the subject of a trustee's ability to contract with a beneficiary about terms of appointment and compensation. Former SCPC Section 62-7-205 permitted a trustee to fix his own fees (if not governed by the trust instrument) subject to the right of the beneficiary to object. Former SCPC Section 62-7-704(c)(4) permitted transactions of the type described in subsection (h)(3). Former SCPC Section 67-7-704(6) permitted transactions of the type described in subsection (h)(4). Former SCPC Section 67-7-704(c)(18) permitted transactions of the type described in subsection (h)(5). There was no South Carolina case law counterpart.

Subsection (i) confirms that the court may appoint a special fiduciary to act with respect to any transaction that might violate the duty of loyalty if entered into by the trustee. There was no South Carolina statutory or case law counterpart.

Section 62-7-803. If a trust has two or more beneficiaries, the trustee shall act impartially in investing, managing, and distributing the trust property, giving due regard to the beneficiaries' respective interests.

REPORTER'S COMMENT

The duty of impartiality is an important aspect of the duty of loyalty. Former SCPC Section 62-7-302(F)(2), retained and incorporated in

Part 9, provided similarly. Former SCPC Sections 62-7-301 and 62-7-305 set forth the general duties of administering the trust for the benefit of the beneficiaries and according to the objectives of the settlor. In *Johnson v. Thornton*, 264 S.C. 252, 214 S.E.2d 124 (S.C. 1975), the court recognized the existence of a trustee's duty to deal impartially with two or more beneficiaries. See also Restatement, Second, Trusts Section 183.

Section 62-7-804. A trustee shall administer the trust as a prudent person would, by considering the purposes, terms, distributional requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

REPORTER'S COMMENT

The duty to administer a trust with prudence is a fundamental duty of the trustee. Former SCPC Section 62-7-702(2) defined a prudent man as a trustee whose exercise of judgment and care complies with the requirements of former Section 62-7-302, which is retained and incorporated in Part 9.

A settlor who wishes to modify the standard of care specified in this section is free to do so, but there is a limit. Section 62-7-1008 prohibits a settlor from exculpating a trustee from liability for breach of trust committed in bad faith or with reckless indifference to the purposes of the trust or to the interests of the beneficiaries.

Section 62-7-805. In administering a trust, the trustee may incur only costs that are reasonable in relation to the trust property, the purposes of the trust, and the skills of the trustee.

REPORTER'S COMMENT

This section is consistent with the South Carolina Prudent Investor Act, Section 62-7-933, and is consistent with the rules concerning costs in Restatement (Third) of Trusts: Prudent Investor Rule Section 227(c)(3) (1992). For related rules concerning compensation and reimbursement of trustees, see Sections 62-7-708 and 62-7-709. The duty not to incur unreasonable costs applies when a trustee decides whether and how to delegate to agents, as well as to other aspects of trust administration. In deciding whether and how to delegate, the trustee must be alert to balancing projected benefits against the likely costs. To protect the beneficiary against excessive costs, the trustee should also be alert to adjusting compensation for functions which the trustee has delegated to others. The obligation to incur only necessary or appropriate costs of

administration has long been part of the law of trusts. *See* Restatement (Second) of Trusts Section 188 (1959).

Former SCPC Section 62-7-302(F)(3), retained and incorporated in Part 9, provided similarly.

Section 62-7-806. A trustee who has special skills or expertise, or is named trustee in reliance upon the trustee's representation that the trustee has special skills or expertise, shall use those special skills or expertise.

REPORTER'S COMMENT

This section is similar to Restatement (Second) of Trusts Section 174 (1959), and consistent with the South Carolina Prudent Investor Act, Section 62-7-933.

Former SCPC Section 62-7-302(C)(6), retained and incorporated in Part 9, provided similarly.

Section 62-7-807. (a) A trustee may delegate duties and powers that a prudent trustee of comparable skills could properly delegate under the circumstances. The trustee shall exercise reasonable care, skill, and caution in:

- (1) selecting an agent;
- (2) establishing the scope and terms of the delegation, consistent with the purposes and terms of the trust; and
- (3) periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the terms of the delegation.

(b) In performing a delegated function, an agent owes a duty to the trust to exercise reasonable care to comply with the terms of the delegation.

(c) A trustee who complies with subsection (a) is not liable to the beneficiaries or to the trust for an action of the agent to whom the function was delegated.

(d) By accepting a delegation of powers or duties from the trustee of a trust that is subject to the law of this State, an agent submits to the jurisdiction of the courts of this State.

REPORTER'S COMMENT

This section permits trustees to delegate various aspects of trust administration to agents, subject to the standards of the section. Former SCPC Section 62-7-302(H)(1), retained and incorporated in Part 9, provided similarly. The language is derived from Section 9 of

the Uniform Prudent Investor Act. *See also* John H. Langbein, *Reversing the Nondelegation Rule of Trust Investment Law*, 59 Mo. L. Rev. 105 (1994) (discussing prior law).

This section encourages and protects the trustee in making delegations appropriate to the facts and circumstances of the particular trust. Whether a particular function is delegable is based on whether it is a function that a prudent trustee might delegate under similar circumstances. For example, delegating some administrative and reporting duties might be prudent for a family trustee but unnecessary for a corporate trustee.

This section applies only to delegation to agents, not to delegation to a cotrustee. For the provision regulating delegation to a cotrustee, see Section 62-7-703.

Section 62-7-808. (a) While a trust is revocable, the trustee may follow a direction of the settlor that is contrary to the terms of the trust.

(b) If the terms of a trust confer upon a person other than the settlor of a revocable trust power to direct certain actions of the trustee, the trustee shall act in accordance with an exercise of the power unless the attempted exercise is manifestly contrary to the terms of the trust or the trustee knows the attempted exercise would constitute a serious breach of a fiduciary duty that the person holding the power owes to the beneficiaries of the trust.

(c) The terms of a trust may confer upon a trustee or other person a power to direct the modification or termination of the trust.

(d) A person, other than a beneficiary, who holds a power to direct is presumptively a fiduciary who, as such, is required to act in good faith with regard to the purposes of the trust and the interests of the beneficiaries. The holder of a power to direct is liable for any loss that results from breach of a fiduciary duty.

REPORTER'S COMMENT

Subsection (a) is an application of Section 62-7-603(a), which provides that a revocable trust is subject to the settlor's exclusive control. Because of the settlor's degree of control, subsection (a) of this section authorizes a trustee to rely on a direction from the settlor even if it is contrary to the terms of the trust. The direction of the settlor might be regarded as an amendment of the trust.

Subsections (b)-(d) ratify the use of trust protectors and advisers. Subsections (b) and (d) are based in part on Restatement (Second) of Trusts Section 185 (1959). Subsection (c) is similar to Restatement (Third) of Trusts Section 64(2) (Tentative Draft No. 3, approved 2001).

“Advisers” have long been used for certain trustee functions, such as the power to direct investments or manage a closely-held business. “Trust protector,” a term largely associated with offshore trust practice, is more recent and usually connotes the grant of greater powers, sometimes including the power to amend or terminate the trust. Subsection (c) ratifies the recent trend to grant third persons such broader powers. See SCTC Sections 62-7-818 and 62-7-819.

A power to direct must be distinguished from a veto power. A power to direct involves action initiated and within the control of a third party. The trustee usually has no responsibility other than to carry out the direction when made. But if a third party holds a veto power, the trustee is responsible for initiating the decision, subject to the third party’s approval. A trustee who administers a trust subject to a veto power occupies a position akin to that of a cotrustee and is responsible for taking appropriate action if the third party’s refusal to consent would result in a serious breach of trust. *See* Restatement (Second) of Trusts Section 185 cmt. g (1959); Section 703(g) (duties of cotrustees).

Frequently, the person holding the power is directing the investment of the holder’s own beneficial interest. Such self-directed accounts are particularly prevalent among trusts holding interests in employee benefit plans or individual retirement accounts. *See* ERISA Section 404(c) (29 U.S.C. Section 1104(c)). But for the type of donative trust which is the primary focus of this Code, the holder of the power to direct is frequently acting on behalf of others. In that event and as provided in subsection (d), the holder is presumptively acting in a fiduciary capacity with respect to the powers granted and can be held liable if the holder’s conduct constitutes a breach of trust, whether through action or inaction. Like a trustee, liability cannot be imposed if the holder has not accepted the grant of the power either expressly or informally through exercise of the power. *See* Section 62-7-701.

Powers to direct are most effective when the trustee is not deterred from exercising the power by fear of possible liability. On the other hand, the trustee does have overall responsibility for seeing that the terms of the trust are honored. For this reason, subsection (b) imposes only minimal oversight responsibility on the trustee. A trustee must generally act in accordance with the direction. A trustee may refuse the direction only if the attempted exercise would be manifestly contrary to the terms of the trust or the trustee knows the attempted exercise would constitute a serious breach of a fiduciary duty owed by the holder of the power to the beneficiaries of the trust.

The provisions of this section may be altered in the terms of the trust. *See* Section 62-7-105. A settlor can provide that the trustee must

accept the decision of the power holder without question. Or a settlor could provide that the holder of the power is not to be held to the standards of a fiduciary. A common technique for assuring that a settlor continues to be taxed on all of the income of an irrevocable trust is for the settlor to retain a nonfiduciary power of administration. *See* I.R.C. Section 675(4).

There was no prior South Carolina statutory or case law counterpart.

Section 62-7-809. A trustee shall take reasonable steps to take control of and protect the trust property.

REPORTER'S COMMENT

This section codifies the substance of Sections 175 and 176 of the Restatement (Second) of Trusts (1959). The duty to take control of and safeguard trust property is an aspect of the trustee's duty of prudent administration as provided in Section 62-7-804. *See also* Sections 62-7-816(1) (power to collect trust property), 62-7-816(11) (power to insure trust property), and 62-7-816(12) (power to abandon trust property). The duty to take control normally means that the trustee must take physical possession of tangible personal property and securities belonging to the trust, and must secure payment of any choses in action. *See* Restatement (Second) of Trusts Section 175 cmt. a, c & d (1959). This section, like the other sections in this article, is subject to alteration by the terms of the trust. *See* Section 62-7-105. For example, the settlor may provide that the spouse may occupy the settlor's former residence rent free, in which event the spouse's occupancy would prevent the trustee from taking possession.

There was no prior South Carolina statutory or case law counterpart.

Section 62-7-810. (a) A trustee shall keep adequate records of the administration of the trust.

(b) A trustee shall keep trust property separate from the trustee's own property.

(c) Except as otherwise provided in subsection (d), a trustee shall cause the trust property to be designated so that the interest of the trust, to the extent feasible, appears in records maintained by a party other than a trustee or beneficiary.

(d) If the trustee maintains records clearly indicating the respective interests, a trustee may invest as a whole the property of two or more separate trusts.

REPORTER'S COMMENT

The duty to keep adequate records stated in subsection (a) is implicit in the duty to act with prudence (Section 62-7-804) and the duty to report to beneficiaries (Section 62-7-813). For an application, see *Green v. Lombard*, 343 A. 2d 905, 911 (Md. Ct. Spec. App. 1975). See also Restatement (Second) of Trusts Sections 172, 174 (1959). This Section is related to Section 62-7-813, which requires the trustee to keep the beneficiaries reasonably informed about the administration of the trust.

Subsection (c) allows the trustee to maintain assets in nominee name rather than holding individual assets in the name of the trustee.

Subsection (d) allows a trustee to use the property of two or more trusts to make joint investments. This allows the use of common trust funds or mutual funds which can be an economical method of managing assets of the trust.

Section 62-7-811. A trustee shall take reasonable steps to enforce claims of the trust and to defend claims against the trust.

REPORTER'S COMMENT

This section does not impose any new duties upon trustees. It has been held in South Carolina that a trustee who fails to collect upon a debt owed the trust, or to make an effort to do so, is liable to the trust. *Neely v. Peoples Bank of Anderson*, 133 S.C. 43, 130 S.E. 550 (S.C. 1925). See also former SCPC Section 62-7-704(c)(19), which provided that a trustee had the power to pay or contest claims, settle claims by or against the trust, and to release claims owned by the trust, which is similar to Section 62-7-816(14).

Section 62-7-812. Unless directed otherwise by the court or by the trust instrument, a successor trustee appointed by the court or by the trust instrument succeeds to all the powers, duties, and discretionary authority given to the predecessor trustee. Upon reasonable request, a successor trustee is entitled to a statement of the accounts of the trust from a predecessor trustee. A successor trustee may accept the account rendered and shall be under no duty to examine the acts or omissions of the predecessor trustee and shall not be liable for failure to seek redress for any act or omission of the predecessor trustee. The trustee of a testamentary trust may accept the account rendered by a personal representative and shall be under no duty to examine the acts or omissions of the predecessor personal representative and shall not be liable for failure to seek redress for any act or omission of the predecessor personal representative.

REPORTER'S COMMENT

Section 62-7-812 does not adopt Uniform Trust Code Section 812. Instead, Section 62-7-812 retains and incorporates former SCPC Section 62-7-707(c). Section 62-7-703 has provisions similar to former SCPC Section 62-7-707(a), (b), and (d).

Section 62-7-813. (a) Unless the terms of a trust expressly provide otherwise, while a trust is revocable the trustee's duties under this section are owed exclusively to the settlor.

(b) Unless the terms of a trust expressly provide otherwise, a trustee who accepts a trusteeship or undertakes the administration of an irrevocable trust created on or after the effective date of this article, or of a revocable trust which becomes irrevocable whether by the death of the settlor or by the terms of the trust on or after the effective date of this article, shall:

(1) within ninety days after the trustee accepts a trusteeship or undertakes administration of an irrevocable trust or a revocable trust that has become irrevocable whether by the death of the settlor or by the terms of the trust, notify the qualified beneficiaries, as defined in Section 62-7-103(12), of:

(A) the existence of the trust;

(B) the identity of the settlor or settlors;

(C) the trustee's name, address and telephone number;

(D) the right to request in writing a copy of the trust instrument; and

(E) the right to request in writing a copy of any trustee's report described in (c)(1) below;

(2) throughout the administration of the trust, keep the distributees and the permissible distributees, as defined in Section 62-7-103(21) and (25), reasonably informed about the administration of the trust and of the material facts necessary for them to protect their interests, provided that the attorney-client privilege between the trustee and the trustee's attorney is not violated;

(3) upon the reasonable written request of a beneficiary, other than a qualified beneficiary, unless unreasonable under the circumstances, provide to the beneficiary a copy of the trust instrument redacted to include only those provisions of the trust that are relevant to the beneficiary's interest in the trust, as the trustee determines and, unless unreasonable under the circumstances, respond to a beneficiary's written request for information related to the administration of the trust;

(4) notify the distributees and permissible distributees in advance of any change in the method or rate of the trustee's compensation; and

(5) notwithstanding any of the above, not be required to notify any beneficiary in advance of transactions relating to the trust property.

(c) Unless the terms of a trust expressly provide otherwise, a trustee who accepts a trusteeship or undertakes the administration of an irrevocable trust created on or after the effective date of this article, or of a revocable trust which becomes irrevocable on or after the effective date of this article, shall:

(1) have a continuing duty to:

(A) keep the distributees and permissible distributees, or other qualified beneficiaries who request information in writing, reasonably informed as to the administration of the trust; and

(B) send annually, and upon the termination of the trust, a written report of the trust property which may be in any format which provides the distributees and permissible distributees, or other qualified beneficiaries who have requested in writing, with information necessary to protect their interests. The report may include a copy of the fiduciary income tax return, or copies of bank or brokerage statements, or an informal list of assets and if feasible, the market values of those assets, the liabilities, the receipts and the disbursements, including the source and amount of the trustee's compensation;

(2) upon resignation of the trustee and unless a cotrustee remains in office, send a written report as described in (c)(1) to the distributees and permissible distributees; and in the case of the death or incapacity of a trustee, the report may be sent by the trustee's personal representative, conservator or guardian.

(d) To the extent that there is no conflict of interest, the trustee's duties to inform and report under subsections (b) and (c) are deemed satisfied if the information and report are given to the beneficiary's representative as described in Sections 62-7-302 through 62-7-305.

(e) Any distributee or permissible distributee may waive the right to a trustee's report and other information described under this section and, with respect to future reports and other information, withdraw a waiver previously given.

REPORTER'S COMMENT

The 2013 Amendments completely revise the previous version of 62-7-813 and more clearly define the duties of the trustee to inform and report as well as the classes of beneficiaries to whom initial duty to inform, qualified beneficiaries are entitled to receive information as

provided in subsection (b)(1); thereafter, only distributees and permissible distributees have the right to receive information as provided in subsections (b)(2) and (b)(4); and under (b)(3) a nonqualified beneficiary may receive only a redacted copy of a trust agreement and only upon request. In regard to the duty to report, subsection (c)(1) provides that the distributees and permissible distributees have the right to receive a report as described therein. Other qualified beneficiaries may receive the report only upon written request and nonqualified beneficiaries are not entitled to a report.

Section 62-7-814. (a) Notwithstanding the breadth of discretion granted to a trustee in the terms of the trust, including the use of such terms as 'absolute', 'sole', or 'uncontrolled', the trustee shall exercise a discretionary power in good faith and in accordance with the terms and purposes of the trust and the interests of the beneficiaries.

(b) A power whose exercise is limited or prohibited by subsection (c) may be exercised by a majority of the remaining trustees whose exercise of the power is not so limited or prohibited. If the power of all trustees is so limited or prohibited, the court may appoint a special fiduciary with authority to exercise the power.

(c) Subject to subsection (d), and unless the application of this section is clearly and convincingly negated in the will, the trust document, terms of the trust, or a written instrument appointing a fiduciary, expressly indicating that a rule in this subsection does not apply, any power conferred upon the fiduciary, in his capacity as a fiduciary (and not including any power conferred upon him in his capacity as a beneficiary), which would, except for this section, constitute, in whole or in part, a general power of appointment cannot be exercised by him in favor of himself, his estate, his creditors, or the creditors of his estate.

(1) The fiduciary can, however, exercise the power in favor of someone other than himself, his estate, his creditors and the creditors of his estate.

(2) If a power comes within subsection (c) and the power is conferred upon two or more fiduciaries, it can be exercised by the fiduciary or the fiduciaries who are not disqualified from exercising the power as if they were the only fiduciary or fiduciaries.

(3) If all of the serving fiduciaries are disqualified from exercising a power, the court that would have jurisdiction to appoint a fiduciary under the instrument, if there were no fiduciary currently serving, shall exercise, or shall appoint a special fiduciary whose only

power is to exercise the power that cannot be exercised by the other fiduciaries by reason of subsection (c).

(4) A trustee may not exercise a power to make discretionary distributions to satisfy a legal obligation of support that the trustee personally owes another person.

(d) Subsection (c) does not apply to:

(1) a power held by the settlor's spouse who is the trustee of a trust for which a marital deduction, as defined in Section 2056(b)(5) or 2523(e) of the Internal Revenue Code, as amended, was previously allowed;

(2) any trust during any period that the trust may be revoked or amended by its settlor; or

(3) a trust if contributions to the trust qualify for the annual exclusion under Section 2503(c) of the Internal Revenue Code as amended.

REPORTER'S COMMENT

The corresponding statute under the former South Carolina law was SCPC Section 62-7-603. The intent of both former SCPC Section 62-7-603 and current SCTC Section 62-7-814 is to avoid inadvertent income tax and estate tax consequences that might result under certain circumstances where a beneficiary is also serving as a trustee.

The introductory language to subsection (A) of former SCPC Section 62-7-603 appears to be more demonstrative than the corresponding language of Uniform Trust Code Section 814(b). Consequently, current SCTC Section 62-7-814 incorporates that introductory clause from former SCPC Section 62-7-603(A) that current SCTC Section 62-7-814 does not limit the intent and protection of former SCPC Section 62-7-603.

Former SCPC Section 62-7-603 also limited certain fiduciary powers so that the trustee was not deemed to have a general power of appointment. A corresponding clause was not expressly contained in the UTC version of Section 814. Thus, the appropriate language from former SCPC Section 62-7-603 is included at current SCTC Section 62-7-814(c).

Despite the breadth of discretion purportedly granted by the wording of a trust, no grant of discretion to a trustee, whether with respect to management or distribution, is ever absolute. A grant of discretion establishes a range within which the trustee may act. The greater the grant of discretion, the broader the range. Pursuant to subsection (a), a trustee's action must always be in good faith, with regard to the purposes of the trust, and in accordance with the trustee's other duties,

including the obligation to exercise reasonable skill, care and caution. *See* Sections 62-7-801 (duty to administer trust) and 62-7-804 (duty to act with prudence). The standard stated in subsection (a) applies only to powers which are to be exercised in a fiduciary as opposed to a nonfiduciary capacity. Regarding the standards for exercising discretion and construing particular language of discretion, see Restatement (Third) of Trusts Section 50 (Tentative Draft No. 2, approved 1999); Restatement (Second) of Trusts Section 187 (1959). *See also* Edward C. Halbach, Jr., *Problems of Discretion in Discretionary Trusts*, 61 Colum. L. Rev. 1425 (1961). An abuse by the trustee of the discretion granted in the terms of the trust is a breach of trust that can result in surcharge. *See* Section 62-7-1001(b) (remedies for breach of trust).

Subsections (b) through (d) rewrite the terms of a trust that might otherwise result in adverse estate and gift tax consequences to a beneficiary-trustee. This Trust Code does not generally address the subject of tax curative provisions. These are provisions that automatically rewrite the terms of trusts that might otherwise fail to qualify for probable intended tax benefits. Such provisions, because they apply to all trusts using or failing to use specified language, are often overbroad, applying not only to trusts intended to qualify for tax benefits but also to smaller trust situations where taxes are not a concern. Enacting tax-curative provisions also requires special diligence by state legislatures to make certain that these provisions are periodically amended to account for the frequent changes in federal tax law. Furthermore, many failures to draft with sufficient care may be correctable by including a tax savings clause in the terms of the trust or by seeking modification of the trust using one or more of the methods authorized by Sections 62-7-411 through 62-7-417. Notwithstanding these reasons, the unintended inclusion of the trust in the beneficiary-trustee's gross estate is a frequent enough occurrence that this Code addresses it. It is also a topic on which numerous states have enacted corrective statutes.

A tax curative provision differs from a statute such as Section 62-7-416 of this Code, which allows a court to modify a trust to achieve an intended tax benefit. Absent Congressional or regulatory authority authorizing the specific modification, a lower court decree in state court modifying a trust is controlling for federal estate tax purposes only if the decree was issued before the taxing event, which in the case of the estate tax would be the decedent's death. *See* Rev. Rul. 73-142, 1973-1 C.B. 405. There is specific federal authority authorizing modification of trusts for a number of reasons (*see*

Comment to UTC Section 416) but not on the specific issues addressed in this section. Subsections (b) through (d), by interpreting the original language of the trust instrument in a way that qualifies for intended tax benefits, obviates the need to seek a later modification of the trust.

QTIP marital trusts are subject to this section. QTIP trusts qualify for the marital deduction only if so elected on the federal estate tax return. Excluding a QTIP for which an election has been made from the operation of this section would allow the terms of the trust to be modified after the settlor's death. By not making the QTIP election, an otherwise unascertainable standard would be limited. By making the QTIP election, the trustee's discretion would not be curtailed. This ability to modify a trust depending on elections made on the federal estate tax return could itself constitute a taxable power of appointment resulting in inclusion of the trust in the surviving spouse's gross estate.

The exclusion of the Section 2503(c) minors trust is necessary to avoid loss of gift tax benefits. While preventing a trustee from distributing trust funds in discharge of a legal obligation of support would keep the trust out of the trustee's gross estate, such a restriction might result in loss of the gift tax annual exclusion for contributions to the trust, even if the trustee were otherwise granted unlimited discretion. *See* Rev. Rul. 69-345, 1969-1 C.B. 226.

Section 62-7-815. (a) A trustee, without authorization by the court, may exercise:

- (1) powers conferred by the terms of the trust; and
- (2) except as limited by the terms of the trust:

(A) all powers over the trust property which an unmarried competent owner has over individually owned property;

(B) any other powers appropriate to achieve the proper investment, management, and distribution of the trust property; and

(C) any other powers conferred by this part.

(b) The exercise of a power is subject to the fiduciary duties prescribed by this part.

REPORTER'S COMMENT

This section is intended to grant trustees the broadest possible powers, but to be exercised always in accordance with the duties of the trustee and any limitations stated in the terms of the trust. This broad authority is denoted by granting the trustee the powers of an unmarried competent owner of individually owned property, unlimited by restrictions that might be placed on it by marriage, disability, or cotenancy.

A power differs from a duty. A duty imposes an obligation or a mandatory prohibition. A power, on the other hand, is a discretion, the exercise of which is not obligatory. The existence of a power, however created or granted, does not speak to the question of whether it is prudent under the circumstances to exercise the power.

Former SCPC Section 62-7-704 contained the default powers that were available to all trustees when the trust instrument did not provide specific powers. Former SCPC Section 62-7-704 granted general powers that a prudent person would perform incident to the collection, preservation, management, use and distribution of the trust estate, and it also contained various specific powers. SCTC Section 62-7-815 broadens the former SCPC list of powers that apply to all trustees by stating that a trustee has all of the powers over trust property that an individual has over his own property.

Section 62-7-816. Without limiting the authority conferred by Section 62-7-815, a trustee may:

- (1) collect trust property and accept or reject additions to the trust property from a settlor or any other person;
- (2) acquire or sell property, for cash or on credit, at public or private sale;
- (3) exchange, partition, or otherwise change the character of trust property;
- (4) deposit trust money in accounts--all types including margin accounts--in a regulated financial-service institution;
- (5) borrow money, with or without security, and mortgage or pledge trust property for a period within or extending beyond the duration of the trust;
- (6) with respect to an interest in a proprietorship, partnership, limited liability company, business trust, corporation, or other form of business or enterprise, create and/or continue a business or other enterprise and take any action that may be taken by shareholders, members, or property owners, including merging, dissolving, or otherwise changing the form of business organization or contributing additional capital;
- (7) with respect to stocks or other securities, exercise the rights of an absolute owner, including the right to:
 - (A) vote, or give proxies to vote, with or without power of substitution, or enter into or continue a voting trust agreement;
 - (B) hold a security in the name of a nominee or in other form without disclosure of the trust so that title may pass by delivery;

(C) pay calls, assessments, and other sums chargeable or accruing against the securities, and sell or exercise stock subscription or conversion rights; and

(D) deposit the securities with a depository or other regulated financial-service institution;

(8) with respect to an interest in real property, construct, or make ordinary or extraordinary repairs to, alterations to, or improvements in, buildings or other structures, demolish improvements, raze existing or erect new party walls or buildings, subdivide or develop land, dedicate land to public use or grant public or private easements, including by way of example qualified conservation and façade easements, and make or vacate plats and adjust boundaries;

(9) enter into a lease for any purpose as lessor or lessee, including a lease or other arrangement for exploration and removal of natural resources, with or without the option to purchase or renew, for a period within or extending beyond the duration of the trust;

(10) grant an option involving a sale, lease, or other disposition of trust property or acquire an option for the acquisition of property, including an option exercisable beyond the duration of the trust, and exercise an option so acquired;

(11) insure the property of the trust against damage or loss and insure the trustee, the trustee's agents, and beneficiaries against liability arising from the administration of the trust;

(12) abandon or decline to administer property of no value or of insufficient value to justify its collection or continued administration;

(13) with respect to possible liability for violation of environmental law:

(A) inspect or investigate property the trustee holds or has been asked to hold, or property owned or operated by an organization in which the trustee holds or has been asked to hold an interest, for the purpose of determining the application of environmental law with respect to the property;

(B) take action to prevent, abate, or otherwise remedy any actual or potential violation of any environmental law affecting property held directly or indirectly by the trustee, whether taken before or after the assertion of a claim or the initiation of governmental enforcement;

(C) decline to accept property into trust or disclaim any power with respect to property that is or may be burdened with liability for violation of environmental law;

(D) compromise claims against the trust which may be asserted for an alleged violation of environmental law; and

(E) pay the expense of any inspection, review, abatement, or remedial action to comply with environmental law;

(14) pay or contest any claim, settle a claim by or against the trust, and release, in whole or in part, a claim belonging to the trust;

(15) pay taxes, assessments, compensation of the trustee and of employees and agents of the trust, and other expenses incurred in the administration of the trust;

(16) exercise elections with respect to federal, state, and local taxes;

(17) select a mode of payment under any employee benefit or retirement plan, annuity, or life insurance payable to the trustee, exercise rights thereunder, including exercise of the right to indemnification for expenses and against liabilities, and take appropriate action to collect the proceeds;

(18) make loans out of trust property, including loans to a beneficiary on terms and conditions the trustee considers to be fair and reasonable under the circumstances, and the trustee has a lien on future distributions for repayment of those loans;

(19) pledge trust property to guarantee loans made by others to the beneficiary;

(20) appoint a trustee to act in another jurisdiction with respect to trust property located in the other jurisdiction, confer upon the appointed trustee all of the powers and duties of the appointing trustee, require that the appointed trustee furnish security, and remove any trustee so appointed;

(21) pay an amount distributable to a beneficiary who is under a legal disability or who the trustee reasonably believes is incapacitated, by paying it directly to the beneficiary or applying it for the beneficiary's benefit, or by:

(A) paying it to the beneficiary's agent under a Power of Attorney, to the beneficiary's conservator or, if the beneficiary does not have a conservator, to the beneficiary's guardian;

(B) paying it to the beneficiary's custodian under the Uniform Gifts or Transfers to Minors Act or custodial trustee under the Uniform Custodial Trust Act, and, for that purpose, creating a custodianship or custodial trust;

(C) if the trustee does not know of an agent under a Power of Attorney, conservator, guardian, custodian, or custodial trustee, paying it to an adult relative or other person having legal or physical care or custody of the beneficiary, to be expended on the beneficiary's behalf;
or

(D) managing it as a separate fund on the beneficiary's behalf, subject to the beneficiary's continuing right to withdraw the distribution;

(22) on distribution of trust property or the division or termination of a trust, make distributions in divided or undivided interests, allocate particular assets in proportionate or disproportionate shares, value the trust property for those purposes, and adjust for resulting differences in valuation;

(23) resolve a dispute concerning the interpretation of the trust or its administration by mediation, arbitration, or other procedure for alternative dispute resolution;

(24) prosecute or defend an action, claim, or judicial proceeding in any jurisdiction to protect trust property and the trustee in the performance of the trustee's duties;

(25) sign and deliver contracts and other instruments that are useful to achieve or facilitate the exercise of the trustee's powers; and

(26) on termination of the trust, exercise the powers appropriate to wind up the administration of the trust and distribute the trust property to the persons entitled to it.

(27) allocate items of income or expense to either trust income or principal, as permitted or provided by the trust instrument and applicable law, but this power shall not be construed as prescribing the method of accounting for principal and income;

(28) to divide any trust into separate shares or separate trusts or to create separate trusts if the trustee reasonably deems it appropriate and the division or creation is consistent with the settlor's intent and facilitates the trust's administration without defeating or impairing the interests of the beneficiaries.

REPORTER'S COMMENT

This section enumerates specific powers commonly included in trust instruments and in trustee powers legislation. All the powers listed are subject to alteration in the terms of the trust. *See* Section 62-7-105. The powers listed are also subsumed under the general authority granted in Section 62-7-815(a)(2) to exercise all powers over the trust property which an unmarried competent owner has over individually owned property, and any other powers appropriate to achieve the proper management, investment, and distribution of the trust property. The powers listed add little of substance not already granted by Section 62-7-815 and powers conferred elsewhere in the Code. While the Committee drafting the Uniform Trust Code discussed dropping the list of specific powers, it concluded that the demand of third parties to see

language expressly authorizing specific transactions justified retention of a detailed list.

As provided in Section 62-7-815(b), the exercise of a power is subject to fiduciary duties except as modified in the terms of the trust. The fact that the trustee has a power does not imply a duty that the power must be exercised.

Many of the powers listed in this section are similar to the powers listed in Section 3 of the Uniform Trustees' Powers Act (1964). Several are new, however, and other powers drawn from that Act have been updated. The powers enumerated in this section may be divided into categories. Certain powers, such as the powers to acquire or sell property, borrow money, and deal with real estate, securities, and business interests, are powers that any individual can exercise. Other powers, such as the power to collect trust property, are by their very nature only applicable to trustees. Other specific powers, particularly those listed in other sections of the SCTC, modify a trustee duty that would otherwise apply. *See, e.g.*, Sections 62-7-802(h) (exceptions to duty of loyalty) and 62-7-810(d) (joint investments as exception to earmarking requirement).

Paragraph (1) authorizes a trustee to collect trust property and collect or decline additions to the trust property. The power to collect trust property is an incident of the trustee's duty to administer the trust as provided in Section 62-7-801. The trustee has a duty to enforce claims as provided in Section 62-7-811, the successful prosecution of which can result in collection of trust property. Pursuant to Section 62-7-812, the trustee also has a duty to collect trust property from a former trustee or other person holding trust property. For an application of the power to reject additions to the trust property, see Section 62-7-816(13) (power to decline property with possible environmental liability).

Paragraph (2) authorizes a trustee to sell trust property, for cash or on credit, at public or private sale. Under the Restatement, a power of sale is implied unless limited in the terms of the trust. Restatement (Third) of Trusts: Prudent Investor Rule Section 190 (1992). In arranging a sale, a trustee must comply with the duty to act prudently as provided in Section 62-7-804. This duty may dictate that the sale be made with security.

Paragraph (4) authorizes a trustee to deposit funds in an account in a regulated financial-service institution. This includes the right of a financial institution trustee to deposit funds in its own banking department as authorized by Section 62-7-802(h)(4). South Carolina Trust Code Section 62-7-816 subsection (4) added "in accounts" to the UTC version and expressly provides for the deposit of money in "all

types” of accounts, and specifically references the inclusion of “margin accounts.”

Paragraph (5) authorizes a trustee to borrow money. Under the Restatement, the sole limitation on such borrowing is the general obligation to invest prudently. *See* Restatement (Third) of Trusts: Prudent Investor Rule Section 191 (1992). Language clarifying that the loan may extend beyond the duration of the trust was added to negate an older view that the trustee only had power to encumber the trust property for the period that the trust was in existence.

Paragraph (6) authorizes the trustee to continue, contribute additional capital to, or change the form of a business. Any such decision by the trustee must be made in light of the standards of prudent investment stated in Section 62-7-933. SCTC Section 62-7-816 subsection (6) added language to the UTC version which authorizes a trustee to “create” a business.

Paragraph (7), regarding powers with respect to securities, codifies and amplifies the principles of Restatement (Second) of Trusts Section 193 (1959).

Paragraph (9), authorizing the leasing of property, negates the older view, reflected in Restatement (Second) of Trusts Section 189 cmt. c (1959), that a trustee could not lease property beyond the duration of the trust. Whether a longer term lease is appropriate is judged by the standards of prudence applicable to all investments.

Paragraph (10), authorizing a trustee to grant options with respect to sales, leases or other dispositions of property, negates the older view, reflected in Restatement (Second) of Trusts Section 190 cmt. k (1959), that a trustee could not grant another person an option to purchase trust property. Like any other investment decision, whether the granting of an option is appropriate is a question of prudence under the standards of Part 9.

Paragraph (11), authorizing a trustee to purchase insurance, empowers a trustee to implement the duty to protect trust property. *See* Section 62-7-809. The trustee may also insure beneficiaries, agents, and the trustee against liability, including liability for breach of trust.

Paragraph (13) is one of several provisions in the SCTC designed to address trustee concerns about possible liability for violations of environmental law. This paragraph collects all the powers relating to environmental concerns in one place even though some of the powers, such as the powers to pay expenses, compromise claims, and decline property, overlap with other paragraphs of this section (decline property, paragraph (1); compromise claims, paragraph (14); pay expenses, paragraph (15)). *See* Sections 62-7-701(c)(2) (designated

trustee may inspect property to determine potential violation of environmental or other law or for any purpose) and 62-7-1010(b) (trustee not personally liable for violation of environmental law arising from ownership or control of trust property).

Paragraph (14) authorizes a trustee to pay, contest, settle, or release claims. Section 62-7-811 requires that a trustee need take only "reasonable" steps to enforce claims, meaning that a trustee may release a claim not only when it is uncollectible, but also when collection would be uneconomic. *See* Restatement (Second) of Trusts Section 192 (1959) (power to compromise, arbitrate and abandon claims).

Paragraph (15), among other things, authorizes a trustee to pay compensation to the trustee and agents without prior approval of court. Regarding the standard for setting trustee compensation, see Section 62-7-708. *See also* Section 62-7-709 (repayment of trustee expenditures).

Paragraph (16) authorizes a trustee to make elections with respect to taxes. The SCTC leaves to other law the issue of whether the trustee, in making such elections, must make compensating adjustments in the beneficiaries' interests.

Paragraph (17) authorizes a trustee to take action with respect to employee benefit or retirement plans, or annuities or life insurance payable to the trustee. Typically, these will be beneficiary designations which the settlor has made payable to the trustee, but this Code also allows the trustee to acquire ownership of annuities or life insurance.

Paragraphs (18) and (19) allow a trustee to make loans to a beneficiary or to guarantee loans of a beneficiary upon such terms and conditions as the trustee considers fair and reasonable. The determination of what is fair and reasonable must be made in light of the fiduciary duties of the trustee and the purposes of the trust. Frequently, a trustee will make loans to a beneficiary which might be considered less than prudent in an ordinary commercial sense although of great benefit to the beneficiary and which help carry out the trust purposes. If the trustee requires security for the loan to the beneficiary, adequate security under this paragraph may consist of a charge on the beneficiary's interest in the trust. *See* Restatement (Second) of Trusts Section 255 (1959). However, the interest of a beneficiary subject to a spendthrift restraint may not be pledged as security for a loan. *See* Section 62-7-502.

Paragraph (20) authorizes the appointment of ancillary trustees in jurisdictions in which the regularly appointed trustee is unable or unwilling to act. Normally, an ancillary trustee will be appointed only

when there is a need to manage real estate located in another jurisdiction. This paragraph allows the regularly appointed trustee to select the ancillary trustee and to confer on the ancillary trustee such powers and duties as may be necessary. The appointment of ancillary trustees is a topic which a settlor may wish to address in the terms of the trust.

Paragraph (21) authorizes a trustee to make payments to another person for the use or benefit of a beneficiary who is under a legal disability or who the trustee reasonably believes is incapacitated. Although an adult relative or other person receiving funds is required to spend it on the beneficiary's behalf, it is preferable that the trustee make the distribution to a person having more formal fiduciary responsibilities. For this reason, payment may be made to an adult relative only if the trustee does not know of a conservator, guardian, custodian, or custodial trustee capable of acting for the beneficiary. South Carolina Trust Code Section 62-7-816 subsections (21) (A) & (C) added the phrase "agent under a power of attorney" to the UTC version. It is important for the practitioner to be cautious of SCPC Section 62-5-501, which may provide for a priority payee under these subsections.

Paragraph (22) authorizes a trustee to make non-pro-rata distributions and allocate particular assets in proportionate or disproportionate shares. This power provides needed flexibility and lessens the risk that a non-pro-rata distribution will be treated as a taxable sale.

Paragraph (23) authorizes a trustee to resolve disputes through mediation or arbitration. In representing beneficiaries and others in connection with arbitration or mediation, the representation principles of Part 3 may be applied. Settlers wishing to encourage use of alternate dispute resolution may draft to provide it. For sample language, see American Arbitration Association, Arbitration Rules for Wills and Trusts (1995).

Paragraph (24) authorizes a trustee to prosecute or defend an action. As to the propriety of reimbursement for attorney's fees and other expenses of an action or judicial proceeding, see Section 62-7-709 and Comment. *See also* Section 62-7-811 (duty to defend actions).

Paragraph (26), which is similar to Section 344 of the Restatement (Second) of Trusts (1959), clarifies that even though the trust has terminated, the trustee retains the powers needed to wind up the administration of the trust and distribute the remaining trust property.

South Carolina Trust Code Section 62-7-816 added to the UTC version subsections (27) and (28) to retain and incorporate specific

powers the trustee had under former South Carolina law but which were not specifically included in the Uniform Trust Code version.

Section 62-7-816A. (a) Unless the terms of the instrument expressly provide otherwise, a trustee with the discretion to make distributions of principal or income to or for the benefit of one or more beneficiaries of a trust, the original trust, may exercise that discretion by appointing all or part of the property subject to that discretion in favor of another trust for the benefit of one or more of those beneficiaries, the second trust. This power may be exercised without the approval of a court, but court approval is necessary if the terms of the original trust expressly prohibit the exercise of such power or require court approval.

(b) The trustee of the original trust may exercise this power whether or not there is a current need to distribute principal or income under any standard provided in the original trust. The trustee's special power to appoint trust principal or income in further trust under this section includes the power to create the second trust.

(c) The second trust may be a trust created under the same trust instrument as the original trust or under a different trust instrument, and the trustee of the second trust may be either the trustee of the original trust or another trustee.

(d) The terms of the second trust are subject to the following requirements:

(1) The beneficiaries of the second trust may include only beneficiaries of the original trust.

(2) A beneficiary who has only a future beneficial interest, vested or contingent, in the original trust cannot have the future beneficial interest accelerated to a present interest in the second trust.

(3) The terms of the second trust may not contain any provision nor reduce any fixed income, annuity, or unitrust interest of a beneficiary in the assets of an original trust document if the inclusion of the provision or reduction in the original trust document would have disqualified any assets of the original trust for any federal or state income, estate, or gift tax deduction received on account of any assets of the original trust, or if the inclusion of the provision or reduction in the original trust would have reduced the amount of any federal or state income, estate, or gift tax deduction received. In addition, the terms of the second trust may not reduce any retained interest of a beneficiary of the original trust if the interest is a qualified interest under Internal Revenue Code Section 2702.

(4) If contributions to the original trust have been excluded from the gift tax by the application of Internal Revenue Code Section 2503(b) and Section 2503(c), then the second trust shall provide that the beneficiary's remainder interest in the contributions shall vest and become distributable no later than the date upon which the interest would have vested and become distributable under the terms of the original trust.

(5) If a beneficiary of the original trust has a power of withdrawal over trust property, then either:

(A) the terms of the second trust must provide a power of withdrawal in the second trust identical to the power of withdrawal in the original trust; or

(B) sufficient trust property must remain in the original trust to satisfy the outstanding power of withdrawal.

(6) If the power to distribute principal or income in the original trust is subject to an ascertainable standard, then the power to distribute income or principal in the second trust must be subject to the same ascertainable standard as in the original trust and must be exercisable in favor of the same beneficiaries as in the original trust.

(7) The second trust may confer a power of appointment upon a beneficiary of the original trust to whom or for the benefit of whom the trustee has the power to distribute principal or income of the original trust. The permissible appointees of the power of appointment conferred upon a beneficiary may include persons who are not beneficiaries of the original or second trust.

(e) A trustee may not exercise the power to appoint principal or income under subsection (a) of this section if the trustee is a beneficiary of the original trust, but the remaining cotrustee or a majority of the remaining cotrustees may act for the trust. If all the trustees are beneficiaries of the original trust, then the court may appoint a special fiduciary with authority to exercise the power to appoint principal or income under subsection (a) of this section.

(f) The exercise of the power to appoint principal or income under subsection (a) of this section:

(1) is considered the exercise of a power of appointment, other than a power to appoint to the trustee, the trustee's creditors, the trustee's estate or the creditors of the trustee's estate;

(2) does not result in the trustee or cotrustees of the original trust being considered the settlor of the second trust;

(3) is not prohibited by a spendthrift provision or by a provision in the trust instrument that prohibits amendment or revocation of the trust.

(g) To effect the exercise of the power to appoint principal or income under subsection (a) of this section, all of the following apply:

(1) The exercise of the power to appoint must be made by an instrument in writing, signed and acknowledged by the trustee, setting forth the manner of the exercise of the power, including the terms of the second trust, and the effective date of the exercise of the power. The instrument must be filed with the records of the original trust.

(2) The trustee shall give written notice to all qualified beneficiaries of the original trust, at least ninety days prior to the effective date of the exercise of the power to appoint, of the trustee's intention to exercise the power. The notice must include a copy of the instrument described in item (1) of this subsection.

(3) If all qualified beneficiaries waive the notice period by a signed written instrument delivered to the trustee, the trustee's power to appoint principal or income is exercisable after notice is waived by all qualified beneficiaries, notwithstanding the effective date of the exercise of the power.

(h) The provisions of this section shall not be construed to create or imply a duty of the trustee to exercise the power to distribute principal or income, or to create an inference of impropriety made as a result of a trustee not exercising the power to appoint principal or income conferred under subsection (a) of this section. The provisions of this section shall not be construed to abridge the right of any trustee who has a power to appoint property in further trust that arises under the terms of the original trust or under any other section of this article or under another provision of law or under common law. The terms of an original trust may modify or waive the notice requirements under subsection (g), reduce or increase restrictions on altering the interests of beneficiaries under subsection (d), and may otherwise contain provisions that are inconsistent with the requirements of this section.

(i) A trustee or beneficiary may commence a proceeding to approve or disapprove a proposed exercise of the trustee's special power to appoint to another trust pursuant to subsection (a) of this section.

(j) The provisions of Section 62-7-109 regarding notices and the sending of documents to persons under this article apply for the purposes of notices and the sending of documents under this section.

REPORTER'S COMMENT

Providing decanting authority to a trustee, authority to appoint the property of an original trust to a second trust, provides a nonjudicial method for modifying an irrevocable trust when doing so would be in

the best interests of the beneficiaries or in furtherance of the purposes of the trust. Some examples of how decanting authority might be used by a trustee include: modifying the administrative or substantive provisions of a trust to account for a change in law, combining trusts to reduce administrative costs, limiting the authority of interested trustees, correcting scrivener's errors, and conforming the distribution provisions of a trust to the requirements of a special needs trust.

Subsection (a) authorizes a trustee with discretion to make distributions of principal or income to or for the benefit of one or more beneficiaries of the original trust to exercise that discretion by appointing all or part of such property to a second trust. This authority may be exercised whether the original trust grants the trustee absolute discretion over distributions or whether the trustee's discretion is limited by an ascertainable standard.

Subsections (b) and (c) affirm the broad decanting authority intended to be afforded to trustees to eliminate the uncertainty that was faced by trustees exercising decanting authority in reliance solely on common law principles. Subsection (b) provides that the trustee may exercise the power to decant whether or not there is a current need to distribute property under any standard provided in the original trust, for example, by decanting property from an original trust that limits distributions to an ascertainable standard to a second trust to promote administration of the trust or preservation of trust property. But see subdivision (d)(6), which prevents a trustee from exercising decanting authority to eliminate an ascertainable standard limiting the trustee's discretion in the original trust document.

Subsection (d) provides certain requirements for the terms of the second trust. Subdivisions (d)(1) and (d)(2) prevent a trustee from exercising decanting authority to add beneficiaries to the second trust who were not beneficiaries of the original trust or accelerate the interest of a beneficiary with only a future interest in the original trust to a present interest under the second trust. Subdivision (d)(3) and (d)(4) restrict a trustee's ability to modify terms of an original trust or a beneficiary's fixed interest in the trust if the original trust qualified for certain tax benefits. Under subdivision (d)(5), a trustee is required to preserve a beneficiary's power of withdrawal over trust property; the trustee may do so by either maintaining sufficient trust property in the original trust to satisfy the beneficiary's power of withdrawal, or by providing the beneficiary with an identical power of withdrawal under the terms of the second trust. Subdivision (d)(6) prevents a trustee from modifying any ascertainable standard governing the trustee's power to make distributions under the terms of the original trust.

Subdivision (d)(7) provides that the terms of the second trust may grant a power of appointment to a beneficiary of the original trust exercisable in favor of persons who are not beneficiaries of the original or second trust.

The remaining provisions of the statute address procedural concerns, including notice requirements and the procedure for decanting if the trustee is a beneficiary of the original trust. Subsection (e) prevents a trustee with a beneficial interest in the original trust from exercising the authority to decant, while preserving the ability to decant in circumstances where all trustees have an interest in the trust. Subsection (f) provides that the trustee's power to decant is considered the exercise of a special power of appointment, does not result in the trustee being treated as the settlor of the second trust, and is not prohibited by a spendthrift provision or a provision prohibiting amendment or revocation of the original trust. Subsection (g) provides the procedural requirements for effecting a decanting, including the requisite notice and the beneficiaries' ability to waive the notice period. Subsection (h) affirms that the provisions of section 62-7-816A do not create an affirmative duty in the trustee to exercise the special power to appoint, limit the trustee's decanting authority derived from some other source, or nullify any decanting provisions included in an original trust that are inconsistent with the provisions of this section. Subsection (i) allows either a trustee or beneficiary to seek court approval or disapproval of a proposed exercise of the decanting power, and subsection (j) incorporates the notice provisions of SCTC section 62-7-109.

Section 62-7-817. (a) Upon termination or partial termination of a trust, the trustee may send to the beneficiaries a proposal for distribution. The right of any beneficiary to object to the proposed distribution terminates if the beneficiary does not notify the trustee of an objection within 30 days after the proposal was sent but only if the proposal informed the beneficiary of the right to object and of the time allowed for objection.

(b) Upon the occurrence of an event terminating or partially terminating a trust, the trustee shall proceed expeditiously to distribute the trust property to the persons entitled to it, subject to the right of the trustee to retain a reasonable reserve for the payment of debts, expenses, and taxes.

(c) A release by a beneficiary of a trustee from liability for breach of trust is invalid to the extent:

- (1) it was induced by improper conduct of the trustee; or

(2) the beneficiary, at the time of the release, did not know of the beneficiary's rights or of the material facts relating to the breach.

REPORTER'S COMMENT

SCPC Section 62-3-906(b), which provides for a proposal for distribution by a personal representative, is analogous to this SCTC Section 62-7-817(a).

This section contains several provisions governing distribution upon termination. Other provisions of the SCTC relevant to distribution upon termination include Section 62-7-816(26) (powers upon termination to windup administration and distribution), and 62-7-1005 (limitation of action against trustee).

Subsection (a) addresses the dilemma that sometimes arises when the trustee is reluctant to make distribution until the beneficiary approves but the beneficiary is reluctant to approve until the assets are in hand. The procedure made available under subsection (a) facilitates the making of non-pro-rata distributions. However, whenever practicable it is normally better practice to obtain the advance written consent of the beneficiaries to a proposed plan of distribution.

Subsection (b) recognizes that upon an event terminating or partially terminating a trust, expeditious distribution should be encouraged to the extent reasonable under the circumstances. However, a trustee is entitled to retain a reasonable reserve for payment of debts, expenses, and taxes. Sometimes these reserves must be quite large, for example, upon the death of the beneficiary of a QTIP trust that is subject to federal estate tax in the beneficiary's estate. Not infrequently, a substantial reserve must be retained until the estate tax audit is concluded several years after the beneficiary's death.

Subsection (c) is an application of Section 62-7-1009. Section 62-7-1009 addresses the validity of any type of release that a beneficiary might give. Subsection (c) is more limited, dealing only with releases given upon termination of the trust. Factors affecting the validity of a release include adequacy of disclosure, whether the beneficiary had a legal incapacity, and whether the trustee engaged in any improper conduct. *See* Restatement (Second) of Trusts Section 216 (1959).

Section 62-7-818. The powers and discretions of a trust protector are as provided in the governing instrument and may be exercised or not exercised, in the best interests of the trust, in the sole and absolute discretion of the trust protector and are binding on all other persons.

These powers and discretion may include, but are not limited to, the following:

- (1) modify or amend the trust instrument to achieve favorable tax status or respond to changes in the Internal Revenue Code, state law, or the rulings and regulations thereunder;
- (2) increase or decrease the interests of any beneficiaries to the trust;
- (3) modify the terms of any power of appointment granted by the trust. However, a modification or amendment may not grant a beneficial interest to any individual or class of individuals not specifically provided for under the trust instrument;
- (4) remove and appoint a trustee, trust advisor, investment committee member, or distribution committee member;
- (5) terminate the trust;
- (6) veto or direct trust distributions;
- (7) change situs or governing law of the trust, or both;
- (8) appoint a successor trust protector;
- (9) interpret terms of the trust instrument at the request of the trustee;
- (10) advise the trustee on matters concerning a beneficiary; and
- (11) amend or modify the trust instrument to take advantage of laws governing restraints on alienation, distribution of trust property, or the administration of the trust.

The powers referenced in items (5), (6) and (11) may be granted notwithstanding the provisions of Sections 62-7-410 through 62-7-412, inclusive.

REPORTER'S COMMENT

There was no prior South Carolina statutory case law counterpart to this section. This section expands and defines the powers of the trust protector. See comments to SCTC Section 62-7-808 (b) - (d).

Section 62-7-819. (a) Whenever a trust instrument provides that a trustee is to follow the direction of a trust investment advisor with respect to investment decisions or distribution decisions, then, except to the extent that the trust instrument provides otherwise, the trustee has no duty to:

- (1) monitor the conduct of the trust investment advisor;
- (2) provide advice to the trust investment advisor; or
- (3) communicate with or warn or apprise any beneficiary or third party concerning instances in which the trustee would or might have

exercised the trustee's own discretion in a manner different from the manner directed by the advisor.

(b) Absent clear and convincing evidence to the contrary, the actions of the trustee pertaining to matters within the scope of the trust investment advisor's authority, such as confirming that the trust investment advisor's directions have been carried out and recording and reporting actions taken at the trust investment advisor's direction, are presumed to be administrative actions taken by the trustee solely to allow the trustee to perform those duties assigned to the trustee under the governing instrument and these administrative actions are not deemed to constitute an undertaking by the trustee to monitor the trust investment advisor or otherwise participate in actions within the scope of the trust investment advisor's authority.

(c) For purposes of this section, 'investment decision' means, with respect to any investment, the retention, purchase, sale, exchange, tender or other transaction affecting the ownership thereof, or rights therein.

REPORTER'S COMMENT

There was no prior South Carolina statutory case law counterpart to this section. This section defines the powers of a trust investment advisor.

Part 9

South Carolina Uniform Principal and Income Act

PREFATORY NOTE

In 2001 South Carolina enacted as part of its version of the Uniform Probate Code ("the South Carolina Probate Code or SCPC") the South Carolina Uniform Principal and Income Act, Sections 62-7-401 through 62-7-432 (SCUP & IA). This is South Carolina's version of the Uniform Principal and Income Act which had been recommended in 1997 by the Uniform Law Commissioners (ULC) for enactment in all the states. ULC's 1997 Uniform Principal and Income Act revised its original 1931 Uniform Principal and Income act (the 1931 Act) and its 1962 Revised Uniform Principal and Income Act (the 1962 Act). Likewise, 2001 SCUP&IA revised South Carolina's 1963 "Revised Uniform Principal and Income Act", Sections 62-7-401 through 62-7-421 (the 1963 SC Act). South Carolina did not enact ULC's 1931 Act. When in 2005 South Carolina enacted its version of ULC's recommended 2000 Uniform Trust Code as the South Carolina Trust

Code, SC Code Title 62, Article 7 (SCTC), SCUP&IA was retained, re-numbered and incorporated at SCTC Sections 62-7-901 through 932. Any reference elsewhere in the South Carolina Code to former SCPC Sections 62-7-401 through 432 should now refer to SCTC Sections 62-7-901 through 932.

The 1997 revision by ULC of its original 1931 Uniform Principal and Income Act (the 1931 Act) and its 1962 Revised Uniform Principal and Income Act (the 1962 Act) and the subsequent 2001 revision by South Carolina of its 1963 Revised Uniform Principal and Income Act (1963 SC Act) had two purposes:

(1) One purpose was to revise the 1931 and 1962 Acts and the 1963 SC Act, respectively. Revision was needed to support the now widespread use of the revocable living trust as a will substitute by the 1990s, to change the rules in those Acts that experience had shown needed to be changed, and to establish new rules to cover situations not provided for in the old Acts, including rules that apply to financial instruments invented since 1962.

(2) The other purpose was to provide a means for implementing the transition to an investment regime based on principles embodied in the Uniform Prudent Investor Act, especially the principle of investing for total return rather than a certain level of "income" as traditionally perceived in terms of interest, dividends, and rents.

Revision of the 1931 and 1962 Acts and the corresponding 1963 SC Act.

The prior Acts and revision of those Acts dealt with four questions affecting the rights of beneficiaries:

(1) How is income earned during the probate of an estate to be distributed to trusts and to persons who receive outright bequests of specific property, pecuniary gifts, and the residue?

(2) When an income interest in a trust begins (i.e., when a person who creates the trust dies or when she transfers property to a trust during life), what property is principal that will eventually go to the remainder beneficiaries and what is income?

(3) When an income interest ends, who gets the income that has been received but not distributed, or that is due but not yet collected, or that has accrued but is not yet due?

(4) After an income interest begins and before it ends, how should its receipts and disbursements be allocated to or between principal and income?

Changes in the traditional sections are of three types: new rules that deal with situations not covered by the prior Acts, clarification of provisions in the 1962 Act, and changes to rules in the prior Acts.

New rules. Issues addressed by some of the more significant new rules include:

(1) The application of the probate administration rules to revocable living trusts after the settlor's death and to other terminating trusts. Sections 62-7-905 through 909.

(2) The payment of interest or some other amount on the delayed payment of an outright pecuniary gift that is made pursuant to a trust agreement instead of a will when the agreement does not provide for such a payment. Section 62-7-905(3).

(3) The allocation of net income from partnership interests acquired by the trustee other than from a decedent (the old Acts deal only with partnership interests acquired from a decedent). Section 62-7-910.

(4) An "unincorporated entity" concept has been introduced to deal with businesses operated by a trustee, including farming and livestock operations, and investment activities in rental real estate, natural resources, timber, and derivatives. Section 62-7-912.

(5) The allocation of receipts from discount obligations such as zero-coupon bonds. Section 62-7-915(B).

(6) The allocation of net income from harvesting and selling timber between principal and income. Section 62-7-921.

(7) The allocation between principal and income of receipts from derivatives, options, and asset-backed securities. Sections 62-7-923 and 924.

(8) Disbursements made because of environmental laws. Section 62-7-926(A)(7).

(9) Income tax obligations resulting from the ownership of S corporation stock and interests in partnerships. Section 62-7-929.

(10) The power to make adjustments between principal and income to correct inequities caused by tax elections or peculiarities in the way the fiduciary income tax rules apply. Section 62-7-930.

Clarifications and changes in existing rules. A number of matters provided for in the prior Acts have been changed or clarified in this revision, including the following:

(1) An income beneficiary's estate will be entitled to receive only net income actually received by a trust before the beneficiary's death and not items of accrued income. Section 62-7-909.

(2) Income from a partnership is based on actual distributions from the partnership, in the same manner as corporate distributions. Section 62-7-910.

(3) Distributions from corporations and partnerships that exceed 20% of the entity's gross assets will be principal whether or not intended by the entity to be a partial liquidation. Section 62-7-910 (D)(2).

(4) Deferred compensation is dealt with in greater detail in a separate section. Section 62-7-918.

(5) The 1962 Act rule for "property subject to depletion," (patents, copyrights, royalties, and the like), which provides that a trustee may allocate up to 5% of the asset's inventory value to income and the balance to principal, has been replaced by a rule that allocates 90% of the amounts received to principal and the balance to income. Section 62-7-919.

(6) The percentage used to allocate amounts received from oil and gas has been changed - 90% of those receipts are allocated to principal and the balance to income. Section 62-7-920.

(7) The unproductive property rule has been eliminated for trusts other than marital deduction trusts. Section 62-7-922.

(8) Charging depreciation against income is no longer mandatory, and is left to the discretion of the trustee. Section 62-7-927.

Coordination with the Uniform Prudent Investor Act

The law of trust investment has been modernized. See Uniform Prudent Investor Act (1994); Restatement (Third) of Trusts: Prudent Investor Rule (1992) (hereinafter Restatement of Trusts 3d: Prudent Investor Rule). Now it is time to update the principal and income allocation rules so the two bodies of doctrine can work well together. This revision deals conservatively with the tension between modern investment theory and traditional income allocation. The starting point is to use the traditional system. If prudent investing of all the assets in a trust viewed as a portfolio and traditional allocation effectuate the intent of the settlor, then nothing need be done. The Act, however, helps the trustee who has made a prudent, modern portfolio-based investment decision that has the initial effect of skewing return from all the assets under management, viewed as a portfolio, as between income and principal beneficiaries. The Act gives that trustee a power to reallocate the portfolio return suitably. To leave a trustee constrained by the traditional system would inhibit the trustee's ability to fully implement modern portfolio theory. [Since the early 1990s when this Prefatory Note and the following Comments were prepared by ULC, Restatement of Trusts 3d has progressed significantly as reported in the Forenote to Chapter 17 of what is now cited as "Restatement Third, Trusts":

The contents of this Chapter (Introduction and Sections 90-92) were approved at the American Law Institute's 1990 Annual Meeting and were originally published as Sections 227-229 of Restatement Third, Trusts (Prudent Investor Rule) in 1992 [referred to throughout this SCUP&IA Prefatory Note and the following Comments as either "Restatement of Trusts 3d; Prudent Investor Rule" or simply "1992 Restatement"]

Therefore, appropriate reference to Chapter 17 (Introduction and Sections 90-92) of Restatement Third, Trusts is suggested.]

As to modern investing see, e.g., the Preface to, terms of, and Comments to the Uniform Prudent Investor Act (1994); the discussion and reporter's note by Edward C. Halbach, Jr. in Restatement of Trusts 3d: Prudent Investor Rule; John H. Langbein, The Uniform Prudent Investor Act and the Future of Trust Investing, 81 Iowa L. Rev. 641 (1996); Bevis Longstreth, Modern Investment Management and the Prudent Man Rule (1986); John H. Langbein & Richard A. Posner, The Revolution in Trust Investment Law, 62 A.B.A.J. 887 (1976); and Jeffrey N. Gordon, The Puzzling Persistence of the Constrained Prudent Man Rule, 62 N.Y.U. L. Rev. 52 (1987). See also R.A. Brearly, An Introduction to Risk and Return from Common Stocks (2d ed. 1983); Jonathan R. Macey, An Introduction to Modern Financial Theory (2d ed. 1998). As to the need for principal and income reform see, e.g., Joel C. Dobris, Real Return, Modern Portfolio Theory and College, University and Foundation Decisions on Annual Spending From Endowments: A Visit to the World of Spending Rules, 28 Real Prop., Prob., & Tr. J. 49 (1993); Joel C. Dobris, The Probate World at the End of the Century: Is a New Principal and Income Act in Your Future?, 28 Real Prop., Prob., & Tr. J. 393 (1993); and Kenneth L. Hirsch, Inflation and the Law of Trusts, 18 Real Prop., Prob., & Tr. J. 601 (1983). See also, Jerold I. Horn, The Prudent Investor Rule B, Impact on Drafting and Administration of Trusts, 20 ACTEC Notes 26 (Summer 1994).

Section 62-7-901. This part may be cited as the South Carolina Uniform Principal and Income Act.

Section 62-7-902. As used in the South Carolina Uniform Principal and Income Act:

(1) 'Accounting period' means a calendar year unless another twelve-month period is selected by a fiduciary. The term includes a portion of a calendar year or other twelve-month period that begins when an income interest begins or ends when an income interest ends.

(2) 'Beneficiary' includes, in the case of a decedent's estate, an heir, legatee, and devisee and, in the case of a trust, an income beneficiary and a remainder beneficiary.

(3) 'Fiduciary' means a personal representative or a trustee. The term includes an executor, administrator, successor personal representative, special administrator, and a person performing substantially the same function.

(4) 'Income' means money or property that a fiduciary receives as current return from a principal asset. The term includes a portion of receipts from a sale, exchange, or liquidation of a principal asset, to the extent provided in Section 62-7-910 through Section 62-7-924.

(5) 'Income beneficiary' means a person to whom net income of a trust is or may be payable.

(6) 'Income interest' means the right of an income beneficiary to receive all or part of net income, whether the terms of the trust require it to be distributed or authorize it to be distributed in the trustee's discretion.

(7) 'Mandatory income interest' means the right of an income beneficiary to receive net income that the terms of the trust require the fiduciary to distribute.

(8) 'Net income' means the total receipts allocated to income during an accounting period minus the disbursements made from income during the period, plus or minus transfers under the South Carolina Uniform Principal and Income Act to or from income during the period.

(9) 'Person' means any individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, or government, governmental subdivision, agency, or instrumentality; or public corporation, or other legal or commercial entity.

(10) 'Principal' means property held in trust for distribution to a remainder beneficiary when the trust terminates.

(11) 'Remainder beneficiary' means a person entitled to receive principal when an income interest ends.

(12) 'Terms of a trust' means the manifestation of the intent of a settlor or decedent with respect to the trust, expressed in a manner that admits of its proof in a judicial proceeding, whether by written or spoken words or by conduct.

(13) 'Trustee' includes an original, additional, or successor trustee, whether or not appointed or confirmed by a court.

REPORTER'S COMMENT

"Income beneficiary." The definitions of income beneficiary (Section 62-7-902(5)) and income interest (Section 62-7-902(6)) cover both mandatory and discretionary beneficiaries and interests. There are no definitions for "discretionary income beneficiary" or "discretionary income interest" because those terms are not used in the Act.

"Inventory value." There is no definition for inventory value in this Act because the provisions in which that term was used in the 1962 Act and the 1963 SC Act have either been eliminated (in the case of the underproductive property provision) or changed in a way that eliminates the need for the term (in the case of bonds and other money obligations, property subject to depletion, and the method for determining entitlement to income distributed from a probate estate).

"Net income." The reference to "transfers under this Act to or from income" means transfers made under Sections 62-7-904(A), 921(A), 926(B), 927(B), 904(A) and 930.

"Terms of a trust." This term was chosen in preference to "terms of the trust instrument" (the phrase used in the 1962 Act and the 1963 SC Act) to make it clear that the Act applies to oral trusts as well as those whose terms are expressed in written documents. The definition is based on the (1959) and the Restatement (Second) of Trusts Sec. 4 (Tent. Draft No. 1, 1996). Constructional preferences or rules would also apply, if necessary, to determine the terms of the trust.

Section 62-7-903. (A) In allocating receipts and disbursements to or between principal and income, and with respect to any matter within the scope of Sections 62-7-905 through 62-7-909, a fiduciary:

(1) shall administer a trust or estate in accordance with the terms of the trust or the will, even if there is a different provision in the South Carolina Uniform Principal and Income Act;

(2) may administer a trust or estate by the exercise of a discretionary power of administration given to the fiduciary by the terms of the trust or the will, even if the exercise of the power produces a result different from a result required or permitted by the South Carolina Uniform Principal and Income Act;

(3) shall administer a trust or estate in accordance with the South Carolina Uniform Principal and Income Act if the terms of the trust or the will do not contain a different provision or do not give the fiduciary a discretionary power of administration; and

(4) shall add a receipt or charge a disbursement to principal to the extent that the terms of the trust and the South Carolina Uniform

Principal and Income Act do not provide a rule for allocating the receipt or disbursement to or between principal and income.

(B) In exercising:

(1) the power to adjust pursuant to Section 62-7-904(A);

(2) a discretionary power in connection with the conversion or administration of a unitrust under Sections 62-7-904B through Section 62-7-904P; or

(3) a discretionary power of administration regarding a matter within the scope of the South Carolina Uniform Principal and Income Act, whether granted by the terms of a trust, a will, or the South Carolina Uniform Principal and Income Act,

a fiduciary shall administer a trust or estate impartially, based on what is fair and reasonable to all of the beneficiaries, except to the extent that the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may favor one or more of the beneficiaries. A determination in accordance with the South Carolina Uniform Principal and Income Act is presumed to be fair and reasonable to all of the beneficiaries.

REPORTER'S COMMENT

Prior Act. The rule in Section 62-7-404(1) of the 1963 SC Act is restated in Section 62-7-903(a), without changing its substance, to emphasize that this Act contains only default rules and that provisions in the terms of the trust are paramount. However, Section 62-7-404(a) of the 1963 SC Act applied only to the allocation of receipts and disbursements to or between principal and income. In this Act, the first sentence of Section 62-7-903(A) states that it also applies to matters within the scope of Sections 62-7-905 through 62-7-909. Section 62-7-903(A)(2) incorporates the rule in Section 62-7-404(b) of the 1963 SC Act that a discretionary allocation made by the trustee that is contrary to a rule in the Act should not give rise to an inference of imprudence or partiality by the trustee.

The Act deletes the language that appears at the end of 1963 SC Act Section 62-7-404(a)(3) - "and in view of the manner in which men of ordinary prudence, discretion and judgment would act in the management of their affairs" - because persons of ordinary prudence, discretion and judgment, acting in the management of their own affairs do not normally think in terms of the interests of successive beneficiaries. If there is an analogy to an individual's decision-making process, it is probably the individual's decision to spend or to save, but this is not a useful guideline for trust administration. No case has been

found in which a court has relied on the “prudent man” rule of the 1963 SC Act.

Fiduciary discretion. The general rule is that if a discretionary power is conferred upon a trustee, the exercise of that power is not subject to control by a court except to prevent an abuse of discretion. Restatement (Second) of Trusts Sec 187. The situations in which a court will control will control the exercise of a trustee’s discretion are discussed in the comments to Sec 187. See also *id.* Sec 233 Comment p.

Questions for which there is no provision. Section 62-7-903(A)(4) allocates receipts and disbursements to principal when there is no provision for a different allocation in the terms of the trust, the will, or the Act. This may occur because money is received from a financial instrument not available at the present time (inflation-indexed bonds might have fallen into this category had they been announced after the Uniform Act was approved by the Commissioners on Uniform State Laws) or because a transaction is of a type or occurs in a manner not anticipated by the Drafting Committee for the Uniform Act or the drafter of the trust instrument.

Allocating to principal a disbursement for which there is no provision in the Act or the terms of the trust preserves the income beneficiary’s level of income in the year it is allocated to principal, but thereafter will reduce the amount of income produced by the principal. Allocating to principal a receipt for which there is no provision will increase the income received by the income beneficiary in subsequent years, and will eventually, upon termination of the trust, also favor the remainder beneficiary. Allocating these items to principal implements the rule that requires a trustee to administer the trust impartially, based on what is fair and reasonable to both income and remainder beneficiaries. However, if the trustee decides that an adjustment between principal and income is needed to enable the trustee to comply with Section 62-7-903(B) after considering the return from the portfolio as a whole, the trustee may make an appropriate adjustment under Section 62-7-904(A).

Duty of impartiality. Whenever there are two or more beneficiaries, a trustee is under a duty to deal impartially with them. Restatement of Trusts 3d: Prudent Investor Rule Sec 183 (1992). This rule applies whether the beneficiaries’ interests in the trust are concurrent or successive. If the terms of the trust give the trustee discretion to favor one beneficiary over another, a court will not control the exercise of such discretion except to prevent the trustee from abusing it. *Id.* Sec 183, Comment *a.* “The precise meaning of the trustee’s duty of

impartiality and the balancing of competing interests and objectives inevitably are matters of judgment and interpretation. Thus, the duty and balancing are affected by the purposes, terms, distribution requirements, and other circumstances of the trust, not only at the outset but as they may change from time to time.” Id. Sec 232, Comment *c*.

The terms of a trust may provide that the trustee, or an accountant engaged by the trustee, or a committee of persons who may be family members or business associates, shall have the power to determine what is income and what is principal. If the terms of a trust provide that this Act specifically or principal and income legislation in general does not apply to the trust but fail to provide a rule to deal with a matter provided for in this Act, the trustee has an implied grant of discretion to decide the question. Section 62-7-903(B) provides that the rule of impartiality applies in the exercise of such a discretionary power to the extent that the terms of the trust do not provide that one or more of the beneficiaries are to be favored. The fact that a person is named an income beneficiary or a remainder beneficiary is not by itself an indication of partiality for that beneficiary.

Section 62-7-904. (A) A trustee may adjust between principal and income to the extent the trustee considers necessary if the trustee invests and manages trust assets as a prudent investor, the terms of the trust describe the amount that may or must be distributed to a beneficiary by referring to the trust’s income, and the trustee determines, after applying the provisions in Section 62-7-903(A), that the trustee is unable to comply with Section 62-7-903(B). In lieu of exercising the power to adjust, the trustee may convert the trust to a unitrust as permitted under Sections 62-7-904A through 62-7-904P, in which case the unitrust amount becomes the net income of the trust.

(B) In deciding whether and to what extent to exercise the power to adjust in subsection (A), a trustee shall consider all factors relevant to the trust and its beneficiaries, including, but not limited to:

- (1) the nature, purpose, and expected duration of the trust;
- (2) the intent of the settlor;
- (3) the identity and circumstances of the beneficiaries;
- (4) the needs for liquidity, regularity of income, and preservation and appreciation of capital;
- (5) the assets held in the trust and the extent to which they consist of financial assets, interests in closely held enterprises, tangible and intangible personal property, or real property and the extent to

which an asset is used by a beneficiary, and whether an asset was purchased by the trustee or received from the settlor;

(6) the net amount otherwise allocated to income under other sections of the South Carolina Uniform Principal and Income Act and the increase or decrease in the value of the principal assets, which the trustee may estimate as to assets for which market values are not readily available;

(7) whether and to what extent the terms of the trust give the trustee the power to invade principal or accumulate income or prohibit the trustee from invading principal or accumulating income, and the extent to which the trustee has exercised a power from time to time to invade principal or accumulate income;

(8) the actual and anticipated effect of economic conditions on principal and income and effects of inflation and deflation; and

(9) the anticipated tax consequences of an adjustment.

(C) A trustee may not make an adjustment:

(1) that diminishes the income interest in a trust that requires all of the income to be paid at least annually to a surviving spouse and for which an estate tax or gift tax marital deduction is allowed, in whole or in part, if the trustee did not have the power to make the adjustment, but only to the extent that making such an adjustment would cause adverse tax consequences under applicable tax laws and regulations;

(2) that reduces the actuarial value of the income interest in a trust to which a person transfers property with the intent to qualify for a gift tax exclusion;

(3) that changes the amount payable to a beneficiary as a fixed annuity or a fixed fraction of the value of the trust assets;

(4) from any amount that is permanently set aside for charitable purposes under a will or the terms of a trust unless both income and principal are so set aside, but only to the extent that making such an adjustment would cause adverse tax consequences under applicable tax laws and regulations;

(5) if possessing or exercising the power to make an adjustment is determinative in causing an individual to be treated as the owner of all or part of the trust for income tax purposes and the individual would not be treated as the owner if the trustee did not possess the power to make an adjustment;

(6) if possessing or exercising the power to make an adjustment is determinative in causing all or part of the trust assets to be included for estate tax purposes in the estate of an individual who has the power to remove a trustee or appoint a trustee, or both, and the assets would

not be included in the estate of the individual if the trustee did not possess the power to make an adjustment;

(7) if the trustee is a beneficiary of the trust;

(8) if the trustee is not a beneficiary, but the adjustment would benefit the trustee directly or indirectly, except that a trustee may make an adjustment that also benefits a beneficiary even if the terms of the trust provide for trustee compensation as a percentage of the trust's income; or

(9) if the trust has been converted to, and is then operating as a unitrust under Sections 62-7-904B through 62-7-904P.

(D) If subsection (C)(5), (6), (7), or (8) applies to a trustee and there is more than one trustee, a cotrustee to whom the provision does not apply may make the adjustment unless the exercise of the power by the remaining trustee or trustees is not permitted by the terms of the trust.

(E) A trustee may release the entire power of adjustment in subsection (A) or may release only the power to adjust from income to principal or the power to adjust from principal to income if the trustee is uncertain about whether possessing or exercising the power causes a result described in subsections (C)(1) through (6) or subsection (C)(8) or if the trustee determines that possessing or exercising the power will or may deprive the trust of a tax benefit or impose a tax burden not contemplated in subsection (C). The release may be permanent or for a specified period, including a period measured by the life of an individual.

(F) Terms of a trust that limit the power of a trustee to make an adjustment between principal and income do not affect the application of this section unless it is clear from the terms of the trust that the terms are intended to deny the trustee the power to adjust in subsection (A).

REPORTER'S COMMENTS

Purpose and Scope of Provision. The purpose of Section 62-7-904 is to enable a trustee to select investments using the standards of a prudent investor without having to realize a particular portion of the portfolio's total return in the form of traditional trust accounting income such as interest, dividends, and rents. Section 62-7-904(A) authorizes a trustee to make adjustments between principal and income if three conditions are met: (1) the trustee must be managing the trust assets under the prudent investor rule; (2) the terms of the trust must express the income beneficiary's distribution rights in terms of the right to receive "income" in the sense of traditional trust accounting income; and (3) the trustee must determine, after applying the rules in Section 62-7-903(A) that he is unable to comply with Section 62-7-903(B). In

deciding whether and to what extent to exercise the power to adjust, the trustee is required to consider the factors described in Section 62-7-904(B) but the trustee may not make an adjustment in circumstances described in Section 62-7-904(C).

Section 62-7-904 does not empower a trustee to increase or decrease the degree of beneficial enjoyment to which a beneficiary is entitled under the terms of the trust; rather, it authorizes the trustee to make adjustments between principal and income that may be necessary if the income component of a portfolio's total return is too small or too large because of investment decisions made by the trustee under the prudent investor rule. The paramount consideration in applying Section 62-7-904(A) is the requirement in Section 62-7-903(B) that "a fiduciary must administer a trust or estate impartially, based on what is fair and reasonable to all of the beneficiaries, except to the extent that the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may favor one or more of the beneficiaries." The power to adjust is subject to control by the court to prevent an abuse of discretion. Restatement (Second) of Trusts Sec.187 (1959). See also *id.* Sections 183, 232, 233, Comment *p* (1959).

Section 62-7-904 will be important for trusts that are irrevocable when a State adopts the prudent investor rule by statute or judicial approval of the rule in Restatement of Trusts 3d: Prudent Investor Rule. Wills and trust instruments executed after the rule is adopted can be drafted to describe a beneficiary's distribution rights in terms that do not depend upon the amount of trust accounting income, but to the extent that drafters of trust documents continue to describe an income beneficiary's distribution rights by referring to trust accounting income, Section 62-7-904 will be an important tool in trust administration.

Three conditions to the exercise of the power to adjust. The first of the three conditions that must be met before a trustee can exercise the power to adjust - that the trustee invest and manage trust assets as a prudent investor - is expressed in this Act by language derived from the Uniform Prudent Investor Act (UPIA), but the condition will be met whether the prudent investor rule applies because the UPIA or other prudent investor legislation has been enacted, the prudent investor rule has been approved by the courts, or the terms of the trust require it. Even if a State's legislature or courts have not formally adopted the prudent investor rule, the Restatement establishes the prudent investor rule as an authoritative interpretation of the common law prudent man rule, referring to the prudent investor rule as a "modest reformulation of the Harvard College dictum and the basic rule of prior

Restatements.” Restatement of Trusts 3d: Prudent Investor Rule, Introduction, at 5. As a result, there is a basis for concluding that the first condition is satisfied in virtually all States except those in which a trustee is permitted to invest only in assets set forth in a statutory “legal list.”

The second condition will be met when the terms of the trust require all of the “income” to be distributed at regular intervals; or when the terms of the trust require a trustee to distribute all of the income, but permit the trustee to decide how much to distribute to each member of a class of beneficiaries; or when the terms of a trust provide that the beneficiary shall receive the greater of the trust accounting income and a fixed dollar amount (an annuity), or of trust accounting income and a fractional share of the value of the trust assets (a unitrust amount). If the trust authorizes the trustee in its discretion to distribute the trust’s income to the beneficiary or to accumulate some or all of the income, the condition will be met because the terms of the trust do not permit the trustee to distribute more than the trust accounting income.

To meet the third condition, the trustee must first meet the requirements of Section 62-7-903(A), i.e., he must apply the terms of the trust, decide whether to exercise the discretionary powers given to the trustee under the terms of the trust, and must apply the provisions of the Act if the terms of the trust do not contain a different provision or give the trustee discretion. Second, the trustee must determine the extent to which the terms of the trust clearly manifest an intention by the settlor that the trustee may or must favor one or more of the beneficiaries. To the extent that the terms of the trust do not require partiality, the trustee must conclude that he is unable to comply with the duty to administer the trust impartially. To the extent that the terms of the trust do require or permit the trustee to favor the income beneficiary or the remainder beneficiary, the trustee must conclude that he is unable to achieve the degree of partiality required or permitted. If the trustee comes to either conclusion - that he is unable to administer the trust impartially or that he is unable to achieve the degree of partiality required or permitted - he may exercise the power to adjust under Section 62-7-904(A).

Impartiality and productivity of income. The duty of impartiality between income and remainder beneficiaries is linked to the trustee’s duty to make the portfolio productive of trust accounting income whenever the distribution requirements are expressed in terms of distributing the trust’s “income.” The 1962 Act and the 1963 SC Act imply that the duty to produce income applies on an asset by asset basis because the right of an income beneficiary to receive “delayed income”

from the sale proceeds of underproductive property under Section 62-7-415 of that Act arises if “any part of principal ... has not produced an average net income of a least one percent per year of its inventory value for more than a year” Under the prudent investor rule, “[t]o whatever extent a requirement of income productivity exists, ... the requirement applies not investment by investment but to the portfolio as a whole.” Restatement of Trusts 3d: Prudent Investor Rule Sec 227, Comment *i*, at 34. The power to adjust under Section 62-7-904(A) is also to be exercised by considering net income from the portfolio as a whole and not investment by investment. Section 62-7-922(B) of this Act eliminates the underproductive property rule in all cases other than trusts for which a marital deduction is allowed; the rule applies to a marital deduction trust if the trust’s assets “consist substantially of property that does not provide the spouse with sufficient income from or use of the trust assets ...” - in other words, the section applies by reference to the portfolio as a whole.

While the purpose of the power to adjust in Section 62-7-904(A) is to eliminate the need for a trustee who operates under the prudent investor rule to be concerned about the income component of the portfolio’s total return, the trustee must still determine the extent to which a distribution must be made to an income beneficiary and the adequacy of the portfolio’s liquidity as a whole to make that distribution.

For a discussion of investment considerations involving specific investments and techniques under the prudent investor rule, see Restatement of Trusts 3d: Prudent Investor Rule Sec 227, Comments *k-p*.

Factors to consider in exercising the power to adjust. Section 62-7-904(B) requires a trustee to consider factors relevant to the trust and its beneficiaries in deciding whether and to what extent the power to adjust should be exercised. Section 62-7-933(C)(3) of the South Carolina Uniform Prudent Investor Act (SCUPIA) sets forth circumstances that a trustee is to consider in investing and managing trust assets. The circumstances in Section 62-7-933(C)(3) of the SCUPIA are the source of the factors in paragraphs (3) through (6) and (8) of Section 62-7-904(B) (modified where necessary to adapt them to the purposes of this Act) so that, to the extent possible, comparable factors will apply to investment decisions and decisions involving the power to adjust. If a trustee who is operating under the prudent investor rule decides that the portfolio should be composed of financial assets whose total return will result primarily from capital appreciation rather than dividends, interest, and rents, the trustee can decide at the

same time the extent to which an adjustment from principal to income may be necessary under Section 62-7-904. On the other hand, if a trustee decides that the risk and return objectives for the trust are best achieved by a portfolio whose total return includes interest and dividend income that is sufficient to provide the income beneficiary with the beneficial interest to which the beneficiary is entitled under the terms of the trust, the trustee can decide that it is unnecessary to exercise the power to adjust.

Assets received from the settlor. Section 62-7-933(D) of SCUPIA provides that “[a] trustee shall diversify the investments of the trust unless the trustee reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying.” The special circumstances may include the wish to retain a family business, the benefit derived from deferring liquidation of the asset in order to defer payment of income taxes, or the anticipated capital appreciation from retaining an asset such as undeveloped real estate for a long period. To the extent the trustee retains assets received from the settlor because of special circumstances that overcome the duty to diversify, the trustee may take these circumstances into account in determining whether and to what extent the power to adjust should be exercised to change the results produced by other provisions of this Act that apply to the retained assets. See Section 62-7-904(B)(5); Uniform Prudent Investor Act Sec 3, Comment, 7B U.L.A. 18, at 25-26 (Supp. 1997); Restatement of Trusts 3d: Prudent Investor Rule Sec 229 and Comments *a-e*.

Limitations on Section 62-7-904 power to adjust. The purpose of subsections (C)(1) through (4) is to preserve tax benefits that may have been an important purpose for creating the trust. Subsections (C)(5), (6), and (8) deny the power to adjust in the circumstances described in those subsections in order to prevent adverse tax consequences, and subsection (C)(7) denies the power to adjust to any beneficiary, whether or not possession of the power may have adverse tax consequences.

Under subsection (C)(1), a trustee cannot make an adjustment that diminishes the income interest in a trust that requires all of the income to be paid at least annually to a spouse and for which an estate tax or gift tax marital deduction is allowed; but this subsection does not prevent the trustee from making an adjustment that increases the amount of income paid from a marital deduction trust to the spouse. Subsection (C)(1) applies to a trust that qualifies for the marital deduction because the spouse has a general power of appointment over the trust, but it applies to a qualified terminable interest property

(QTIP) trust only if and to the extent that the fiduciary makes the election required to obtain the tax deduction. Subsection (C)(1) does not apply to a so-called "estate" trust. This type of trust qualifies for the marital deduction because the terms of the trust require the principal and undistributed income to be paid to the surviving spouse's estate when the spouse dies; it is not necessary for the terms of an estate trust to require the income to be distributed annually. Reg. Sec 20.2056(c)-2(b)(1)(iii).

Subsection (C)(3) applies to annuity trusts and unitrusts with no charitable beneficiaries as well as to trusts with charitable income or remainder beneficiaries; its purpose is to make it clear that a beneficiary's right to receive a fixed annuity or a fixed fraction of the value of a trust's assets is not subject to adjustment under Section 62-7-904(A). Subsection (C)(3) does not apply to any additional amount to which the beneficiary may be entitled that is expressed in terms of a right to receive income from the trust. For example, if a beneficiary is to receive a fixed annuity or the trust's income, whichever is greater, subsection (C)(3) does not prevent a trustee from making an adjustment under Section 62-7-904(A) in determining the amount of the trust's income.

If subsection (C)(5), (6), (7), or (8), prevents a trustee from exercising the power to adjust, subsection (D) permits a cotrustee who is not subject to the provision to exercise the power unless the terms of the trust do not permit the cotrustee to do so.

Release of the power to adjust. Section 62-7-904(E) permits a trustee to release all or part of the power to adjust in circumstances in which the possession or exercise of the power might deprive the trust of a tax benefit or impose a tax burden. For example, if possessing the power would diminish the actuarial value of the income interest in a trust for which the income beneficiary's estate may be eligible to claim a credit for property previously taxed if the beneficiary dies within ten years after the death of the person creating the trust, the trustee is permitted under subsection to release (E) to release just the power to adjust from income to principal.

Trust terms that limit a power to adjust. Section 62-7-904(F) applies to trust provisions that limit a trustee's power to adjust. Since the power is intended to enable trustees to employ the prudent investor rule without being constrained by traditional principal and income rules, an instrument executed before the adoption of this Act whose terms describe the amount that may or must be distributed to a beneficiary by referring to the trust's income or that prohibit the invasion of principal or that prohibit equitable adjustments in general should not be

construed as forbidding the use of the power to adjust under Section 62-7-904(A) if the need for adjustment arises because the trustee is operating under the prudent investor rule. Instruments containing such provisions that are executed after the adoption of this Act should specifically refer to the power to adjust if the settlor intends to forbid its use. See generally, Joel C. Dobris, Limits on the Doctrine of Equitable Adjustment in Sophisticated Postmortem Tax Planning, 66 Iowa L. Rev. 273 (1981).

Examples. The following examples illustrate the application of Section 62-7-904:

Example (1) T is the successor trustee of a trust that provides income to A for life, remainder to B. T has received from the prior trustee a portfolio of financial assets invested 20% in stocks and 80% in bonds. Following the prudent investor rule, T determines that a strategy of investing the portfolio 50% in stocks and 50% in bonds has risk and return objectives that are reasonably suited to the trust, but T also determines that adopting this approach will cause the trust to receive a smaller amount of dividend and interest income. After considering the factors in Section 62-7-904(B) T may transfer cash from principal to income to the extent T considers it necessary to increase the amount distributed to the income beneficiary.

Example (2) T is the trustee of a trust that requires the income to be paid to the settlor's son C for life, remainder to C's daughter D. In a period of very high inflation, T purchases bonds that pay double-digit interest and determines that a portion of the interest, which is allocated to income under Section 62-7-915 of this Act, is a return of capital. In consideration of the loss of value of principal due to inflation and other factors that T considers relevant, T may transfer part of the interest to principal.

Example (3) T is the trustee of a trust that requires the income to be paid to the settlor's sister E for life, remainder to charity F. E is a retired schoolteacher who is single and has no children. E's income from her social security, pension, and savings exceeds the amount required to provide for her accustomed standard of living. The terms of the trust permit T to invade principal to provide for E's health and to support her in her accustomed manner of living, but do not otherwise indicate that T should favor E or F. Applying the prudent investor rule, T determines that the trust assets should be invested entirely in growth stocks that produce very little dividend income. Even though it is not necessary to invade principal to maintain E's accustomed standard of living, she is entitled to receive from the trust the degree of beneficial enjoyment normally accorded a person who is the sole income

beneficiary of a trust, and T may transfer cash from principal to income to provide her with that degree of enjoyment.

Example (4) T is the trustee of a trust that is governed by the law of State X. The trust became irrevocable before State X adopted the prudent investor rule. The terms of the trust require all of the income to be paid to G for life, remainder to H, and also give T the power to invade principal for the benefit of G for "dire emergencies only." The terms of the trust limit the aggregate amount that T can distribute to G from principal during G's life to 6% of the trust's value at its inception. The trust's portfolio is invested initially 50% in stocks and 50% in bonds, but after State X adopts the prudent investor rule T determines that, to achieve suitable risk and return objectives for the trust, the assets should be invested 90% in stocks and 10% in bonds. This change increases the total return from the portfolio and decreases the dividend and interest income. Thereafter, even though G does not experience a dire emergency, T may exercise the power to adjust under Section 62-7-904(A) to the extent that T determines that the adjustment is from only the capital appreciation resulting from the change in the portfolio's asset allocation. If T is unable to determine the extent to which capital appreciation resulted from the change in asset allocation or is unable to maintain adequate records to determine the extent to which principal distributions to G for dire emergencies do not exceed the 6% limitation, T may not exercise the power to adjust. See Joel C. Dobris, *Limits on the Doctrine of Equitable Adjustment in Sophisticated Postmortem Tax Planning*, 66 Iowa L. Rev. 273 (1981).

Example (5) T is the trustee of a trust for the settlor's child. The trust owns a diversified portfolio of marketable financial assets with a value of \$600,000, and is also the sole beneficiary of the settlor's IRA, which holds a diversified portfolio of marketable financial assets with a value of \$900,000. The trust receives a distribution from the IRA that is the minimum amount required to be distributed under the Internal Revenue Code, and T allocates 10% of the distribution to income under Section 62-7-918(C) of this Act. The total return on the IRA's assets exceeds the amount distributed to the trust, and the value of the IRA at the end of the year is more than its value at the beginning of the year. Relevant factors that T may consider in determining whether to exercise the power to adjust and the extent to which an adjustment should be made to comply with Section 62-7-903(B) include the total return from all of the trust's assets, those owned directly as well as its interest in the IRA, the extent to which the trust will be subject to income tax on the portion of the IRA distribution that is allocated to principal, and the extent to which the income beneficiary will be

subject to income tax on the amount that T distributes to the income beneficiary.

Example (6) T is the trustee of a trust whose portfolio includes a large parcel of undeveloped real estate. T pays real property taxes on the undeveloped parcel from income each year pursuant to Section 62-7-925(3). After considering the return from the trust's portfolio as a whole and other relevant factors described in Section 62-7-904(B), T may exercise the power to adjust under Section 62-7-904(A) to transfer cash from principal to income in order to distribute to the income beneficiary an amount that T considers necessary to comply with Section 62-7-903(B).

Example (7) T is the trustee of a trust whose portfolio includes an interest in a mutual fund that is sponsored by T. As the manager of the mutual fund, T charges the fund a management fee that reduces the amount available to distribute to the trust by \$2,000. If the fee had been paid directly by the trust, one-half of the fee would have been paid from income under Section 62-7-925(1) and the other one-half would have been paid from principal under Section 62-7-926(A)(1). After considering the total return from the portfolio as a whole and other relevant factors described in Section 62-7-904(B), T may exercise its power to adjust under Section 62-7-904(A) by transferring \$1,000, or half of the trust's proportionate share of the fee, from principal to income.

Section 62-7-904A. (A) A court may not change a fiduciary's decision, or order a fiduciary to change its decision, to exercise or not to exercise a discretionary power conferred by the South Carolina Uniform Principal and Income Act unless it determines that the decision was an abuse of the fiduciary's discretion. A fiduciary's decision is not an abuse of discretion merely because the court would have exercised the power in a different manner or would not have exercised the power.

(B) The decisions subject to subsection (A) include, but are not limited to, a determination:

(1) pursuant to Section 62-7-904(A) of whether and to what extent an amount should be transferred from principal to income or from income to principal; and

(2) of the factors that are relevant to the trust and its beneficiaries, the extent to which they are relevant, and the weight, if any, to be given to the relevant factors, in deciding whether and to what extent to exercise the power in Section 62-7-904(A).

(C) If a court determines that a fiduciary has abused its discretion, the court may place the income and remainder beneficiaries in the positions they would have occupied if the fiduciary had not abused its discretion, according to the following rules:

(1) to the extent that the abuse of discretion has resulted in no distribution to a beneficiary or in a distribution that is too small, the court must order the fiduciary to distribute from the trust to the beneficiary an amount that the court determines will restore the beneficiary, in whole or in part, to the beneficiary's appropriate position;

(2) to the extent that the abuse of discretion has resulted in a distribution to a beneficiary that is too large, the court must place the beneficiaries, the trust, or both, in whole or in part, in their appropriate positions by ordering the fiduciary to withhold an amount from one or more future distributions to the beneficiary who received the distribution that was too large or ordering that beneficiary to return some or all of the distribution to the trust;

(3) to the extent that the court is unable, after applying items (1) and (2), to place the beneficiaries, the trust, or both, in the positions they would have occupied if the fiduciary had not abused its discretion, the court may order the fiduciary to pay an appropriate amount from its own funds to one or more of the beneficiaries or the trust, or both.

(D) Upon a petition by the fiduciary, the court having jurisdiction over the trust or estate must determine whether a proposed exercise or nonexercise by the fiduciary of a discretionary power in the South Carolina Uniform Principal and Income Act would result in an abuse of the fiduciary's discretion. If the petition describes the proposed exercise or nonexercise of the power and contains sufficient information to inform the beneficiaries of the reasons for the proposal, the facts upon which the fiduciary relies, and an explanation of how the income and remainder beneficiaries would be affected by the proposed exercise or nonexercise of the power, a beneficiary who challenges the proposed exercise or nonexercise has the burden of establishing that it will result in an abuse of discretion.

REPORTER'S COMMENTS

General. All of the discretionary powers in this 1997 Act are subject to the normal rules that govern a fiduciary's exercise of discretion. Section 62-7-904A codifies those rules for purposes of the Act so that they will be readily apparent and accessible to fiduciaries, beneficiaries, their counsel and the courts if and when questions concerning such powers arise.

Section 62-7-904A also makes clear that the normal rules governing the exercise of a fiduciary's powers apply to the discretionary power to adjust conferred upon a trustee by Section 62-7-904(A). Discretionary provisions authorizing trustees to determine what is income and what is principal have been used in governing instruments for years; Section 2 of the 1931 Uniform Principal and Income Act recognized that practice by providing that "the person establishing the principal may himself direct the manner of ascertainment of income and principal...or grant discretion to the trustee or other person to do so..." Section 62-7-903(A)(2) also recognizes the power of a settlor to grant such discretion to the trustee. Section 62-7-904A applies to a discretionary power granted by the terms of a trust or a will as well as the power to adjust in Section 62-7-904A.

Power to Adjust. The exercise of the power to adjust is governed by a trustee's duty of impartiality, which requires the trustee to strike an appropriate balance between the interests of the income and remainder beneficiaries. Section 62-7-903(B) expresses this duty by requiring the trustee to "administer a trust or estate impartially, based on what is fair and reasonable to all of the beneficiaries, except to the extent that the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may favor one or more of the beneficiaries." Because this involves the exercise of judgment in circumstances rarely capable of perfect resolution, trustees are not expected to achieve perfection; they are, however, required to make conscious decisions in good faith and with proper motives.

In seeking the proper balance between the interests of the beneficiaries in matters involving principal and income, a trustee's traditional approach has been to determine the settlor's objectives from the terms of the trust, gather the information needed to ascertain the financial circumstances of the beneficiaries, determine the extent to which the settlor's objectives can be achieved with the resources available in the trust, and then allocate the trust's assets between stocks and fixed-income securities in a way that will produce a particular level or range of income for the income beneficiary. The key element in this process has been to determine the appropriate level or range of income for the income beneficiary, and that will continue to be the key element in deciding whether and to what extent to exercise the discretionary power conferred by Section 62-7-904(A). If it becomes necessary for a court to determine whether an abuse of the discretionary power to adjust between principal and income has occurred, the criteria should be the same as those that courts have used in the past to determine

whether a trustee has abused its discretion in allocating the trust's assets between stocks and fixed-income securities.

A fiduciary has broad latitude in choosing the methods and criteria to use in deciding whether and to what extent to exercise the power to adjust in order to achieve impartiality between income beneficiaries and remainder beneficiaries or the degree of partiality for one or the other that is provided for by the terms of the trust or the will. For example, in deciding what the appropriate level or range of income should be for the income beneficiary and whether to exercise the power, a trustee may use the methods employed prior to the enactment of SCUP&IA in 2001 in deciding how to allocate trust assets between stocks and fixed-income securities; or may consider the amount that would be distributed each year based on a percentage of the portfolio's value at the beginning or end of an accounting period, or the average portfolio value for several accounting periods, in a manner similar to a unitrust, and may select a percentage that the trustee believes is appropriate for this purpose and use the same percentage or different percentages in subsequent years. The trustee may also use hypothetical portfolios of marketable securities to determine an appropriate level or range of income within which a distribution might fall.

An adjustment may be made prospectively at the beginning of an accounting period, based on a projected return or range of returns for a trust's portfolio, or retrospectively after the fiduciary knows the total realized or unrealized return for the period; and instead of an annual adjustment, the trustee may distribute a fixed dollar amount for several years, in a manner similar to an annuity, and may change the fixed dollar amount periodically. No inference of abuse is to be drawn if a fiduciary uses different methods or criteria for the same trust from time to time, or uses different methods or criteria for different trusts for the same accounting period.

While a trustee must consider the portfolio as a whole in deciding whether and to what extent to exercise the power to adjust, a trustee may apply different criteria in considering the portion of the portfolio that is composed of marketable securities and the portion whose market value cannot be determined readily, and may take into account a beneficiary's use or possession of a trust asset.

Under the prudent investor rule, a trustee is to incur costs that are appropriate and reasonable in relation to the assets and the purposes of the trust, and the same consideration applies in determining whether and to what extent to exercise the power to adjust. In making investment decisions under the prudent investor rule, the trustee will have considered the purposes, terms, distribution requirements, and

other circumstances of the trust for the purpose of adopting an overall investment strategy having risk and return objectives reasonably suited to the trust. A trustee is not required to duplicate that work for principal and income purposes, and in many cases the decision about whether and to what extent to exercise the power to adjust may be made at the same time as the investment decisions. To help achieve the objective of reasonable investment costs, a trustee may also adopt policies that apply to all trusts or to individual trusts or classes of trusts, based on their size or other criteria, stating whether and under what circumstances the power to adjust will be exercised and the method of making adjustments; no inference of abuse is to be drawn if a trustee adopts such policies.

General rule. The first sentence of Section 62-7-904A(A) is from Restatement (Second) of Trusts Section 187 and Restatement (Third) of Trusts (Tentative Draft No. 2, 1999) Sec 50(1). The second sentence of Section 62-7-904A(A) derives from Comment e to Sec 187 of the Second Restatement and Comment b to Sec 50 of the Third Restatement.

The reference in Section 62-7-904A(A) to a fiduciary's decision to exercise or not to exercise a discretionary power underscores a fundamental precept, which is that a fiduciary has a duty to make a conscious decision about exercising or not exercising a discretionary power. Comment b to Section 50 of the Third Restatement states:

A court will intervene where the exercise of a power is left to the judgment of a trustee who improperly fails to exercise that judgment. Thus, even where a trustee has discretion whether or not to make any payments to a particular beneficiary, the court will interpose if the trustee, arbitrarily or without knowledge of or inquiry into relevant circumstances, fails to exercise the discretion.

Section 62-7-904A(B) makes clear that the rule of subsection (B) applies not only to the power conferred by Section 62-7-904A but also to the evaluation process required by Section 62-7-904A(B) in deciding whether and to what extent to exercise the power to adjust. Under Section 62-7-904A(B) a trustee is to consider all of the factors that are relevant to the trust and its beneficiaries, including, to the extent the trustee determines they are relevant, the nine factors enumerated in Section 62-7-904A(B). Section 62-7-904A(B) derives from Section 62-7-933(C)(3) of SCUPIA which lists eight circumstances that a trustee shall consider, to the extent they are relevant, in investing and managing assets. The trustee's decisions about what factors are relevant for purposes of Section 62-7-904A(B) and the weight to be accorded each of the relevant factors are part of the discretionary

decision-making process. As such, these decisions are not subject to change for the purpose of changing the trustee's ultimate decision unless the court determines that there has been an abuse of discretion in determining the relevancy and weight of these factors.

Remedy. The exercise or nonexercise of a discretionary power under the act normally affects the amount or timing of a distribution to the income or remainder beneficiaries. The primary remedy under Section 62-7-904A(C) for abuse of discretion is the restoration of the beneficiaries and the trust to the positions they would have occupied if the abuse had not occurred. It draws on a basic principle of restitution that if a person pays money to someone who is not intended to receive it (and in a case to which this act applies, not intended by the settlor to receive it in the absence of an abuse of discretion by the trustee), that person is entitled to restitution on the ground that the payee would be unjustly enriched if he were permitted to retain the payment. See Restatement of Restitution Section 22 (1937). The objective is to accomplish the restoration initially by making adjustments between the beneficiaries and the trust to the extent possible; to the extent that restoration is not possible by such adjustments, a court may order the trustee to pay an amount to one or more of the beneficiaries, the trust, or both the beneficiaries and the trust. If the court determines that it is not possible in the circumstances to restore them to their appropriate positions, the court may provide other remedies appropriate to the circumstances. The approach of Section 105(c) is supported by Comment b to Section 50 of the Third Restatement of Trusts:

When judicial intervention is required, a court may direct the trustee to make or refrain from making certain payments; issue instructions to clarify the standards or guidelines applicable to the exercise of the power; or rescind the trustee's payment decisions, usually directing the trustee to recover amounts improperly distributed and holding the trustee liable for failure or inability to do so.

Advance determinations. Section 62-7-904A(D) employs the familiar remedy of the trustee's petition to the court for instructions. It requires the court to determine, upon a petition by the fiduciary, whether a proposed exercise or nonexercise of a discretionary power by the fiduciary of a power conferred by the Act would be an abuse of discretion under the general rule of Section 62-7-904A. If the petition contains the information prescribed in the second sentence of subsection (D) the proposed action or inaction is presumed not to result in an abuse, and a beneficiary who challenges the proposal must establish that it will.

Subsection (D) is intended to provide a fiduciary the opportunity to obtain an assurance of finality in a judicial proceeding before proceeding with a proposed exercise or nonexercise of a discretionary power. Its purpose is not, however, to have the court instruct the fiduciary how to exercise the discretion.

A fiduciary may also obtain the consent of the beneficiaries to a proposed act or an omission to act, and a beneficiary cannot hold the fiduciary liable for that act or omission unless:

(a) the beneficiary was under an incapacity at the time of such consent or of such act or omission; or

(b) the beneficiary, when he gave his consent, did not know of his rights and of the material facts which the trustee knew or should have known and which the trustee did not reasonably believe that the beneficiary knew; or

(c) the consent of the beneficiary was induced by improper conduct of the trustee.

Restatement (Second) of Trusts Sec 216.

If there are many beneficiaries, including some who are incapacitated or unascertained, the fiduciary may prefer the greater assurance of finality provided by a judicial proceeding that will bind all persons who have an interest in the trust.

Section 62-7-904B. The definitions in this section apply to Sections 62-7-904C through 62-7-904P.

(1) 'Code' means the Internal Revenue Code of 1986, as amended from time to time, and any statutory enactment successor to the Code; reference to a specific section of the code in Sections 62-7-904B through 62-7-904P are considered a reference also to any successor provision dealing with the subject matter of that section of the Code.

(2) 'Disinterested person' means a person who is not a related or subordinate party with respect to the person then acting as trustee of the trust and excludes the settlor of the trust and any interested trustee.

(3) 'Express total return unitrust' means a trust created by the terms of a governing instrument requiring the distribution at least annually of a unitrust amount equal to a fixed percentage of not less than three percent nor more than five percent a year of the net fair market value of the amounts of the trust, valued at least annually.

(4) 'Income trust' means a trust, created by either an inter vivos or a testamentary instrument, which directs or permits the trustee to distribute the net income of the trust to one or more persons, either in fixed proportions or in amounts or proportions determined by the

trustee, and regardless of whether the trust directs or permits the trustee to distribute principal of the trust to one or more of those persons.

(5) 'Interested distributee' means a living beneficiary who is a distributee or permissible distributee of trust income or principal who has the power to remove the existing trustee and designate as successor a person who may be a related or subordinate party with respect to that distributee.

(6) 'Interested trustee' means any of the following:

(a) an individual trustee who is a qualified beneficiary;

(b) a trustee who may be removed and replaced by an interested distributee;

(c) an individual trustee whose legal obligation to support a beneficiary may be satisfied by distributions of income and principal of the trust.

(7) 'Legal disability' means a person under a legal disability who is a minor, an incompetent or incapacitated person, or an unborn individual, or whose identity or location is unknown.

(8) 'Qualified beneficiary' means a qualified beneficiary as defined in Section 62-7-103(12).

(9) 'Related or subordinate party' means a related or subordinate party as defined in Section 672(c) of the Code.

(10) 'Representative' means a person who may represent and bind another as provided in Part 3 of this article, the provisions of which apply for purposes of this section and Sections 62-7-904C through 62-7-904P.

(11) 'Settlor' means an individual, including a testator, who creates a trust.

(12) 'Total return unitrust' means an income trust that has been converted under and meets the provisions of this section and Section 62-7-904C through 62-7-904P.

(13) 'Treasury regulations' means the regulations, rulings, procedures, notices, or other administrative pronouncements issued by the Internal Revenue Service, as amended from time to time.

(14) 'Trustee' means a person acting as trustee of the trust, except as otherwise expressly provided in this section and Sections 62-7-904C through 62-7-904P whether acting in that person's discretion or on the direction of one or more persons acting in a fiduciary capacity.

(15) 'Unitrust amount' means an amount computed as a percentage of the fair market value of the assets of the trust.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904C. (A) A trustee, other than an interested trustee, or, where two or more persons are acting as trustees, a majority of the trustees who are not interested trustees (in either case hereafter 'trustee') in the trustee's sole discretion and without court approval, may:

- (1) convert an income trust to a total return unitrust;
- (2) reconvert a total return unitrust to an income trust; or
- (3) change the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust if all of the following apply:

- (a) The trustee adopts a written policy for the trust providing:

- (i) in the case of a trust being administered as an income trust, that future distributions from the trust will be unitrust amounts rather than net income as determined pursuant to the South Carolina Uniform Principal and Income Act;

- (ii) in the case of a trust being administered as a total return unitrust, that future distributions from the trust will be net income rather than unitrust amounts; or

- (iii) that the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust will be changed as stated in the policy.

- (b) The trustee gives written notice of its intention to take the action, including copies of the written policy and Sections 62-7-904B through 62-7-904P, to:

- (i) the settlor of the trust, if living; and

- (ii) all persons who are the qualified beneficiaries of the trust at the time the notice is given. If a qualified beneficiary is under a legal disability, notice shall be given to the representative of the qualified beneficiary if a representative is available without court order.

- (c) There is at least:

- (i) one qualified beneficiary described in Section 62-7-103(12)(A) or (B) who is not under a legal disability or a representative of a qualified beneficiary so described; or

- (ii) one qualified beneficiary described in Section 62-7-103(12)(C) who is not under a legal disability or a representative of a qualified beneficiary so described.

- (d) No person receiving notice of the trustee's intention to take the proposed action objects to the action within ninety days after notice has been given. The objection must be by written notice to the trustee.

(B) If there is no trustee of the trust other than an interested trustee, the interested trustee or, where two or more persons are acting as

trustee and are interested trustees, a majority of the interested trustees may, in its sole discretion and without court approval:

- (1) convert an income trust to a total return unitrust;
- (2) reconvert a total return unitrust to an income trust; or
- (3) change the percentage used to calculate the unitrust amount

or the method used to determine the fair market value of the trust if all of the following apply:

(a) The trustee adopts a written policy for the trust providing:

(i) in the case of a trust being administered as an income trust, that future distributions from the trust will be unitrust amounts rather than net income as determined pursuant to the South Carolina Uniform Principal and Income Act;

(ii) in the case of a trust being administered as a total return unitrust, that future distributions from the trust will be net income as determined pursuant to the South Carolina Uniform Principal and Income Act rather than unitrust amounts, or

(iii) that the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust will be changed as stated in the policy.

(b) The trustee appoints a disinterested person who, in its sole discretion but acting in a fiduciary capacity, determines for the trustee:

(i) the percentage to be used to calculate the unitrust amount;

(ii) the method to be used in determining the fair market value of the trust; and

(iii) which assets, if any, are to be excluded in determining the unitrust amount.

(c) The trustee gives written notice of its intention to take the action, including copies of the written policy and Sections 62-7-904B through 62-7-904P and the determinations of the disinterested person to:

(i) the settlor of the trust, if living; and

(ii) all persons who are the qualified beneficiaries of the trust at the time of the giving of the notice. If a qualified beneficiary is under a legal disability, notice must be given to the representative of the qualified beneficiary if a representative is available without court order.

(d) There is at least:

(i) one qualified beneficiary described in Section 62-7-103(12)(A) or (B) or a representative of a beneficiary so described; or

(ii) one qualified beneficiary described in Section 62-7-103(12)(C) or a representative of a qualified beneficiary so described.

(e) No person receiving notice of the trustee's intention to take the proposed action of the trustee objects to the action or to the determination of the disinterested person within ninety days after notice has been given. The objection must be by written instrument delivered to the trustee.

(C) A trustee may act under subsection (A) or (B) of this section with respect to a trust for which both income and principal have been set aside permanently for charitable purposes under the governing instrument and for which a federal estate or gift tax deduction has been taken, if all of the following apply:

(1) Instead of sending written notice to the persons described in subsection (A)(3)(b) or subsection (B)(3)(b), as the case may be, the trustee shall send written notice to each charitable organization expressly designated to receive the income of the trust under the governing instrument and, if no charitable organization is expressly designated to receive all of the income of the trust under the governing instrument, to the Attorney General of this State.

(2) Subsection (A)(3)(d) or subsection (B)(3)(d) of this subsection, as the case may be, does not apply to this action.

(3) In each taxable year, the trustee shall distribute the greater of the unitrust amount or the amount required by Section 4942 of the Code.

(D) The provisions of Section 62-7-109 regarding notices and the sending of documents to persons under this article shall apply for purposes of notices and the sending of documents under this section.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904D. (A) If a trustee desires to:

- (1) convert an income trust to a total return unitrust;
- (2) reconvert a total return unitrust to an income trust; or
- (3) change the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust assets but does not have the ability to or elects not to do it under Section 62-7-904C, the trustee may petition the court for an order as the trustee considers appropriate. If there is only one trustee of the trust and the trustee is an interested trustee or if there are two or more trustees of the trust and a majority of them are interested trustees, the court, in its own

discretion or on the petition of the trustee or trustees or any person interested in the trust, may appoint a disinterested person who, acting in a fiduciary capacity, shall present information to the court as necessary to enable the court to make its determinations under Sections 62-7-904B through 62-7-904P.

(B) A qualified beneficiary or a representative of a qualified beneficiary may request the trustee to:

- (1) convert an income trust to a total return unitrust;
- (2) reconvert a total return unitrust to an income trust; or
- (3) change the percentage used to calculate the unitrust amount

or the method used to determine the fair market value of the trust. If the trustee does not take the action requested, the qualified beneficiary or a representative of the qualified beneficiary may petition the court to order the trustee to take the action.

(C) All proceedings under this section must be conducted as provided in Part 2 of this article.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904E. (A) The fair market value of the trust assets must be determined at least annually, using a valuation date selected by the trustee in its discretion. The trustee, in its discretion, may use an average of the fair market value on the same valuation date for the current fiscal year and not more than three preceding fiscal years, if the use of this average appears desirable to the trustee to reduce the impact of fluctuations in market value on the unitrust amount. Assets for which a fair market value cannot be readily ascertained must be valued using valuation methods as are considered reasonable and appropriate by the trustee. Assets, such as a residence or tangible personal property, used by the trust beneficiary may be excluded by the trustee from the fair market value for computing the unitrust amount.

(B) The percentage to be used by the trustee in determining the unitrust amount must be a reasonable current return from the trust, but not less than three percent nor more than five percent, taking into account the intentions of the settlor of the trust as expressed in the terms of the trust, the needs of the beneficiaries, general economic conditions, projected current earnings and appreciation for the trust assets, and projected inflation and its impact on the trust.

(C) Following the conversion of an income trust to a total return unitrust, the trustee:

(1) shall consider the unitrust amount as paid from net accounting income determined as if the trust were not a unitrust;

(2) shall then consider the unitrust amount as paid from ordinary income not allocable to net accounting income;

(3) may, in the trustee's discretion, consider the unitrust amount as paid from net short-term gain described in Section 1222(5) of the Code and then from net long-term capital gain described in Section 1222(7) of the Code so long as the discretionary power is exercised consistently and in a reasonable and impartial manner, but the amount so paid from net capital gains may not be greater than the excess of the unitrust amount over the amount of distributable net income as defined in Section 643(a) of the Code without regard to Section 1.643(a)-3(b) of the Treasury Regulations, as amended from time to time; and

(4) shall then consider the unitrust amount as coming from the principal of the trust.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904F. In administering a total return unitrust, the trustee may, in its sole discretion but subject to the terms of the trust, determine:

(1) the effective date of the conversion;

(2) the timing of distributions, including provisions for prorating a distribution for a short year in which a beneficiary's right to payments commences or ceases;

(3) whether distributions are to be made in cash or in kind or partly in cash and partly in kind;

(4) if the trust is reconverted to an income trust, the effective date of the reconversion; and

(5) any other administrative issues as may be necessary or appropriate to carry out the purposes of Sections 62-7-904B through 62-7-904P.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904G. Conversion to a total return unitrust under Sections 62-7-904B through 62-7-904P does not affect any other provision of the terms of the trust, if any, regarding distributions of principal. For purposes of Sections 62-7-904B through 62-7-904P, the

distribution of a unitrust amount is considered a distribution of income and not of principal.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904H. No trustee or disinterested person who in good faith takes or fails to take any action under Sections 62-7-904B through 62-7-904P is liable to any person affected by the action or inaction, regardless of whether the person received written notice as provided in Sections 62-7-904B through 62-7-904P and regardless of whether the person was under a legal disability at the time of the delivery of the notice. The exclusive remedy for any person affected by such action or inaction is to obtain an order of the court directing the trustee to:

- (1) convert an income trust to a total return unitrust;
- (2) reconvert from a total return unitrust to an income trust; or
- (3) change the percentage used to calculate the unitrust amount.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904I. Sections 62-7-904B through 62-7-904P apply to all trusts in existence on, or created after the effective date of Sections 62-7-904A through 62-7-904P unless:

- (1) the governing instrument contains a provision clearly expressing the settlor's intention that the current beneficiary or beneficiaries are to receive an amount other than a reasonable current return from the trust;
- (2) the trust is a trust described in Section 170(f)(2)(B), Section 664(d), Section 2702(a)(3), or Section 2702(b) of the Code;
- (3) the trust is a trust under which any amount is, or has been in the past, set aside permanently for charitable purposes unless the income from the trust also is devoted permanently to charitable purposes; or
- (4) the governing instrument expressly prohibits use of Sections 62-7-904B through 62-7-904P by specific reference to Sections 62-7-904B through 62-7-904P or expressly states the settlor's intent that net income not be calculated as a unitrust amount.

A provision in the terms of the trust that 'the provisions of Sections 62-7-904B through 62-7-904P of this part or any corresponding provision of future law, must not be used in the administration of this trust,' or 'the trustee shall not determine the distributions to the income beneficiary as a unitrust amount,' or similar words reflecting that intent

is sufficient to preclude the use of Sections 62-7-904B through 62-7-904P.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904J. RESERVED

Section 62-7-904K. RESERVED

Section 62-7-904L. RESERVED

Section 62-7-904M. (A) The unitrust amount to be distributed by the express total return unitrust may be determined by the terms of the unitrust governing instrument by reference to the net fair market value of the trust's assets determined annually or averaged on a multiple-year basis.

(B) The terms of an express total return unitrust governing instrument may provide that:

(1) any assets of such a unitrust for which a fair market value cannot be readily ascertained must be valued using valuation methods that the trustee considers reasonable and appropriate;

(2) any assets of such a unitrust, such as a residence property or tangible personal property, used by the trust beneficiary entitled to the unitrust amount may be excluded by the trustee from the net fair market value for computing the unitrust amount.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904N. The distribution from an express total return unitrust of a unitrust amount equal to a fixed percentage of not less than three percent nor more than five percent reasonably apports between the income beneficiaries and the remainder of the total return of an express total return unitrust.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904O. (A) The terms of an express total return unitrust governing instrument may provide the method similar to the method provided under Section 62-7-904C for changing the unitrust

percentage or for converting from a unitrust to an income trust or for a reconversion of an income trust to a unitrust, or for all of these actions.

(B) If the terms of an express total return unitrust governing instrument do not specifically or by reference to Section 62-7-904C grant a power to the trustee to change the unitrust percentage or change to an income trust, the trustee shall not have that power.

REPORTER'S COMMENTS

See comments after Section 62-7-904P.

Section 62-7-904P. Unless the terms of the express total return unitrust governing instrument specifically provide otherwise, the trustee:

(A) shall consider the unitrust amount as paid from net accounting income determined as if the trust were not a unitrust;

(B) shall then consider the unitrust amount as paid from ordinary income not allocable to net accounting income;

(C) may, in the trustee's discretion, consider the unitrust amount as paid from net short-term gain described in Section 1222(5) of the Code and then from net long-term capital gain described in Section 1222(7) of the Code so long as this discretionary power is exercised consistently and in a reasonable and impartial manner, but the amount so paid from net capital gains may not be greater than the excess of the unitrust amount over the amount of distributable net income as defined in Section 643(a) of the Code without regard to Section 1.643(a)-3(b) of the Treasury Regulations; and

(D) shall then consider the unitrust amount as coming from the principal of the trust.

REPORTER'S COMMENTS

Background. The Uniform Prudent Investor Act (UPIA), enacted in 1994 by the Uniform Law Commission (ULC), embodies basic principles for an investment regime, "especially the principle of investing for total return rather than a certain level of 'income' as traditionally perceived in terms of interest, dividends, and rents," based on categories of receipts. Total return investing is established by the ULC as the investment regime of a "prudent investor", and UPIA provides that trustees "shall invest and manage trust assets as a prudent investor would" in default of contrary provisions in the terms of the trust. There is a fundamental distinction, however, between needs of trust income beneficiaries and those of trust principal or remainder beneficiaries, which affects the duty of trustees to administer trusts

“impartially, based on what is fair and reasonable to all of the beneficiaries, except to the extent that the terms of the trust or will clearly manifest an intention that the fiduciary [trustee] shall or may favor one or more of the beneficiaries.” These inherent conflicts could in any given situation make it problematic for the trustee to comply with the duty of impartiality. For example, in a low interest/low dividend environment, a prudent investor investing for total return would normally invest less for interest/dividend return and more for capital gains return. The result: an income beneficiary receives, for example, only a one percent return for the year while the remainder beneficiary reaps the rewards of the capital gains. Of course, the opposite would be true in a double-digit high interest/high dividend environment. In neither case would the trustee’s conduct comply with its duty of impartiality, nor would the results be fair and reasonable for the respective beneficiaries affected. Realizing this dilemma for trustees, the ULC addressed this issue in its work on amending its 1962 Revised Uniform Principal and Income Act. This work produced ULC’s 1997 Uniform Principal and Income Act (UP&IA) which includes ULC’s approach to providing assistance to trustees: the power to adjust. South Carolina enacted versions of both UPIA (as SCUPIA) and UP&IA (as SCUP&IA), effective on the same date, July 18, 2001.

Alternate Approach. The power to adjust was not the only approach considered to provide assistance to trustees. During the late 1990s and early 2000s, some states began working independently of the ULC on various versions of unitrust powers for trustees. In the early 2000s, some states enacted unitrust versions with no power to adjust or other ULC provisions. Other states enacted versions of the UP&IA incorporating their respective unitrust versions, thereby having both the power to adjust and their respective unitrust powers as options. No unitrust approach has ever been included in the UP&IA. South Carolina did not include any such unitrust option in 2001 when it enacted SCUP&IA. In the years since 2001, however, the unitrust approach has become increasingly recognized among the states as an established alternative to the power to adjust. The 2013 South Carolina amendments adopted a unitrust option, in subsections 904A through 904P.

Purpose and Scope of Unitrust Option. The purpose of Sections 62-7-904B through 62-7-904P is similar to that of Section 62-7-904 (power to adjust): to enable a trustee to select investments using the standards of a prudent investor without having to realize a particular portion of the portfolio’s total return in the form of traditional trust accounting income categories such as interest, dividends, and rents.

Section 62-7-904C(A) authorizes a trustee who meets the qualifications set forth in this section to: (1) convert an income trust to a total return unitrust; (2) convert a total return unitrust to an income trust; or (3) change the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust if all of the following apply: (a) The trustee adopts a written policy for the trust that contains the three provisions that follow numbered (i), (ii), and (iii); (b) The trustee gives written notice of its intention to take the action, including copies of the written policy and Sections 62-7-904B through 62-7-904P, to those persons described in the two provisions that follow numbered (i) and (ii); (c) There is at least one qualified beneficiary or a representative described in the two provisions that follow numbered (i) and (ii); (d) No person receiving notice of the trustee's intention to take the proposed action objects to the proposed action within ninety days after notice has been given. An objection must be by written notice to the trustee. Section 62-7-904C(B) authorizes an interested trustee or a majority of interested trustees (if there is no trustee of the trust other than an interested trustee) in its or their sole discretion and without court approval to: (1) convert an income trust to a total return unitrust; (2) convert a total return unitrust to an income trust; or (3) change the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust if all of the following apply: (a) The trustee adopts a written policy for the trust that contains the three provisions that follow numbered (i), (ii), and (iii); (b) The trustee appoints a disinterested person who, in its sole discretion but acting in its fiduciary capacity, determines for the trustee the three items that follow numbered (i), (ii), and (iii); (c) The trustee gives written notice of its intention to take the action, include copies of the written policy and Sections 62-7-904B through 62-7-904P and the determinations of the disinterested person to those persons described in the two provisions that follow numbered (i) and (ii); (d) There is at least one qualified beneficiary or a representative described in the two provisions that follow numbered (i) and (ii); (e) No person receiving notice of the trustee's intention to take the proposed action of the trustee objects to the action or to the determinations of the disinterested person within ninety days after notice has been given. The objection must be by written instrument delivered to the trustee. Section 62-7-904C(C) authorizes a trustee to act under subsection (A) or (B) of this section with respect to a trust for which both income and principal have been set aside permanently for charitable purposes under the governing instrument and for which a federal estate or gift tax deduction has been taken, if all of the

provisions in the three subsections that follow numbered (1), (2), and (3) apply. Section 62-7-904C(D) provides that the provisions of Section 62-7-109 regarding notices and the sending of documents to persons under this article shall apply for purposes of notices and the sending of documents under this section.

Section 62-7-904D(A) provides that if a trustee desires to: (1) convert an income trust to a total return unitrust; (2) convert a total return unitrust to an income trust; or (3) change the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust assets, but does not have the ability to or elects not to do it under Section 62-7-904C, the trustee may petition the court for an order as the trustee considers appropriate. If there is only one trustee of the trust and the trustee is an interested trustee or if there are two or more trustees of the trust and a majority of them are interested trustees, the court, in its own discretion or on the petition of the trustee or trustees or any person interested in the trust, may appoint a disinterested person who, acting in a fiduciary capacity, shall present information to the court as necessary to enable the court to make its determinations under Sections 62-7-904B through 62-7-904P. Section 62-7-904D(B) authorizes a qualified beneficiary or a representative of a qualified beneficiary to request the trustee to: (1) convert an income trust to a total return unitrust; (2) convert a total return unitrust to an income trust; or (3) change the percentage used to calculate the unitrust amount or the method used to determine the fair market value of the trust assets. If the trustee does not take the action requested, the qualified beneficiary or a representative of a qualified beneficiary may petition the court to order the trustee to take the action. Section 62-7-904D(C) provides that all proceedings under this section must be conducted as provided in Part 2 of this article.

Section 62-7-904E(A) requires that the fair market value of the trust assets be determined at least annually, using a valuation date selected by the trustee in its discretion, and that assets for which a fair market value cannot be readily ascertained be valued using valuation methods considered reasonable and appropriate by the trustee. This section authorizes the trustee, in its discretion, to use an average of the fair market value on the same valuation date for the current fiscal year and not more than three preceding fiscal years, if the use of this average appears desirable to the trustee to reduce the impact of fluctuations in market value on the unitrust amount and to exclude from the fair market value for computing the unitrust amount assets such as a residence or tangible personal property used by the trust beneficiary. Section 62-7-904E(B) requires that the percentage used in determining

the unitrust amount be a reasonable current return from the trust, in any event not less than three percent nor more than five percent, taking into account the intentions of the settlor of the trust as expressed in the terms of the trust, the needs of the beneficiaries, general economic conditions, projected current earnings and appreciation for the trust assets, and projected inflation and its impact on the trust. Section 62-7-904E(C) provides that, following the conversion of an income trust to a total return unitrust, the trustee: (1) must consider the unitrust amount as paid from net accounting income determined as if the trust were not a unitrust; (2) must then consider the unitrust amount as paid from ordinary income not allocable to net accounting income; (3) may, in the trustee's discretion, consider the unitrust amount as paid from net short-term gain described in section 1222(5) of the Code and then from net long-term capital gain described in section 1222(7) of the Code so long as the discretionary power is exercised consistently and in a reasonable and impartial manner, but the amount so paid from net capital gains may not be greater than the excess of the unitrust amount over the amount of distributable net income as defined in section 643(a) of the Code without regard to section 1.643(a)-3(b) of the Treasury Regulations, as amended from time to time; and (4) must then consider the unitrust amount as coming from the principal of the trust.

Section 62-7-904F authorizes the trustee, in administering a total return unitrust, to determine in its sole discretion but subject to the provisions of the terms of the trust: (1) the effective date of the conversion; (2) the timing of distributions, including provisions for prorating a distribution for a short year in which a beneficiary's right to payments commences or ceases; (3) whether distributions are to be made in cash or in kind or partly in cash and partly in kind; (4) if the trust is reconverted to an income trust, the effective date of the reconversion; and (5) any other administrative issues as may be necessary or appropriate to carry out the purposes of Sections 62-7-904B through 62-7-904P.

Section 62-7-904G clearly establishes that conversion to a total return unitrust under Sections 62-7-904B through 62-7-904P shall not affect any other provision of the terms of the trust, if any, regarding distributions of principal. For purposes of Sections 62-7-904B through 62-7-904P, the distribution of a unitrust amount is considered a distribution of income and not of principal.

Section 62-7-904H purports to establish evidence of good faith by the trustee or any disinterested person who takes or fails to take any action under Sections 62-7-904B through 62-7-904P as a complete defense against liability to any person affected by such action or

inaction, regardless of whether the person received written notice as provided in Sections 62-7-904B through 62-7-904P and regardless of whether the person was under a legal disability at the time of the delivery of the notice. The exclusive remedy for any person affected by an action or inaction shall be to obtain an order of the court directing the trustee (1) to convert an income trust to a total return unitrust, (2) to reconvert from a total return unitrust to an income trust, or (3) to change the percentage used to calculate the unitrust amount.

Section 62-7-904I addresses certain types of trusts and trust provisions or other default circumstances which cause Sections 62-7-904B through 62-7-904P not to apply to such trusts.

Section 62-7-904M(A) is the first of the four final sections that address the express total return unitrust as distinguished from the total return unitrust and the income trust. Each of these trusts is included in the definitions section, 62-7-904B where subsection (3) provides: 'Express total return unitrust' means a trust created by the terms of a governing instrument requiring the distribution at least annually of a unitrust amount equal to a fixed percentage of not less than three percent nor more than five percent a year of the net fair market value of the assets of the trust, valued at least annually. Note that this Section 62-7-904M(A) provides in addition to "annually": "or averaged on a multiple year basis." Section 62-7-904M(B) authorizes the terms of such governing instrument to provide that: (1) any assets of such a unitrust for which a fair market value cannot be readily ascertained must be valued using valuation methods that the trustee considers reasonable and appropriate; and (2) any assets of such a unitrust, such as a residence property or tangible personal property, used by the trust beneficiary entitled to the unitrust amount may be excluded from the net fair market value for computing the unitrust amount.

Section 62-7-904N establishes South Carolina's critically important position on the effect of the distribution of such a unitrust amount: "The distribution from an express total return unitrust of a unitrust amount equal to a fixed percentage of not less than three percent nor more than five percent reasonably apportions between the income beneficiaries and the remaindermen the total return of an express total return unitrust" (emphasis added).

Section 62-7-904O(A) authorizes the terms of an express total return unitrust governing instrument to provide the method similar to the method provided under Section 62-7-904C for changing the unitrust percentage or for converting from a unitrust to an income trust or for a reconversion of an income trust to a unitrust, or for all of these actions. Section 62-7-904O(B) denies a trustee the power to change the unitrust

percentage or change to an income trust if the terms of an express total return unitrust governing instrument do not specifically or by reference to Section 62-7-904C grant such power to that trustee.

Section 62-7-904P provides that, unless the terms of the express total return unitrust governing instrument specifically provide otherwise, the trustee: (A) must consider the unitrust amount as paid from net accounting income determined as if the trust were not a unitrust; (B) must then consider the unitrust amount as paid from ordinary income not allocable to net accounting income; (C) may, in the trustee's discretion, consider the unitrust amount as paid from net short-term gain described in section 1222(5) of the Code and then from net long-term capital gain described in section 1222(7) of the Code so long as this discretionary power is exercised consistently and in a reasonable and impartial manner, but the amount so paid from net capital gains may not be greater than the excess of the unitrust amount over the amount of distributable net income as defined in section 643(a) of the Code without regard to section 1.643(a)-3(b) of the Treasury Regulations, as amended from time to time; and (D) must then consider the unitrust amount as coming from the principal of the trust.

Treasury Department and Internal Revenue Service (Treasury and Service). The promulgation by the ULC of its 1994 UPIA and 1997 UP&IA and the developing interest of the states in these two uniform laws, the 1997 UP&IA's power to adjust, and the alternative unitrust approach garnered Treasury and Internal Revenue Service interest in the late 1990s. During that period, there was a recognition that "state statutes are in the process of changing traditional concepts of income and principal in response to investment strategies that seek total positive return on trust assets". Considerable time and resources were devoted to addressing the various tax issues raised which culminated in the Treasury and the Service adopting 15 Treasury Regulations amendments. The effect of these amendments was to conform the regulations to the changes referred to above. These amendments were issued as final regulations generally effective January 2, 2004, and were published in 69 Federal Register No. 1, January 2, 2004, pp. 13-22, 26 CFR Parts 1, 20, 25, and 26 [TD 9102] RIN 1545-AX96.

The prefatory Summary, Background, and Explanation materials published with the final regulations referred to above are instructive, particularly the Service responses to many of the comments on the original proposed regulations that were published on February 15, 2001. Of the many Treasury and Service positions expressed in these materials on various issues that arose during this process, one of the

more instructive of these appears on page 16 under the heading "Trusts Qualifying for Gift and Estate Tax Marital Deductions":

The proposed regulations provide that a spouse will be treated as entitled to receive all net income from a trust, as required for the trust to qualify for the gift and estate tax marital deductions under Sec. 20.2056(b)-5(a)(1) of the Estate Tax Regulations Sec. 25.2523(e)-1(f)(1) of the Gift Tax Regulations, if the trust is administered under applicable state law that provides for a reasonable apportionment between the income and remainder beneficiaries of the total return of the trust and that meets the requirements of Sec. 1.643(b)-1. Thus, a spouse who, as the income beneficiary, is entitled in accordance with the state statute and the governing instrument to a unitrust amount of no less than 3% and no more than 5% would be entitled to all the income from the trust for purposes of qualifying the trust for the marital deduction.

Several commentators suggested that a trust that provides for a unitrust payment to the spouse should satisfy the income standard even in states that have not enacted legislation defining income as a unitrust amount or providing that a right to income may be satisfied by such a payment. The income distribution requirement that must be satisfied for a trust to qualify for the gift and estate tax marital deductions ensures that the spouse receives what is traditionally considered to be income from the assets held in trust. As previously discussed, the IRS and the Treasury Department believe that only if applicable state law has authorized a departure from traditional concepts of income and principal should such a departure be respected for Federal tax purposes. A state statute specifically authorizing certain unitrust amounts in satisfaction of an income interest or certain powers to adjust in conformance with the provisions of Sec.1.643(b)-1 would meet this standard. However, in the absence of a state statute, or, for example, a decision of the highest court of the state applicable to all trusts administered under that state's law, the applicable state law requirement will not be satisfied.

Section 62-7-905. After a decedent dies, in the case of an estate, or after an income interest in a trust ends, a fiduciary:

(1) of an estate or of a terminating income interest shall determine the amount of net income and net principal receipts received from property specifically given to a beneficiary pursuant to Sections 62-7-907 through 62-7-930 which apply to trustees and the provisions of item (5). The fiduciary shall distribute the net income and net

principal receipts to the beneficiary who is to receive the specific property;

(2) shall determine the remaining net income of a decedent's estate or a terminating income interest pursuant to Sections 62-7-907 through 62-7-930 which apply to trustees and by:

(a) including in net income all income from property used to discharge liabilities;

(b) paying from income or principal, in the fiduciary's discretion, fees of attorneys, accountants, and fiduciaries, court costs and other expenses of administration, and interest on death taxes; except that the fiduciary may pay those expenses from income of property passing to a trust for which the fiduciary claims an estate tax marital or charitable deduction only to the extent that the payment of those expenses from income does not cause the reduction or loss of the deduction; and

(c) paying from principal all other disbursements made or incurred in connection with the settlement of a decedent's estate or the winding up of a terminating income interest, including debts, funeral expenses, disposition of remains, family allowances, and death taxes and related penalties that are apportioned to the estate or terminating income interest by the will, the terms of the trust, or applicable law;

(3) shall distribute to a beneficiary who receives a pecuniary amount outright the rate of interest or other amount provided by the will or the terms of the trust. If the will or the terms of the trust provide no interest amount, the beneficiary of a pecuniary amount outright shall receive no interest or other income on the bequest for one year after the first appointment of a personal representative. Beginning one year after the first appointment of a personal representative, and notwithstanding any other provision of law to the contrary, the beneficiary of a pecuniary amount outright must be treated as any other beneficiary under item (4). If a beneficiary is to receive a pecuniary amount outright from a trust after an income interest ends and no interest or other amount is provided for by the terms of the trust, the fiduciary shall treat the pecuniary amount as if it were required to be paid under a will and as if the payment were being made beginning one year after the first appointment of a personal representative;

(4) shall distribute the net income remaining after distributions required by item (3) in the manner pursuant to Section 62-7-906 to all other beneficiaries, including a beneficiary who receives a pecuniary amount in trust, even if the beneficiary holds an unqualified power to withdraw assets from the trust or other presently exercisable general power of appointment over the trust; and

(5) may not reduce principal or income receipts from property described in item (1) because of a payment pursuant to Sections 62-7-924 and 62-7-925 to the extent that the will, the terms of the trust, or applicable law requires the fiduciary to make the payment from assets other than the property or to the extent that the fiduciary recovers or expects to recover the payment from a third party. The net income and principal receipts from the property are determined by including all of the amounts the fiduciary receives or pays with respect to the property, whether those amounts accrued or became due before, on, or after the date of a decedent's death or an income interest's terminating event, and by making a reasonable provision for amounts that the fiduciary believes the estate or terminating income interest may become obligated to pay after the property is distributed.

REPORTER'S COMMENT

Terminating income interests and successive income interests. A trust that provides for a single income beneficiary and an outright distribution of the remainder ends when the income interest ends. A more complex trust may have a number of income interests, either concurrent or successive, and the trust will not necessarily end when one of the income interests ends. For that reason, the Act speaks in terms of income interests ending and beginning rather than trusts ending and beginning. When an income interest in a trust ends, the trustee's powers continue during the winding up period required to complete its administration. A terminating income interest is one that has ended but whose administration is not complete.

If two or more people are given the right to receive specified percentages or fractions of the income from a trust concurrently and one of the concurrent interests ends, e.g., when a beneficiary dies, the beneficiary's income interest ends but the trust does not. Similarly, when a trust with only one income beneficiary ends upon the beneficiary's death, the trust instrument may provide that part or all of the trust assets shall continue in trust for another income beneficiary. While it is common to think and speak of this (and even to characterize it in a trust instrument) as a "new" trust, it is a continuation of the original trust for a remainder beneficiary who has an income interest in the trust assets instead of the right to receive them outright. For purposes of this Act, this is a successive income interest in the same trust. The fact that a trust may or may not end when an income interest ends is not significant for purposes of this Act.

If the assets that are subject to a terminating income interest pass to another trust because the income beneficiary exercises a general power

of appointment over the trust assets, the recipient trust would be a new trust; and if they pass to another trust because the beneficiary exercises a nongeneral power of appointment over the trust assets, the recipient trust might be a new trust in some States (see 5A Austin W. Scott & William F. Fratcher, *The Law of Trusts* Sec 640, at 483 (4th ed. 1989)); but for purposes of this Act a new trust created in these circumstances is also a successive income interest.

Gift of a pecuniary amount. Section 62-7-905(3) and (4) provide different rules for an outright gift of a pecuniary amount and a gift in trust of a pecuniary amount; this is the same approach used in Section 62-7-408(b)(2) of the 1963 SC Act.

Interest on pecuniary amounts. Section 62-7-905(3) provides that the beneficiary of an outright pecuniary amount is to receive the interest or other amount provided by applicable law if there is no provision in the will or the terms of the trust. Many States have no applicable law that provides for interest or some other amount to be paid on an outright pecuniary gift under an inter vivos trust; this section provides that in such a case the interest or other amount to be paid shall be the same as the interest or other amount required to be paid on testamentary pecuniary gifts. This provision is intended to accord gifts under inter vivos instruments the same treatment as testamentary gifts. The various state authorities that provide for the amount that a beneficiary of an outright pecuniary amount is entitled to receive are collected in Richard B. Covey, *Marital Deduction and Credit Shelter Dispositions and the Use of Formula Provisions*, App. B (4th ed. 1997).

Administration expenses and interest on death taxes. Under Section 62-7-905(2)(b) a fiduciary may pay administration expenses and interest on death taxes from either income or principal. An advantage of permitting the fiduciary to choose the source of the payment is that, if the fiduciary's decision is consistent with the decision to deduct these expenses for income tax purposes or estate tax purposes, it eliminates the need to adjust between principal and income that may arise when, for example, an expense that is paid from principal is deducted for income tax purposes or an expense that is paid from income is deducted for estate tax purposes.

Interest on Estate Taxes. Under the 1963 Act, Section 62-7-418(5) charges interest on estate and inheritance taxes to principal. The 1931 Act has no provision. Section 62-7-925(3) of this Act provides that, except to the extent provided in Section 62-7-905(2)(b) or (c), all interest must be paid from income.

Section 62-7-906.(A) Each beneficiary described in Section 62-7-905(4) is entitled to receive a portion of the net income equal to his fractional interest in undistributed principal assets, using values as of the distribution date. If a fiduciary makes more than one distribution of assets to beneficiaries to whom this section applies, each beneficiary, including one who does not receive part of the distribution, is entitled, as of each distribution date, to the net income the fiduciary has received after the date of death or terminating event or earlier distribution date but has not distributed as of the current distribution date.

(B) In determining a beneficiary's share of net income, the:

(1) beneficiary is entitled to receive a portion of the net income equal to his fractional interest in the undistributed principal assets immediately before the distribution date, including assets that later may be sold to meet principal obligations.

(2) fractional interest of the beneficiary in the undistributed principal assets must be calculated without regard to property specifically given to a beneficiary and property required to pay pecuniary amounts not in trust.

(3) fractional interest of the beneficiary in the undistributed principal assets must be calculated on the basis of the aggregate value of those assets as of the distribution date without reducing the value by any unpaid principal obligation; and

(4) distribution date for purposes of this section may be the date as of which the fiduciary calculates the value of the assets if that date is reasonably near the date on which assets are actually distributed.

(C) If a fiduciary does not distribute all of the collected but undistributed net income to each person as of a distribution date, the fiduciary shall maintain appropriate records showing the interest of each beneficiary in that net income.

(D) A trustee may apply the provisions of this section, to the extent that the trustee considers it appropriate, to net gain or loss realized after the date of death or terminating event or earlier distribution date from the disposition of a principal asset if this section applies to the income from the asset.

REPORTER'S COMMENT

Relationship to Prior Acts. Section 62-7-906 retains the concept in Section 62-7-408(2) of the 1963 SC Act that the residuary legatees of estates are to receive net income earned during the period of administration on the basis of their proportionate interests in the undistributed assets when distributions are made. It changes the basis

for determining their proportionate interests by using asset values as of a date reasonably near the time of distribution instead of inventory values; it extends the application of these rules to distributions from terminating trusts; and it extends these rules to gain or loss realized from the disposition of assets during administration, an omission in the 1962 Act that has been noted by several commentators. See, e.g., Richard B. Covey, *Marital Deduction and Credit Shelter Dispositions and the Use of Formula Provisions* 91 (4th ed. 1998); Thomas H. Cantrill, *Fractional or Percentage Residuary Bequests: Allocation of Postmortem Income, Gain and Unrealized Appreciation*, 10 *Prob. Notes* 322, 327 (1985).

Section 62-7-907. (A) An income beneficiary is entitled to net income from the date on which the income interest begins. An income interest begins on the date specified in the terms of the trust or, if no date is specified, on the date an asset becomes subject to a trust or successive income interest.

(B) An asset becomes subject to a trust on the date:

(1) it is transferred to the trust, in the case of an asset that is transferred to a trust during the transferor's life;

(2) the testator dies, in the case of an asset that becomes subject to a trust by reason of a will, even if there is an intervening period of administration of the estate; or

(3) the individual dies, in the case of an asset that is transferred to a fiduciary by a third party because of the death of the individual.

(C) An asset becomes subject to a successive income interest on the day after the preceding income interest ends, as determined pursuant to subsection (D), even if there is an intervening period of administration to wind up the preceding income interest.

(D) An income interest ends on the day before an income beneficiary dies or another terminating event occurs or on the last day of a period during which there is no beneficiary to whom a trustee may distribute income.

REPORTER'S COMMENT

Period during which there is no beneficiary. The purpose of the second part of subsection (D) is to provide that, at the end of a period during which there is no beneficiary to whom a trustee may distribute income, the trustee must apply the same apportionment rules that apply when a mandatory income interest ends. This provision would apply, for example, if a settlor creates a trust for grandchildren before any grandchildren are born. When the first grandchild is born, the period

preceding the date of birth is treated as having ended, followed by a successive income interest, and the apportionment rules in Sections 62-7-908 and 909 apply accordingly if the terms of the trust do not contain different provisions.

Section 62-7-908. (A) A trustee shall allocate an income receipt or disbursement, other than one subject to Section 62-7-905(1), to principal if its due date occurs before a decedent dies in the case of an estate or before an income interest begins in the case of a trust or successive income interest.

(B) A trustee shall allocate an income receipt or disbursement to income if its due date occurs on or after the date on which a decedent dies or an income interest begins and it is a periodic due date. An income receipt or disbursement must be treated as accruing from day to day if its due date is not periodic or it has no due date. The portion of the receipt or disbursement accruing before the date on which a decedent dies or an income interest begins must be allocated to principal and the balance must be allocated to income.

(C) An item of income or an obligation is due on the date the payer is required to make a payment. If a payment date is not stated, there is no due date for the purposes of this part. Distributions to shareholders or other owners from an entity subject to Section 62-7-910 are considered due on the date fixed by the entity for determining who is entitled to receive the distribution or, if no date is fixed, on the declaration date for the distribution. A due date is periodic for receipts or disbursements that must be paid at regular intervals under a lease or an obligation to pay interest or if an entity customarily makes distributions at regular intervals.

REPORTER'S COMMENT

Prior Acts. Professor Bogert stated that "Section 4 of the [1962] Act makes a change with respect to the apportionment of the income of trust property not due until after the trust began but which accrued in part before the commencement of the trust. It treats such income as to be credited entirely to the income account in the case of a living trust, but to be apportioned between capital and income in the case of a testamentary trust. The [1931] Act apportions such income in the case of both types of trusts, except in the case of corporate dividends." George G. Bogert, *The Revised Uniform Principal and Income Act*, 38 *Notre Dame Law. 50, 52* (1962). The 1962 Act also provided that an asset passing to an inter vivos trust by a bequest in the settlor's will is governed by the rule that applies to a testamentary trust, so that

different rules apply to assets passing to an inter vivos trust depending upon whether they were transferred to the trust during the settlor's life or by his will.

Having several different rules that apply to similar transactions is confusing. In order to simplify administration, Section 62-7-908 of this Act applies the same rule to inter vivos trusts (revocable and irrevocable), testamentary trusts, and assets that become subject to an inter vivos trust by a testamentary bequest.

Periodic payments. Under Section 62-7-908 a periodic payment is principal if it is due but unpaid before a decedent dies or before an asset becomes subject to a trust, but the next payment is allocated entirely to income and is not apportioned. Thus, periodic receipts such as rents, dividends, interest, and annuities, and disbursements such as the interest portion of a mortgage payment, are not apportioned. This is the original common law rule. Edwin A. Howes, Jr., *The American Law Relating to Income and Principal* 70 (1905). In trusts in which a surviving spouse is dependent upon a regular flow of cash from the decedent's securities portfolio, this rule will help to maintain payments to the spouse at the same level as before the settlor's death. Under the 1962 Act, the pre-death portion of the first periodic payment due after death was apportioned to principal in the case of a testamentary trust or securities bequeathed by will to an inter vivos trust.

Nonperiodic payments. Under the second sentence of Section 62-7-908(B) interest on an obligation that does not provide a due date for the interest payment, such as interest on an income tax refund, would be apportioned to principal to the extent it accrues before a person dies or an income interest begins unless the obligation is specifically given to a devisee or remainder beneficiary, in which case all of the accrued interest passes under Section 62-7-905(1) to the person who receives the obligation. The same rule applies to interest on an obligation that has a due date but does not provide for periodic payments. If there is no stated interest on the obligation, such as a zero coupon bond, and the proceeds from the obligation are received more than one year after it is purchased or acquired by the trustee, the entire amount received is principal under Section 62-7-915.

Section 62-7-909. (A) In this section, 'undistributed income' means net income received before the date on which an income interest ends. The term does not include an item of income or expense that is due or accrued or net income that has been added or must be added to principal under the terms of the trust.

(B) When a mandatory income interest ends, the trustee shall pay to a mandatory income beneficiary who survives that date, or the estate of a deceased mandatory income beneficiary whose death causes the interest to end, the beneficiary's share of the undistributed income that is not disposed of under the terms of the trust, unless the beneficiary has an unqualified power to revoke more than five percent of the trust immediately before the income interest ends. In that case, the undistributed income from the portion of the trust that may be revoked must be added to principal.

(C) When the obligation of a trustee to pay a fixed annuity or a fixed fraction of the value of the trust assets ends, the trustee shall prorate the final payment if, and to the extent, required by applicable law to accomplish a purpose of the trust or its settlor relating to income, gift, estate, or other tax requirements.

REPORTER'S COMMENT

Prior Acts. Both the 1931 Act (Section 4) and the 1962 Act (Section 4(d)) provided that a deceased income beneficiary's estate is entitled to the undistributed income. The ULC Drafting Committee for the 1997 Act concluded that this is probably not what most settlors would want, and that, with respect to undistributed income, most settlors would favor the income beneficiary first, the remainder beneficiaries second, and the income beneficiary's heirs last, if at all. However, it decided not to eliminate this provision to avoid causing disputes about whether the trustee should have distributed collected cash before the income beneficiary died.

Accrued periodic payments. Under the prior Acts, an income beneficiary or his estate is entitled to receive a portion of any payments, other than dividends, that are due or that have accrued when the income interest terminates. The last sentence of subsection (A) changes that rule by providing that such items are not included in undistributed income. The items affected include periodic payments of interest, rent, and dividends, as well as items of income that accrue over a longer period of time; the rule also applies to expenses that are due or accrued.

Example - Accrued periodic payments. The rules in Sections 62-7-908 and 909 work in the following manner: Assume that a periodic payment of rent that is due on July 20 has not been paid when an income interest ends on July 30; the successive income interest begins on July 31, and the rent payment that was due on July 20 is paid on August 3. Under Section 62-7-908(A), the July 20 payment is added to the principal of the successive income interest when received.

Under Section 62-7-909(B), the entire periodic payment of rent that is due on August 20 is income when received by the successive income interest. Under Section 62-7-909, neither the income beneficiary of the terminated income interest nor the beneficiary's estate is entitled to any part of either the July 20 or the August 20 payments because neither one was received before the income interest ended on July 30. The same principles apply to expenses of the trust.

Beneficiary with an unqualified power to revoke. The requirement in subsection (B) to pay undistributed income to a mandatory income beneficiary or his estate does not apply to the extent the beneficiary has an unqualified power to revoke more than five percent of the trust immediately before the income interest ends. Without this exception, subsection (B) would apply to a revocable living trust whose settlor is the mandatory income beneficiary during her lifetime, even if her will provides that all of the assets in the probate estate are to be distributed to the trust.

If a trust permits the beneficiary to withdraw all or a part of the trust principal after attaining a specified age and the beneficiary attains that age but fails to withdraw all of the principal that he is permitted to withdraw, a trustee is not required to pay him or his estate the undistributed income attributable to the portion of the principal that he left in the trust. The assumption underlying this rule is that the beneficiary has either provided for the disposition of the trust assets (including the undistributed income) by exercising a power of appointment that he has been given or has not withdrawn the assets because he is willing to have the principal and undistributed income be distributed under the terms of the trust. If the beneficiary has the power to withdraw 25% of the trust principal, the trustee must pay to him or his estate the undistributed income from the 75% that he cannot withdraw.

Section 62-7-910. (A) In this section, 'entity' means a corporation, partnership, limited liability company, regulated investment company, real estate investment trust, common trust fund, or other organization in which a trustee has an interest other than a trust or estate subject to Section 62-7-911, a business or activity to which Section 62-7-912 applies, or an asset-backed security to which Section 62-7-924 applies.

(B) Except as otherwise provided in this section, a trustee shall allocate to income money received from an entity.

(C) A trustee shall allocate the following receipts from an entity to principal:

- (1) property other than money;

(2) money received in one distribution or a series of related distributions in exchange for part or all of a trust's interest in the entity;

(3) money received in total or partial liquidation of the entity;
and

(4) money received from an entity that is a regulated investment company or a real estate investment trust if the money distributed is a capital gain dividend for federal income tax purposes.

(D) Money is received in partial liquidation:

(1) to the extent that the entity, at or near the time of a distribution, indicates that it is a distribution in partial liquidation; or

(2) if the total amount of money and property received in a distribution or series of related distributions is greater than twenty percent of the entity's gross assets of the entity, as shown by the year-end financial statements immediately preceding the initial receipt.

(E) Money is not received in partial liquidation, nor may it be taken into account pursuant to subsection (D)(2), to the extent that it does not exceed the amount of income tax that a trustee or beneficiary must pay on taxable income of the entity that distributes the money.

(F) A trustee may rely upon a statement made by an entity about the source or character of a distribution if the statement is made at or near the time of distribution by the board of directors or other person or group of persons authorized to exercise powers to pay money or transfer property comparable to those of a corporation's board of directors.

REPORTER'S COMMENT

Entities to which Section 62-7-910 applies. The reference to partnerships in Section 62-7-910(A) is intended to include all forms of partnerships, including limited partnerships, limited liability partnerships, and variants that have slightly different names and characteristics from State to State. The section does not apply, however, to receipts from an interest in property that a trust owns as a tenant in common with one or more co-owners, nor would it apply to an interest in a joint venture if, under applicable law, the trust's interest is regarded as that of a tenant in common.

Capital gain dividends. If a capital gain dividend does not include any net short-term capital gain, cash received by a trust because of a net short-term capital gain is income under this Act.

Reinvested dividends. If a trustee elects (or continues an election made by its predecessor) to reinvest dividends in shares of stock of a distributing corporation or fund, whether evidenced by new certificates or entries on the books of the distributing entity, the new shares would

be principal. Making or continuing such an election would be equivalent to deciding under Section 62-7-904 to transfer income to principal in order to comply with Section 62-7-903(B). However, if the trustee makes or continues the election for a reason other than to comply with Section 62-7-903(B), e.g., to make an investment without incurring brokerage commissions, the trustee should transfer cash from principal to income in an amount equal to the reinvested dividends.

Distribution of property. The 1963 SC Act describes a number of types of property that would be principal if distributed by a corporation. This becomes unwieldy in a section that applies to both corporations and all other entities. By stating that principal includes the distribution of any property other than money, Section 62-7-910 embraces all of the items enumerated in the 1963 SC Act as well as any other form of nonmonetary distribution not specifically mentioned in that Act.

Partial liquidations. Under subsection (D)(1) any distribution designated by the entity as a partial liquidating distribution is principal regardless of the percentage of total assets that it represents. If a distribution exceeds twenty percent of the entity's gross assets, the entire distribution is a partial liquidation under subsection (D)(2) whether or not the entity describes it as a partial liquidation. In determining whether a distribution is greater than twenty percent of the gross assets, the portion of the distribution that does not exceed the amount of income tax that the trustee or a beneficiary must pay on the entity's taxable income is ignored.

Other large distributions. A cash distribution may be quite large (for example, more than ten percent but not more than twenty percent of the entity's gross assets) and have characteristics that suggest it should be treated as principal rather than income. For example, an entity may have received cash from a source other than the conduct of its normal business operations because it sold an investment asset; or because it sold a business asset other than one held for sale to customers in the normal course of its business and did not replace it; or it borrowed a large sum of money and secured the repayment of the loan with a substantial asset; or a principal source of its cash was from assets such as mineral interests, ninety percent of which would have been allocated to principal if the trust had owned the assets directly. In such a case, the trustee, after considering the total return from the portfolio as a whole and the income component of that return, may decide to exercise the power under Section 62-7-904(A) to make an adjustment between income and principal, subject to the limitations in Section 62-7-904(C).

Section 62-7-911. A trustee shall allocate to income an amount received as a distribution of income from a trust or an estate in which the trust has an interest other than a purchased interest, and shall allocate to principal an amount received as a distribution of principal from such a trust or estate. If a trustee purchases an interest in a trust that is an investment entity, or a decedent or donor transfers an interest in such a trust to a trustee, Section 62-7-910 or 62-7-924 applies to a receipt from the trust.

REPORTER'S COMMENT

Terms of the distributing trust or estate. Under Section 62-7-903(A) a trustee is to allocate receipts in accordance with the terms of the recipient trust or, if there is no provision, in accordance with this Act. However, in determining whether a distribution from another trust or an estate is income or principal, the trustee should also determine what the terms of the distributing trust or estate say about the distribution - for example, whether they direct that the distribution, even though made from the income of the distributing trust or estate, is to be added to principal of the recipient trust. Such a provision should override the terms of this Act, but if the terms of the recipient trust contain a provision requiring such a distribution to be allocated to income, the trustee may have to obtain a judicial resolution of the conflict between the terms of the two documents.

Investment trusts. An investment entity to which the second sentence of this Section 62-7-911 applies includes a mutual fund, a common trust fund, a business trust or other entity organized as a trust for the purpose of receiving capital contributed by investors, investing that capital, and managing investment assets, including asset-backed security arrangements to which Section 62-7-924 applies. See John H. Langbein, *The Secret Life of the Trust: The Trust as an Instrument of Commerce*, 107 *Yale L.J.* 165 (1997).

Section 62-7-912. (A) If a trustee who conducts a business or other activity determines that it is in the best interest of all the beneficiaries to account separately for the business or activity instead of accounting for it as part of the general accounting records of the trust, the trustee may maintain separate accounting records for its transactions, whether or not its assets are segregated from other trust assets.

(B) A trustee who accounts separately for a business or other activity may determine the extent to which its net cash receipts must be retained for working capital, the acquisition or replacement of fixed assets, and other reasonably foreseeable needs of the business or

activity, and the extent to which the remaining net cash receipts are accounted for as principal or income in the trust's general accounting records. If a trustee sells assets of the business or other activity, other than in the ordinary course of the business or activity, the trustee shall account for the net amount received as principal in the general accounting records of the trust to the extent the trustee determines that the amount received is no longer required in the conduct of the business.

(C) Activities for which a trustee may maintain separate accounting records include:

- (1) retail, manufacturing, service, and other traditional business activities;
- (2) farming;
- (3) raising and selling livestock and other animals;
- (4) management of rental properties;
- (5) extraction of minerals and other natural resources;
- (6) timber operations; and
- (7) activities subject to Section 62-7-923.

REPORTER'S COMMENT

Purpose and scope. The provisions in Section 62-7-912 are intended to give greater flexibility to a trustee who operates a business or other activity in proprietorship form rather than in a wholly-owned corporation (or, where permitted by state law, a single-member limited liability company), and to facilitate the trustee's ability to decide the extent to which the net receipts from the activity should be allocated to income, just as the board of directors of a corporation owned entirely by the trust would decide the amount of the annual dividend to be paid to the trust. It permits a trustee to account for farming or livestock operations, rental properties, oil and gas properties, timber operations, and activities in derivatives and options as though they were held by a separate entity. It is not intended, however, to permit a trustee to account separately for a traditional securities portfolio to avoid the provisions of this Act that apply to such securities.

Section 62-7-912 permits the trustee to account separately for each business or activity for which the trustee determines separate accounting is appropriate. A trustee with a computerized accounting system may account for these activities in a "subtrust"; an individual trustee may continue to use the business and record-keeping methods employed by the decedent or transferor who may have conducted the business under an assumed name. The intent of this section is to give

the trustee broad authority to select business record-keeping methods that best suit the activity in which the trustee is engaged.

If a fiduciary liquidates a sole proprietorship or other activity to which Section 62-7-912 applies, the proceeds would be added to principal, even though derived from the liquidation of accounts receivable, because the proceeds would no longer be needed in the conduct of the business. If the liquidation occurs during probate or during an income interest's winding up period, none of the proceeds would be income for purposes of Section 62-7-905.

Separate accounts. A trustee may or may not maintain separate bank accounts for business activities that are accounted for under Section 62-7-912. A professional trustee may decide not to maintain separate bank accounts, but an individual trustee, especially one who has continued a decedent's business practices, may continue the same banking arrangements that were used during the decedent's lifetime. In either case, the trustee is authorized to decide to what extent cash is to be retained as part of the business assets and to what extent it is to be transferred to the trust's general accounts, either as income or principal.

Section 62-7-913. A trustee shall allocate to principal:

(1) to the extent not allocated to income pursuant to this part, assets received from a transferor during his lifetime, a decedent's estate, a trust with a terminating income interest, or a payer under a contract naming the trust or its trustee as beneficiary;

(2) money or other property received from the sale, exchange, liquidation, or change in form of a principal asset, including realized profit;

(3) amounts recovered from third parties to reimburse the trust because of disbursements described in Section 62-7-926(A)(7) or for other reasons to the extent not based on the loss of income;

(4) proceeds of property taken by eminent domain, but a separate award made for the loss of income with respect to an accounting period during which a current income beneficiary had a mandatory income interest is income;

(5) net income received in an accounting period during which there is no beneficiary to whom a trustee may or must distribute income; and

(6) other receipts as provided in Sections 62-7-917 through 62-7-924.

REPORTER'S COMMENT

Eminent domain awards. Even though the award in an eminent domain proceeding may include an amount for the loss of future rent on a lease,

if that amount is not separately stated, the entire award is principal. The rule is the same in the 1931 and 1962 Acts and in the 1963 SC Act (Section 62-7-406(2)).

Section 62-7-914. To the extent that a trustee accounts for receipts from rental property pursuant to this section, the trustee shall allocate to income an amount received as rent of real or personal property, including an amount received for cancellation or renewal of a lease. An amount received as a refundable deposit, including a security deposit or a deposit applied as rent for future periods, must be added to principal and held subject to the terms of the lease and is not available for distribution to a beneficiary until the trustee's contractual obligations have been satisfied with respect to that amount.

REPORTER'S COMMENT

Application of Section 62-7-912. This section applies to the extent that the trustee does not account separately under Section 62-7-912 for the management of rental properties owned by the trust.

Receipts that are capital in nature. A portion of the payment under a lease may be a reimbursement of principal expenditures for improvements to the leased property that is characterized as rent for purposes of invoking contractual or statutory remedies for nonpayment. If the trustee is accounting for rental income under Section 62-7-914, a transfer from income to reimburse principal may be appropriate under Section 62-7-904 to the extent that some of the "rent" is really a reimbursement for improvements. This set of facts could also be a relevant factor for a trustee to consider under Section 62-7-904 (B) in deciding whether and to what extent to make an adjustment between principal and income under Section 62-7-904(A) after considering the return from the portfolio as a whole.

Section 62-7-915. (A) An amount received as interest, whether determined at a fixed, variable, or floating rate, on an obligation to pay money to the trustee, including an amount received as consideration for prepaying principal, must be allocated to income without provision for amortization of premium.

(B) A trustee shall allocate to principal an amount received from the sale, redemption, or other disposition of an obligation to pay money to the trustee more than one year after it is purchased or acquired by the trustee, including an obligation whose purchase price or value when it is acquired is less than its value at maturity. If the obligation matures within one year after it is purchased or acquired by the trustee, an

amount received in excess of its purchase price or its value when acquired by the trust must be allocated to income.

(C) This section does not apply to an obligation subject to Section 62-7-918, 62-7-919, 62-7-920, 62-7-921, or 62-7-924.

REPORTER'S COMMENT

Variable or floating interest rates. The reference in subsection (A) to variable or floating interest rate obligations is intended to clarify that, even though an obligation's interest rate may change from time to time based upon changes in an index or other market indicator, an obligation to pay money containing a variable or floating rate provision is subject to this section and is not to be treated as a derivative financial instrument under Section 62-7-923.

Discount obligations. Subsection (B) applies to all obligations acquired at a discount, including short-term obligations such as U.S. Treasury Bills, long-term obligations such as U.S. Savings Bonds, zero-coupon bonds, and discount bonds that pay interest during part, but not all, of the period before maturity. Under subsection (B) the entire increase in value of these obligations is principal when the trustee receives the proceeds from the disposition unless the obligation, when acquired, has a maturity of less than one year. In order to have one rule that applies to all discount obligations, this Act eliminates the provision in the 1962 Act for the payment from principal of an amount equal to the increase in the value of U.S. Series E bonds.

Subsection (B) also applies to inflation-indexed bonds - any increase in principal due to inflation after issuance is principal upon redemption if the bond matures more than one year after the trustee acquires it; if it matures within one year, all of the increase, including any attributable to an inflation adjustment, is income.

Effect of Section 62-7-904. In deciding whether and to what extent to exercise the power to adjust between principal and income granted by Section 62-7-904(A) a relevant factor for the trustee to consider is the effect on the portfolio as a whole of having a portion of the assets invested in bonds that do not pay interest currently.

Section 62-7-916. (A) Except as otherwise provided in subsection (B), a trustee shall allocate to principal the proceeds of a life insurance policy or other contract in which the trust or its trustee is named as beneficiary, including a contract that insures the trust or its trustee against loss for damage to, destruction of, or loss of title to a trust asset. The trustee shall allocate dividends on an insurance policy to income if

the premiums on the policy are paid from income, and to principal if the premiums are paid from principal.

(B) A trustee shall allocate to income proceeds of a contract that insures the trustee against loss of occupancy or other use by an income beneficiary, loss of income, or, subject to Section 62-7-912, loss of profits from a business.

(C) This section does not apply to a contract subject to Section 62-7-918.

Section 62-7-917. If a trustee determines that an allocation between principal and income required by Section 62-7-918, 62-7-919, 62-7-920, 62-7-921, or 62-7-924 is insubstantial, the trustee may allocate the entire amount to principal unless one of the circumstances provided in Section 62-7-904(C) applies to the allocation. This power may be exercised by a cotrustee in the circumstances provided in Section 62-7-904(D) and may be released for the reasons and in the manner provided in Section 62-7-904(E). An allocation is presumed to be insubstantial if:

(1) the amount of the allocation increases or decreases net income in an accounting period, as determined before the allocation, by less than ten percent; or

(2) the value of the asset producing the receipt for which the allocation is made is less than ten percent of the total value of the assets of the trust at the beginning of the accounting period.

REPORTER'S COMMENT

This section is intended to relieve a trustee from making relatively small allocations while preserving the trustee's right to do so if an allocation is large in terms of absolute dollars.

For example, assume that a trust's assets, which include a working interest in an oil well, have a value of \$1,000,000; the net income from the assets other than the working interest is \$40,000; and the net receipts from the working interest are \$400. The trustee may allocate all of the net receipts from the working interest to principal instead of allocating ten percent or \$40, to income under Section 62-7-920. If the net receipts from the working interest are \$35,000, so that the amount allocated to income under Section 62-7-920 would be \$3,500, the trustee may decide that this amount is sufficiently significant to the income beneficiary that the allocation provided for by Section 62-7-920 should be made, even though the trustee is still permitted under Section 62-7-917 to allocate all of the net receipts to principal because the \$3,500 would increase the net income of \$40,000, as

determined before making an allocation under Section 62-7-920 by less than ten percent. Section 62-7-917 will also relieve a trustee from having to allocate net receipts from the sale of trees in a small woodlot between principal and income.

While the allocation to principal of small amounts under this section should not be a cause for concern for tax purposes, allocations are not permitted under this section in circumstances described in Section 62-7-904(C) to eliminate claims that the power in this section has adverse tax consequences.

Section 62-7-918. (A) In this section:

(1) 'Payment' means a payment that a trustee may receive over a fixed number of years or during the life of one or more individuals because of services rendered or property transferred to the payer in exchange for future payments. The term includes a payment made in money or property from the payer's general assets or from a separate fund created by the payer. For purposes of subsections (D), (E), (F), and (G), the term also includes a payment from a separate fund, regardless of the reason for the payment.

(2) 'Separate fund' includes a private or commercial annuity, an individual retirement account, and a pension, profit-sharing, stock-bonus, or stock-ownership plan.

(B) To the extent that a payment is characterized as interest, a dividend, or a payment made instead of interest or a dividend, a trustee shall allocate the payment to income. The trustee shall allocate to principal the balance of the payment and any other payment received in the same accounting period that is not characterized as interest, a dividend, or an equivalent payment.

(C) If part of a payment is not characterized as interest, a dividend, or an equivalent payment, and all or part of the payment is required to be made, a trustee shall allocate to income ten percent of the part that is required to be made during the accounting period and the balance to principal. If a part of a payment is not required to be made or the payment received is the entire amount to which the trustee is entitled, the trustee shall allocate the entire payment to principal. For purposes of this subsection, a payment is not 'required to be made' to the extent that it is made because the trustee exercises a right of withdrawal.

(D) Except as otherwise provided in subsection (E), subsections (F) and (G) apply, and subsections (B) and (C) do not apply, in determining the allocation of a payment made from a separate fund to:

(1) a trust to which an election to qualify for a marital deduction under Section 2056(b)(7) of the Internal Revenue Code of 1986, as amended, has been made; or

(2) a trust that qualifies for the marital deduction under Section 2056(b)(5) of the Internal Revenue Code of 1986, as amended.

(E) Subsections (D), (F), and (G) do not apply if and to the extent that the series of payments would, without the application of subsection (D), qualify for the marital deduction under Section 2056(b)(7)(C) of the Internal Revenue Code of 1986, as amended.

(F) A trustee shall determine the internal income of each separate fund for the accounting period as if the separate fund were a trust subject to this act. Upon request of the surviving spouse, the trustee shall demand that the person administering the separate fund distribute the internal income to the trust. The trustee shall allocate a payment from the separate fund to income to the extent of the internal income of the separate fund and distribute that amount to the surviving spouse. The trustee shall allocate the balance of the payment to principal. Upon request of the surviving spouse, the trustee shall allocate principal to income to the extent the internal income of the separate fund exceeds payments made from the separate fund to the trust during the accounting period.

(G) If a trustee cannot determine the internal income of a separate fund but can determine the value of the separate fund, the internal income of the separate fund is deemed to equal four percent of the fund's value, according to the most recent statement of value preceding the beginning of the accounting period. If the trustee can determine neither the internal income of the separate fund nor the fund's value, the internal income of the fund is deemed to equal the product of the interest rate and the present value of the expected future payments, as determined under Section 7520 of the Internal Revenue Code of 1986, as amended, for the month preceding the accounting period for which the computation is made.

(H) This section does not apply to payments subject to Section 62-7-919.

REPORTER'S COMMENT

Scope. Section 62-7-918 applies to amounts received under contractual arrangements that provide for payments to a third party beneficiary as a result of services rendered or property transferred to the payer. While the right to receive such payments is a liquidating asset of the kind described in Section 62-7-919 i.e., "an asset whose value will diminish or terminate because the asset is expected to

produce receipts for a period of limited duration,” these payment rights are covered separately in Section 62-7-918 because of their special characteristics.

Section 62-7-918 applies to receipts from all forms of annuities and deferred compensation arrangements, whether the payment will be received by the trust in a lump sum or in installments over a period of years. It applies to bonuses that may be received over two or three years and payments that may last for much longer periods, including payments from an individual retirement account (IRA), deferred compensation plan (whether qualified or not qualified for special federal income tax treatment), and insurance renewal commissions. It applies to a retirement plan to which the settlor has made contributions, just as it applies to an annuity policy that the settlor may have purchased individually, and it applies to variable annuities, deferred annuities, annuities issued by commercial insurance companies, and “private annuities” arising from the sale of property to another individual or entity in exchange for payments that are to be made for the life of one or more individuals. The section applies whether the payments begin when the payment right becomes subject to the trust or are deferred until a future date, and it applies whether payments are made in cash or in kind, such as employer stock (in-kind payments usually will be made in a single distribution that will be allocated to principal under the second sentence of subsection (C)).

Prior Acts. Under Section 12 of the 1962 Act and Section 62-7-414 of the 1963 SC Act, receipts from “rights to receive payments on a contract for deferred compensation” are allocated to income each year in an amount “not in excess of 5% per year” of the property’s inventory value. While “not in excess of 5%” suggests that the annual allocation may range from zero to five percent of the inventory value, in practice the rule is usually treated as prescribing a five percent allocation. The inventory value is usually the present value of all the future payments, and since the inventory value is determined as of the date on which the payment right becomes subject to the trust, the inventory value, and thus the amount of the annual income allocation, depends significantly on the applicable interest rate on the decedent’s date of death. That rate may be much higher or lower than the average long-term interest rate. The amount determined under the five percent formula tends to become fixed and remain unchanged even though the amount received by the trust increases or decreases.

Allocations Under Section 62-7-918(B). Section 62-7-918(B) applies to plans whose terms characterize payments made under the plan as dividends, interest, or payments in lieu of dividends or interest. For

example, some deferred compensation plans that hold debt obligations or stock of the plan's sponsor in an account for future delivery to the person rendering the services provide for the annual payment to that person of dividends received on the stock or interest received on the debt obligations. Other plans provide that the account of the person rendering the services shall be credited with "phantom" shares of stock and require an annual payment that is equivalent to the dividends that would be received on that number of shares if they were actually issued; or a plan may entitle the person rendering the services to receive a fixed dollar amount in the future and provide for the annual payment of interest on the deferred amount during the period prior to its payment. Under Section 62-7-918(B) payments of dividends, interest or payments in lieu of dividends or interest under plans of this type are allocated to income; all other payments received under these plans are allocated to principal.

Section 62-7-918(B) does not apply to an IRA or an arrangement with payment provisions similar to an IRA. IRAs and similar arrangements are subject to the provisions in Section 62-7-918(C).

Allocations Under Section 62-7-918(C). The focus of Section 62-7-918, for purposes of allocating payments received by a trust to or between principal and income, is on the payment right rather than on assets that may be held in a fund from which the payments are made. Thus, if an IRA holds a portfolio of marketable stocks and bonds, the amount received by the IRA as dividends and interest is not taken into account in determining the principal and income allocation except to the extent that the Internal Revenue Service may require them to be taken into account when the payment is received by a trust that qualifies for the estate tax marital deduction (a situation that is provided for in Section 62-7-918(D)). An IRA is subject to federal income tax rules that require payments to begin by a particular date and be made over a specific number of years or a period measured by the lives of one or more persons. The payment right of a trust that is named as a beneficiary of an IRA is not a right to receive particular items that are paid to the IRA, but is instead the right to receive an amount determined by dividing the value of the IRA by the remaining number of years in the payment period. This payment right is similar to the right to receive a unitrust amount, which is normally expressed as an amount equal to a percentage of the value of the unitrust assets without regard to dividends or interest that may be received by the unitrust.

An amount received from an IRA or a plan with a payment provision similar to that of an IRA is allocated under Section 62-7-918(C) which

differentiates between payments that are required to be made and all other payments. To the extent that a payment is required to be made (either under federal income tax rules or, in the case of a plan that is not subject to those rules, under the terms of the plan), ten percent of the amount received is allocated to income and the balance is allocated to principal. All other payments are allocated to principal because they represent a change in the form of a principal asset; Section 62-7-918 follows the rule in Section 62-7-913(2) which provides that money or property received from a change in the form of a principal asset be allocated to principal.

Section 62-7-918(C) produces an allocation to income that is similar to the allocation under the 1962 Act formula and the 1963 SC Act formula if the annual payments are the same throughout the payment period, and it is simpler to administer. The amount allocated to income under Section 62-7-918 is not dependent upon the interest rate that is used for valuation purposes when the decedent dies, and if the payments received by the trust increase or decrease from year to year because the fund from which the payment is made increases or decreases in value, the amount allocated to income will also increase or decrease.

Marital Deduction Requirements. When an IRA or other retirement arrangement (a “plan”) is payable to a marital deduction trust, the IRS treats the plan as a separate property interest that itself must qualify for the marital deduction. IRS Revenue Ruling 2006-26 said that, as written, the prior uniform act version of Section 62-7-918 does not cause a trust to qualify for the IRS’ safe harbors. Revenue Ruling 2006-26 was limited in scope to certain situations involving IRAs and defined contribution retirement plans. Without necessarily agreeing with the IRS’ position in that ruling, the revision to this section is designed to satisfy the IRS’ safe harbor and to address concerns that might be raised for similar assets. No IRS pronouncements have addressed the scope of Code § 2056(b)(7)(C).

Subsection (F) requires the trustee to demand certain distributions if the surviving spouse so requests. The safe harbor of Revenue Ruling 2006-26 requires that the surviving spouse be separately entitled to demand the fund’s income (without regard to the income from the trust’s other assets) and the income from the other assets (without regard to the fund’s income). In any event, the surviving spouse is not required to demand that the trustee distribute all of the fund’s income from the fund or from other trust assets. Treas. Reg. § 20.2056(b)-5(f)(8).

Subsection (F) also recognizes that the trustee might not control the payments that the trustee receives and provides a remedy to the surviving spouse if the distributions under subsection (d)(1) are insufficient.

Subsection (G) addresses situations where, due to lack of information provided by the fund's administrator, the trustee is unable to determine the fund's actual income. The bracketed language is the range approved for unitrust payments by Treas. Reg. § 1.643(b)-1. In determining the value for purposes of applying the unitrust percentage, the trustee would seek to obtain the value of the assets as of the most recent statement of value immediately preceding the beginning of the year. For example, suppose a trust's accounting period is January 1 through December 31. If a retirement plan administrator furnishes information annually each September 30 and declines to provide information as of December 31, then the trustee may rely on the September 30 value to determine the distribution for the following year. For funds whose values are not readily available, subsection (G) relies on Code Section 7520 valuation methods because many funds described in Section 62-7-918 are annuities, and one consistent set of valuation principles should apply whether or not the fund is, in fact, an annuity.

Application of Section 62-7-904. Section 62-7-904(A) of this act gives a trustee who is acting under the prudent investor rule the power to adjust from principal to income if, considering the portfolio as a whole and not just receipts from deferred compensation, the trustee determines that an adjustment is necessary. See Example (5) in the comment following Section 62-7-904.

CODE COMMISSIONER'S COMMENT

For the effective dates and applicability of this section, see Act 204 of 2012.

Section 62-7-919. (A) In this section, 'liquidating asset' means an asset whose value diminishes or terminates because the asset is expected to produce receipts for a period of limited duration. The term includes a leasehold, patent, copyright, royalty right, and right to receive payments during a period of more than one year under an arrangement that does not provide for the payment of interest on the unpaid balance. The term does not include a payment subject to Section 62-7-918, resources subject to Section 62-7-920, timber subject to Section 62-7-921, an activity subject to Section 62-7-923, an asset

subject to Section 62-7-924, or any asset for which the trustee establishes a reserve for depreciation pursuant to Section 62-7-927.

(B) A trustee shall allocate to income ten percent of the receipts from a liquidating asset and the balance to principal.

REPORTER'S COMMENT

Prior Acts. Section 11 of the 1962 Act (Section 62-7-414 of the 1963 SC Act) allocates receipts from "property subject to depletion" to income in an amount "not in excess of 5%" of the asset's inventory value. The 1931 Act has a similar five percent rule that applies when the trustee is under a duty to change the form of the investment. The five percent rule imposes on a trust the obligation to pay a fixed annuity to the income beneficiary until the asset is exhausted. Under these prior Acts the balance of each year's receipts is added to principal. A fixed payment can produce unfair results. The remainder beneficiary receives all of the receipts from unexpected growth in the asset, e.g., if royalties on a patent or copyright increase significantly. Conversely, if the receipts diminish more rapidly than expected, most of the amount received by the trust will be allocated to income and little to principal. Moreover, if the annual payments remain the same for the life of the asset, the amount allocated to principal will usually be less than the original inventory value. For these reasons, Section 62-7-919 abandons the annuity approach under the five percent rule.

Lottery payments. The reference in subsection (A) to rights to receive payments under an arrangement that does not provide for the payment of interest includes state lottery prizes and similar fixed amounts payable over time that are not deferred compensation arrangements covered by Section 62-7-918.

Section 62-7-920. (A) To the extent that a trustee accounts for receipts from an interest in minerals or other natural resources pursuant to this section, the trustee shall allocate them if:

- (1) received as nominal delay rental or nominal annual rent on a lease, a receipt must be allocated to income;
- (2) received from a production payment, a receipt must be allocated to income if and to the extent that the agreement creating the production payment provides a factor for interest or its equivalent. The balance must be allocated to principal;
- (3) an amount received as a royalty, shut-in-well payment, take-or-pay payment, bonus, or delay rental is more than nominal, ninety percent must be allocated to principal and the balance to income;

(4) an amount is received from a working interest or any other interest not otherwise provided for in this subsection, ninety percent of the net amount received must be allocated to principal and the balance to income.

(B) An amount received on account of an interest in water that is renewable must be allocated to income. If the water is not renewable, ninety percent of the amount must be allocated to principal and the balance to income.

(C) This part applies whether or not a decedent or donor was extracting minerals, water, or other natural resources before the interest became subject to the trust.

(D) If a trust owns an interest in minerals, water, or other natural resources on the effective date of this part, the trustee may allocate receipts from the interest as provided in this part or in the manner used by the trustee before the effective date of this part. If the trust acquires an interest in minerals, water, or other natural resources after the effective date of this part, the trustee shall allocate receipts from the interest as provided in this part.

REPORTER'S COMMENT

Prior Acts. The 1962 Act and the 1963 SC Act allocate to principal as a depletion allowance, twenty seven and one-half percent of the gross receipts, but not more than fifty percent of the net receipts after paying expenses. Section 9 of the 1931 Act allocates all of the net proceeds received as consideration for the "permanent severance of natural resources from the lands" to principal.

Section 62-7-920 allocates ninety percent of the net receipts to principal and ten percent to income. A depletion provision that is tied to past or present Code provisions is undesirable because it causes a large portion of the oil and gas receipts to be paid out as income. As wells are depleted, the amount received by the income beneficiary falls drastically. Allocating a larger portion of the receipts to principal enables the trustee to acquire other income producing assets that will continue to produce income when the mineral reserves are exhausted.

Application of Sections 62-7-912 and 917. This Section 62-7-920 applies to the extent that the trustee does not account separately for receipts from minerals and other natural resources under Section 62-7-912 or allocate all of the receipts to principal under Section 62-7-917.

Open mine doctrine. The purpose of Section 62-7-920(C) is to abolish the "open mine doctrine" as it may apply to the rights of an income beneficiary and a remainder beneficiary in receipts from the

production of minerals from land owned or leased by a trust. Instead, such receipts are to be allocated to or between principal and income in accordance with the provisions of this Act. For a discussion of the open mine doctrine, see generally 3A Austin W. Scott & William F. Fratcher, *The Law of Trusts* §239.3 (4th ed. 1988), and *Nutter v. Stockton*, 626 P.2d 861 (Okla. 1981).

Effective date provision. Section 9(b) of the 1962 Act and Section 4122(b) of the SC Act provide that the natural resources provision does not apply to property interests held by the trust on the effective date of the Act, which reflects concerns about the constitutionality of applying a retroactive administrative provision to interests in real estate, based on the opinion in the Oklahoma case of *Franklin v. Margay Oil Corporation*, 153 P.2d 486, 501 (Okla. 1944). Section 62-7-920(D) permits a trustee to use either the method provided for in this Act or the method used before the Act takes effect. Lawyers in jurisdictions other than Oklahoma may conclude that retroactivity is not a problem as to property situated in their States, and this provision permits trustees to decide, based on advice from counsel in States whose law may be different from that of Oklahoma, whether they may apply this provision retroactively if they conclude that to do so is in the best interests of the beneficiaries.

If the property is in a State other than the State where the trust is administered, the trustee must be aware that the law of the property's situs may control this question. The outcome turns on a variety of questions: whether the terms of the trust specify that the law of a State other than the situs of the property shall govern the administration of the trust, and whether the courts will follow the terms of the trust; whether the trust's asset is the land itself or a leasehold interest in the land (as it frequently is with oil and gas property); whether a leasehold interest or its proceeds should be classified as real property or personal property, and if as personal property, whether applicable state law treats it as a movable or an immovable for conflict of laws purposes. See 5A Austin W. Scott & William F. Fratcher, *The Law of Trusts* Sections 648, at 531, 533-534; Sec 657, at 600 (4th ed. 1989).

Section 62-7-921. (A) To the extent that a trustee accounts for receipts from the sale of timber and related products pursuant to this section, the trustee shall allocate the net receipts to:

(1) income, to the extent that the amount of timber removed from the land does not exceed the rate of growth of the timber during the accounting periods in which a beneficiary has a mandatory income interest;

(2) principal, to the extent that the amount of timber removed from the land exceeds the rate of growth of the timber or the net receipts are from the sale of standing timber;

(3) or between income and principal, if the net receipts are from the lease of timberland or from a contract to cut timber from land owned by a trust, by determining the amount of timber removed from the land under the lease or contract and applying items (1) and (2); or

(4) principal, to the extent that advance payments, bonuses, and other payments are not otherwise allocated pursuant to this subsection.

(B) In determining net receipts to be allocated pursuant to subsection (A), a trustee shall deduct and transfer to principal a reasonable amount for depletion.

(C) This part applies whether or not a decedent or transferor was harvesting timber from the property before it became subject to the trust.

(D) If a trust owns an interest in timberland on the effective date of this part, the trustee may allocate net receipts from the sale of timber and related products as provided in this part or in the manner used by the trustee before the effective date of this part. If the trust acquires an interest in timberland after the effective date of this part, the trustee shall allocate net receipts from the sale of timber and related products as provided in this part.

REPORTER'S COMMENT

Scope of section. The rules in Section 62-7-921 are intended to apply to net receipts from the sale of trees and by-products from harvesting and processing trees without regard to the kind of trees that are cut or whether the trees are cut before or after a particular number of years of growth. The rules apply to the sale of trees that are expected to produce lumber for building purposes, trees sold as pulpwood, and Christmas and other ornamental trees. Subsection (A) applies to net receipts from property owned by the trustee and property leased by the trustee. The Act is not intended to prevent a tenant in possession of the property from using wood that he cuts on the property for personal, noncommercial purposes, such as a Christmas tree, firewood, mending old fences or building new fences, or making repairs to structures on the property.

Under subsection (A) the amount of net receipts allocated to income depends upon whether the amount of timber removed is more or less than the rate of growth. The method of determining the amount of timber removed and the rate of growth is up to the trustee, based on methods customarily used for the kind of timber involved.

Application of Sections 62-7-912 and 917. This Section 62-7-921 applies to the extent that the trustee does not account separately for net receipts from the sale of timber and related products under Section 62-7-912 or allocate all of the receipts to principal under Section 62-7-917. The option to account for net receipts separately under Section 62-7-912 takes into consideration the possibility that timber harvesting operations may have been conducted before the timber property became subject to the trust, and that it may make sense to continue using accounting methods previously established for the property. It also permits a trustee to use customary accounting practices for timber operations even if no harvesting occurred on the property before it became subject to the trust.

Section 62-7-922. (A) If a marital deduction is allowed for all or part of a trust whose assets consist substantially of property that does not provide the surviving spouse with sufficient income from or use of the trust assets, and if the amounts that the trustee transfers from principal to income pursuant to Section 62-7-904 and distributes to the spouse from principal pursuant to the terms of the trust are insufficient to provide the spouse with the beneficial enjoyment required to obtain the marital deduction, the spouse may require the trustee to make property productive of income, convert property within a reasonable time, or exercise the power in Section 62-7-904(A). The trustee may decide which action or combination of actions to take.

(B) If subsection (A) is inapplicable, proceeds from the sale or other disposition of an asset are principal without regard to the amount of income the asset produces during any accounting period.

REPORTER'S COMMENT

Prior Acts' Conflict with the South Carolina Uniform Prudent Investor Act. Section 62-7-933(C)(2) of SCUPIA provides that "[a] trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole" The underproductive property provisions in Section 12 of the 1962 Act, Section 62-7-415 of the 1963 SC Act, and Section 11 of the 1931 Act give the income beneficiary a right to receive a portion of the proceeds from the sale of underproductive property as "delayed income." In each Act the provision applies on an asset by asset basis and not by taking into consideration the trust portfolio as a whole, which conflicts with the basic precept in Section 62-7-933(C)(2) of SCUPIA. Moreover, in determining the amount of delayed income, the prior Acts do not permit a trustee to take into

account the extent to which the trustee may have distributed principal to the income beneficiary, under principal invasion provisions in the terms of the trust, to compensate for insufficient income from the unproductive asset. Under Section 62-7-904(B)(7) of this Act, a trustee must consider prior distributions of principal to the income beneficiary in deciding whether and to what extent to exercise the power to adjust conferred by Section 62-7-904(A).

Duty to make property productive of income. In order to implement SCUPIA, this Act abolishes the right to receive delayed income from the sale proceeds of an asset that produces little or no income, but it does not alter existing state law regarding the income beneficiary's right to compel the trustee to make property productive of income. As the law continues to develop in this area, the duty to make property productive of current income in a particular situation should be determined by taking into consideration the performance of the portfolio as a whole and the extent to which a trustee makes principal distributions to the income beneficiary under the terms of the trust and adjustments between principal and income under Section 62-7-904 of this Act.

Trusts for which the value of the right to receive income is important for tax reasons may be affected by Reg. Sec 1.7520-3(b)(2)(v) *Example (1)*, Sec 20.7520-3(b)(2)(v) *Examples (1) and (2)*, and Sec 25.7520-3(b)(2)(v) *Examples (1) and (2)*, which provide that if the income beneficiary does not have the right to compel the trustee to make the property productive, the income interest is considered unproductive and may not be valued actuarially under those sections.

Marital deduction trusts. Subsection (A) draws on language in Reg. Sec 20.2056(b)-5(f)(4) and (5) to enable a trust for a spouse to qualify for a marital deduction if applicable state law is unclear about the spouse's right to compel the trustee to make property productive of income. The trustee should also consider the application of Section 62-7-904 of this Act and the provisions of Restatement of Trusts 3d: Prudent Investor Rule Sec 240, at 186, app. Sec 240, at 252 (1992). Example (6) in the Comment to Section 62-7-904 describes a situation involving the payment from income of carrying charges on unproductive real estate in which Section 62-7-904 may apply.

Once the two conditions have occurred - insufficient beneficial enjoyment from the property and the spouse's demand that the trustee take action under this section - the trustee must act; but instead of the formulaic approach of both the 1962 and the 1963 SC Acts which is triggered only if the trustee sells the property, this Act permits the trustee to decide whether to make the property productive of income,

convert it, transfer funds from principal to income, or to take some combination of those actions. The trustee may rely on the power conferred by Section 62-7-904(A) to adjust from principal to income if the trustee decides that it is not feasible or appropriate to make the property productive of income or to convert the property. Given the purpose of Section 62-7-922 the power under Section 62-7-904(A) would be exercised to transfer principal to income and not to transfer income to principal.

Section 62-7-922 does not apply to a so-called "estate" trust, which will qualify for the marital deduction, even though the income may be accumulated for a term of years or for the life of the surviving spouse, if the terms of the trust require the principal and undistributed income to be paid to the surviving spouse's estate when the spouse dies. Reg. Sec 20.2056(c)-2(b)(1)(iii).

Section 62-7-923. (A) In this section, 'derivative' means a contract or financial instrument or a combination of contracts and financial instruments which gives a trust the right or obligation to participate in some or all changes in the price of a tangible or intangible asset or group of assets, or changes in a rate, an index of prices or rates, or other market indicator for an asset or a group of assets.

(B) To the extent that a trustee does not account pursuant to Section 62-7-912 for transactions in derivatives, the trustee shall allocate to principal receipts from and disbursements made in connection with those transactions.

(C) If a trustee grants an option to buy property from the trust, whether or not the trust owns the property when the option is granted, grants an option that permits another person to sell property to the trust, or acquires an option to buy property for the trust or an option to sell an asset owned by the trust, and the trustee or other owner of the asset is required to deliver the asset if the option is exercised, an amount received for granting the option must be allocated to principal. An amount paid to acquire the option must be paid from principal. A gain or loss realized upon the exercise of an option, including an option granted to a settlor of the trust for services rendered, must be allocated to principal.

REPORTER'S COMMENT

Scope and application. It is difficult to predict how frequently and to what extent trustees will invest directly in derivative financial instruments rather than participating indirectly through investment entities that may utilize these instruments in varying degrees. If the

trust participates in derivatives indirectly through an entity, an amount received from the entity will be allocated under Section 62-7-910 and not Section 62-7-923. If a trustee invests directly in derivatives to a significant extent, the expectation is that receipts and disbursements related to derivatives will be accounted for under Section 62-7-912; if a trustee chooses not to account under Section 62-7-912. Section 62-7-923(B) provides the default rule. Certain types of option transactions in which trustees may engage are dealt with in subsection (C) to distinguish those transactions from ones involving options that are embedded in derivative financial instruments.

Definition of “derivative.” “Derivative” is a difficult term to define because new derivatives are invented daily as dealers tailor their terms to achieve specific financial objectives for particular clients. Since derivatives are typically contract-based, a derivative can probably be devised for almost any set of objectives if another party can be found who is willing to assume the obligations required to meet those objectives.

The most comprehensive definition of derivative is in the Exposure Draft of a Proposed Statement of Financial Accounting Standards titled “Accounting for Derivative and Similar Financial Instruments and for Hedging Activities,” which was released by the Financial Accounting Standards Board (FASB) on June 20, 1996 (No. 162-B). The definition in Section 62-7-923(A) is derived in part from the FASB definition. The purpose of the definition in subsection (A) is to implement the substantive rule in subsection (B) that provides for all receipts and disbursements to be allocated to principal to the extent the trustee elects not to account for transactions in derivatives under Section 62-7-912. As a result, it is much shorter than the FASB definition, which serves much more ambitious objectives.

A derivative is frequently described as including futures, forwards, swaps and options, terms that also require definition, and the definition in this Act avoids these terms. FASB used the same approach, explaining in paragraph 65 of the Exposure Draft:

The definition of *derivative financial instrument* in this Statement includes those financial instruments generally considered to be derivatives, such as forwards, futures, swaps, options, and similar instruments. The Board considered defining a derivative financial instrument by merely referencing those commonly understood instruments, similar to paragraph 5 of Statement 119, which says that “... a derivative financial instrument is a futures, forward, swap, or option contract, or other financial instrument with similar characteristics.” However, the continued development of financial

markets and innovative financial instruments could ultimately render a definition based on examples inadequate and obsolete. The ULC, therefore, decided to base the definition of a derivative financial instrument on a description of the common characteristics of those instruments in order to accommodate the accounting for newly developed derivatives. (Footnote omitted.)

Marking to market. A gain or loss that occurs because the trustee marks securities to market or to another value during an accounting period is not a transaction in a derivative financial instrument that is income or principal under the Act only cash receipts and disbursements, and the receipt of property in exchange for a principal asset, affect a trust's principal and income accounts.

Receipt of property other than cash. If a trustee receives property other than cash upon the settlement of a derivatives transaction, that property would be principal under Section 62-7-913(2).

Options. Options to which subsection (C) applies include an option to purchase real estate owned by the trustee and a put option purchased by a trustee to guard against a drop in value of a large block of marketable stock that must be liquidated to pay estate taxes. Subsection (C) would also apply to a continuing and regular practice of selling call options on securities owned by the trust if the terms of the option require delivery of the securities. It does not apply if the consideration received or given for the option is something other than cash or property, such as cross-options granted in a buy-sell agreement between owners of an entity.

Section 62-7-924. (A) In this section, 'asset-backed security' means an asset whose value is based upon the right it gives the owner to receive distributions from the proceeds of financial assets that provide collateral for the security. The term includes an asset that gives the owner the right to receive from the collateral financial assets only the interest or other current return or only the proceeds other than interest or current return. The term does not include an asset subject to Section 62-7-909 or 62-7-918.

(B) If a trust receives a payment from interest or other current return and from other proceeds of the collateral financial assets, the trustee shall allocate to income the portion of the payment which the payer identifies as being from interest or other current return and shall allocate the balance of the payment to principal.

(C) If a trust receives one or more payments in exchange for the entire interest in an asset-backed security in one accounting period, the trustee shall allocate the payments to principal. If a payment is one of

a series of payments that results in the liquidation of the interest of the trust in the security over more than one accounting period, the trustee shall allocate ten percent of the payment to income and the balance to principal.

REPORTER'S COMMENT

Scope of section. Typical asset-backed securities include arrangements in which debt obligations such as real estate mortgages, credit card receivables and auto loans are acquired by an investment trust and interests in the trust are sold to investors. The source for payments to an investor is the money received from principal and interest payments on the underlying debt. An asset-backed security includes an "interest only" or a "principal only" security that permits the investor to receive only the interest payments received from the bonds, mortgages or other assets that are the collateral for the asset-backed security, or only the principal payments made on those collateral assets. An asset-backed security also includes a security that permits the investor to participate in either the capital appreciation of an underlying security or in the interest or dividend return from such a security, such as the "Primes" and "Scores" issued by Americus Trust. An asset-backed security does not include an interest in a corporation, partnership, or an investment trust described in the Comment to Section 62-7-911 whose assets consist significantly or entirely of investment assets. Receipts from an instrument that do not come within the scope of this section or any other section of this Act would be allocated entirely to principal under the rule in Section 62-7-903(A)(4) and the trustee may then consider whether and to what extent to exercise the power to adjust in Section 62-7-904 taking into account the return from the portfolio as whole and other relevant factors.

Section 62-7-925. A trustee shall make the following disbursements from income to the extent that they are not disbursements subject to Section 62-7-905(2)(b) or (c):

- (1) one-half of the regular compensation of the trustee and of any person providing investment advisory or custodial services to the trustee;
- (2) one-half of all expenses for accountings, judicial proceedings, or other matters that involve both the income and remainder interests;
- (3) all of the other ordinary expenses incurred in connection with the administration, management, or preservation of trust property and the distribution of income, including interest, ordinary repairs, regularly recurring taxes assessed against principal, and expenses of a

proceeding or other matter that concerns primarily the income interest;
and

(4) recurring premiums on insurance covering the loss of a principal asset or the loss of income from or use of the asset.

REPORTER'S COMMENT

Trustee fees. The regular compensation of a trustee or the trustee's agent includes compensation based on a percentage of either principal or income or both.

Insurance premiums. The reference in paragraph (4) to "recurring" premiums is intended to distinguish premiums paid annually for fire insurance from premiums on title insurance, each of which covers the loss of a principal asset. Title insurance premiums would be a principal disbursement under Section 62-7-926(A)(5).

Regularly recurring taxes. The reference to "regularly recurring taxes assessed against principal" includes all taxes regularly imposed on real property and tangible and intangible personal property.

Section 62-7-926. (A) A trustee shall make the following disbursements from principal:

(1) the remaining one-half of the disbursements provided in Section 62-7-925(1) and (2);

(2) all of the trustee's compensation calculated on principal as a fee for acceptance, distribution, or termination, and disbursements made to prepare property for sale;

(3) payments on the principal of a trust debt;

(4) expenses of a proceeding that concerns primarily principal, including a proceeding to construe the trust or to protect the trust or its property;

(5) premiums paid on a policy of insurance not provided in Section 62-7-925(4) of which the trust is the owner and beneficiary;

(6) estate, inheritance, and other transfer taxes, including penalties, apportioned to the trust; and

(7) disbursements related to environmental matters, including reclamation, assessing environmental conditions, remedying and removing environmental contamination, monitoring remedial activities and the release of substances, preventing future releases of substances, collecting amounts from persons liable or potentially liable for the costs of those activities, penalties imposed under environmental laws or regulations and other payments made to comply with those laws or regulations, statutory or common law claims by third parties, and defending claims based on environmental matters.

(B) If a principal asset is encumbered with an obligation that requires income from that asset to be paid directly to the creditor, the trustee shall transfer from principal to income an amount equal to the income paid to the creditor in reduction of the principal balance of the obligation.

REPORTER'S COMMENT

Environmental expenses. All environmental expenses are payable from principal, subject to the power of the trustee to transfer funds to principal from income under Section 62-7-928. However, the ULC Drafting Committee decided that it was not necessary to broaden this provision to cover other expenditures made under compulsion of governmental authority. See generally the annotation at 43 A.L.R.4th 1012 (Duty as Between Life Tenant and Remainderman with Respect to Cost of Improvements or Repairs Made Under Compulsion of Governmental Authority).

Environmental expenses paid by a trust are to be paid from principal under Section 62-7-926(A)(7) on the assumption that they will usually be extraordinary in nature. Environmental expenses might be paid from income if the trustee is carrying on a business that uses or sells toxic substances, in which case environmental cleanup costs would be a normal cost of doing business and would be accounted for under Section 62-7-912. In accounting under that Section, environmental costs will be a factor in determining how much of the net receipts from the business is trust income. Paying all other environmental expenses from principal is consistent with this Act's approach regarding receipts - when a receipt is not clearly a current return on a principal asset, it should be added to principal because over time both the income and remainder beneficiaries benefit from this treatment. Here, allocating payments required by environmental laws to principal imposes the detriment of those payments over time on both the income and remainder beneficiaries.

Under Sections 62-7-928(A) and (B)(5) a trustee who makes or expects to make a principal disbursement for an environmental expense described in Section 62-7-926(A)(7) is authorized to transfer an appropriate amount from income to principal to reimburse principal for disbursements made or to provide a reserve for future principal disbursements.

The first part of Section 62-7-926(A)(7) is based upon the definition of an "environmental remediation trust" in Treas. Reg. Sec 301.7701-4(e)(as amended in 1996). This is not because the Act applies to an environmental remediation trust, but because the

definition is a useful and thoroughly vetted description of the kinds of expenses that a trustee owning contaminated property might incur. Expenses incurred to comply with environmental laws include the cost of environmental consultants, administrative proceedings and burdens of every kind imposed as the result of an administrative or judicial proceeding, even though the burden is not formally characterized as a penalty.

Title proceedings. Disbursements that are made to protect a trust's property, referred to in Section 62-7-926(A)(4) include an "action to assure title" that is mentioned in Section 13(c)(2) of the 1962 Act and Section 62-7-418(2) of the 1963 SC Act.

Insurance premiums. Insurance premiums referred to in Section 62-7-926(A)(5) include title insurance premiums. They also include premiums on life insurance policies owned by the trust, which represent the trust's periodic investment in the insurance policy. There is no provision in the 1962 or 1963 SC Act for life insurance premiums.

Taxes. Generation-skipping transfer taxes are payable from principal under Section 62-7-926(A)(6).

Section 62-7-927. (A) In this section, 'depreciation' means a reduction in value due to wear, tear, decay, corrosion, or gradual obsolescence of a fixed asset having a useful life of more than one year.

(B) A trustee may transfer to principal a reasonable amount of the net cash receipts from a principal asset that is subject to depreciation, but may not transfer any amount for depreciation:

(1) of that portion of real property used or available for use by a beneficiary as a residence or of tangible personal property held or made available for the personal use or enjoyment of a beneficiary;

(2) during the administration of a decedent's estate; or

(3) under this section if the trustee is accounting pursuant to Section 62-7-912 for the business or activity in which the asset is used.

(C) An amount transferred to principal need not be held as a separate fund.

REPORTER'S COMMENT

Prior Acts. The 1931 Act has no provision for depreciation. Sections 13(a)(2) of the 1962 Act and 62-7-417(2) of the 1963 SC Act provide that a charge shall be made against income for "... a reasonable allowance for depreciation on property subject to depreciation under generally accepted accounting principles" That provision has been

resisted by many trustees, who do not provide for any depreciation for a variety of reasons. One reason relied upon is that a charge for depreciation is not needed to protect the remainder beneficiaries if the value of the land is increasing; another is that generally accepted accounting principles may not require depreciation to be taken if the property is not part of a business. The Drafting Committee for the 1997 NCCUSL Act concluded that the decision to provide for depreciation should be discretionary with the trustee. The power to transfer funds from income to principal that is granted by this section is a "discretionary power of administration" referred to in Section 62-7-903(B) and in exercising the power a trustee must comply with Section 62-7-903(B).

One purpose served by transferring cash from income to principal for depreciation is to provide funds to pay the principal of an indebtedness secured by the depreciable property. Section 62-7-928(B)(4) permits the trustee to transfer additional cash from income to principal for this purpose to the extent that the amount transferred from income to principal for depreciation is less than the amount of the principal payments.

Section 62-7-928. (A) If a trustee makes or expects to make a principal disbursement described in this section, the trustee may transfer an appropriate amount from income to principal in one or more accounting periods to reimburse principal or to provide a reserve for future principal disbursements.

(B) A principal disbursement for purposes of this section includes the following, but only to the extent that the trustee has not been, and does not expect to be, reimbursed by a third party:

(1) an amount chargeable to income but paid from principal because it is unusually large, including extraordinary repairs;

(2) a capital improvement to a principal asset, whether in the form of changes to an existing asset or the construction of a new asset, including special assessments;

(3) a disbursement made to prepare property for rental, including tenant allowances, leasehold improvements, and broker's commissions;

(4) a periodic payment on an obligation secured by a principal asset to the extent that the amount transferred from income to principal for depreciation is less than the periodic payments; and

(5) a disbursement described in Section 62-7-926(A)(7).

(C) If the asset whose ownership gives rise to the disbursements becomes subject to a successive income interest after an income

interest ends, a trustee may continue to transfer amounts from income to principal as provided in subsection (A).

REPORTER'S COMMENT

Prior Acts. The South Carolina sources of Section 62-7-928 are: Section 62-7-417(b) of the 1963 SC Act, which permits a trustee to "regularize distributions," if charges against income are unusually large, by using "reserves or other reasonable means" to withhold sums from income distributions; and Section 62-7-417(a)(2) of the 1963 SC Act, which authorizes a trustee to establish an allowance for depreciation out of income if principal is used for extraordinary repairs and capital improvements. [Note, however, that "special assessments" are not specifically mentioned in Section 62-7-417(a)(2) of the 1963 SC Act.] Section 12(3) of the 1931 Act permits the trustee to spread income expenses of unusual amount "throughout a series of years." Section 62-7-928 of this Act contains a more detailed enumeration of the circumstances in which this authority may be used, and includes in subsection (B)(4) the express authority to use income to make principal payments on a mortgage if the depreciation charge against income is less than the principal payments on the mortgage.

Section 62-7-929. (A) A tax required to be paid by a trustee based on receipts allocated to income must be paid from income.

(B) A tax required to be paid by a trustee based on receipts allocated to principal must be paid from principal, even if the tax is called an income tax by the taxing authority.

(C) A tax required to be paid by a trustee on the trust's share of the taxable income of the entity must be paid:

(1) from income, to the extent that receipts from the entity are allocated to income;

(2) from principal, to the extent that receipts from the entity are allocated only to principal;

(3) proportionately from principal and income to the extent that receipts from the entity are allocated to both income and principal; and

(4) from principal to the extent that the tax exceeds the total receipts from the entity.

(D) After applying subsections (A) through (C), the trustee shall adjust income or principal receipts to the extent that the trust's taxes are reduced because the trust receives a deduction for payments made to a beneficiary.

REPORTER'S COMMENT

Taxes on Undistributed Entity Taxable Income. When a trust owns an interest in a pass-through entity, such as a partnership or "S" corporation, it must report its share of the entity's taxable income regardless of how much the entity distributes to the trust. Whether the entity distributes more or less than the trust's tax on its share of the entity's taxable income, the trust must pay the taxes and allocate them between income and principal.

Subsection (C) requires the trust to pay the taxes on its share of an entity's taxable income from income or principal receipts to the extent that receipts from the entity are allocable to each. This assures the trust a source of cash to pay some or all of the taxes on its share of the entity's taxable income. Subsection (D) recognizes that, except in the case of an Electing Small Business Trust (ESBT), a trust normally receives a deduction for amounts distributed to a beneficiary. Accordingly, subsection (D) requires the trust to increase receipts payable to a beneficiary as determined under subsection (C) to the extent the trust's taxes are reduced by distributing those receipts to the beneficiary.

Because the trust's taxes and amounts distributed to a beneficiary are interrelated, the trust may be required to apply a formula to determine the correct amount payable to a beneficiary. This formula should take into account that each time a distribution is made to a beneficiary, the trust taxes are reduced and amounts distributable to a beneficiary are increased. The formula assures that after deducting distributions to a beneficiary, the trust has enough to satisfy its taxes on its share of the entity's taxable income as reduced by distributions to beneficiaries.

Example (1) - Trust T receives a Schedule K-1 from Partnership P reflecting taxable income of \$1 million. Partnership P distributes \$100,000 to T, which allocates the receipts to income. Both Trust T and income Beneficiary B are in the 35 percent tax bracket.

Trust T's tax on \$1 million of taxable income is \$350,000. Under subsection (C) T's tax must be paid from income receipts because receipts from the entity are allocated only to income. Therefore, T must apply the entire \$100,000 of income receipts to pay its tax. In this case, Beneficiary B receives nothing.

Example (2) - Trust T receives a Schedule K-1 from Partnership P reflecting taxable income of \$1 million. Partnership P distributes \$500,000 to T, which allocates the receipts to income. Both Trust T and income Beneficiary B are in the 35 percent tax bracket.

Trust T's tax on \$1 million of taxable income is \$350,000. Under subsection (C), T's tax must be paid from income receipts because receipts from P are allocated only to income. Therefore, T uses \$350,000 of the \$500,000 to pay its taxes and distributes the remaining \$150,000 to B. The \$150,000 payment to B reduces T's taxes by \$52,500, which it must pay to B. But the \$52,500 further reduces T's taxes by \$18,375, which it also must pay to B. In fact, each time T makes a distribution to B, its taxes are further reduced, causing another payment to be due B.

Alternatively, T can apply the following algebraic formula to determine the amount payable to B:

$$D = (C - R * K) / (1 - R)$$

D = Distribution to income beneficiary
 C = Cash paid by the entity to the trust
 R = tax rate on income
 K = entity's K-1 taxable income

Applying the formula to Example (2) above, Trust T must pay \$230,769 to B so that after deducting the payment, T has exactly enough to pay its tax on the remaining taxable income from P.

Taxable Income per K-1	\$1,000,000
Payment to beneficiary	\$230,769 [1]
Trust Taxable Income	\$769,231
35 percent tax	\$269,231
Partnership Distribution	\$500,000
Fiduciary's Tax Liability	(\$269,231)
Payable to the Beneficiary	\$230,769

In addition, B will report \$230,769 on his or her own personal income tax return, paying taxes of \$80,769. Because Trust T withheld \$269,231 to pay its taxes and B paid \$80,769 taxes of its own, B bore the entire \$350,000 tax burden on the \$1 million of entity taxable income, including the \$500,000 that the entity retained that presumably increased the value of the trust's investment entity.

If a trustee determines that it is appropriate to do so, it should consider exercising the discretion granted in Section 62-7-930 to adjust between income and principal. Alternatively, the trustee may exercise the power to adjust under Section 62-7-904 to the extent it is available and appropriate under the circumstances, including whether a future

distribution from the entity that would be allocated to principal should be reallocated to income because the income beneficiary already bore the burden of taxes on the reinvested income. In exercising the power, the trust should consider the impact that future distributions will have on any current adjustments.

[1] $D = (C - R * K) / (1 - R) = (500,000 - 350,000) / (1 - .35) = \$230,769$. (D is the amount payable to the income beneficiary, K is the entity's K-1 taxable income, R is the trust ordinary tax rate, and C is the cash distributed by the entity)

Section 62-7-930. (A) A fiduciary may make adjustments between principal and income to offset the shifting of economic interests or tax benefits between income beneficiaries and remainder beneficiaries which arise from:

(1) elections and decisions, other than those provided in subsection (B), that the fiduciary makes from time to time regarding tax matters;

(2) an income tax or any other tax that is imposed upon the fiduciary or a beneficiary as a result of a transaction involving or a distribution from the estate or trust; or

(3) the ownership by an estate or trust of an interest in an entity whose taxable income, whether or not distributed, is includable in the taxable income of the estate, trust, or a beneficiary.

(B) If the amount of an estate tax marital deduction or charitable contribution deduction is reduced because a fiduciary deducts an amount paid from principal for income tax purposes instead of deducting it for estate tax purposes, and as a result estate taxes paid from principal are increased and income taxes paid by an estate, trust, or beneficiary are decreased, each estate, trust, or beneficiary that benefits from the decrease in income tax shall reimburse the principal from which the increase in estate tax is paid. The total reimbursement must equal the increase in the estate tax to the extent that the principal used to pay the increase would have qualified for a marital deduction or charitable contribution deduction but for the payment. The proportionate share of the reimbursement for each estate, trust, or beneficiary whose income taxes are reduced must be the same as its proportionate share of the total decrease in income tax. An estate or trust shall reimburse principal from income.

REPORTER'S COMMENT

Discretionary adjustments. Section 62-7-930(A) permits the fiduciary to make adjustments between income and principal because of tax law provisions. It would permit discretionary adjustments in situations like these: (1) A fiduciary elects to deduct administration expenses that are paid from principal on an income tax return instead of on the estate tax return; (2) a distribution of a principal asset to a trust or other beneficiary causes the taxable income of an estate or trust to be carried out to the distributee and relieves the persons who receive the income of any obligation to pay income tax on the income; or (3) a trustee realizes a capital gain on the sale of a principal asset and pays a large state income tax on the gain, but under applicable federal income tax rules the trustee may not deduct the state income tax payment from the capital gain in calculating the trust's federal capital gain tax, and the income beneficiary receives the benefit of the deduction for state income tax paid on the capital gain. See generally Joel C. Dobris, *Limits on the Doctrine of Equitable Adjustment in Sophisticated Postmortem Tax Planning*, 66 Iowa L. Rev. 273 (1981).

Section 62-7-930(A)(3) applies to a qualified Subchapter S trust (QSST) whose income beneficiary is required to include a pro rata share of the S corporation's taxable income in his return. If the QSST does not receive a cash distribution from the corporation that is large enough to cover the income beneficiary's tax liability, the trustee may distribute additional cash from principal to the income beneficiary. In this case the retention of cash by the corporation benefits the trust principal. This situation could occur if the corporation's taxable income includes capital gain from the sale of a business asset and the sale proceeds are reinvested in the business instead of being distributed to shareholders.

Mandatory adjustment. Section 62-7-930(B) provides for a mandatory adjustment from income to principal to the extent needed to preserve an estate tax marital deduction or charitable contributions deduction. It is derived from New York's EPTL Sec 11-1.2(A), which requires principal to be reimbursed by those who benefit when a fiduciary elects to deduct administration expenses on an income tax return instead of the estate tax return. Unlike the New York provision, Section 62-7-930(B) limits a mandatory reimbursement to cases in which a marital deduction or a charitable contributions deduction is reduced by the payment of additional estate taxes because of the fiduciary's income tax election. It is intended to preserve the result reached in *Estate of Britenstool v. Commissioner*, 46 T.C. 711 (1966), in which the Tax Court held that a reimbursement required by the

predecessor of EPTL Sec 11-1.2(A) resulted in the estate receiving the same charitable contributions deduction it would have received if the administration expenses had been deducted for estate tax purposes instead of for income tax purposes. Because a fiduciary will elect to deduct administration expenses for income tax purposes only when the income tax reduction exceeds the estate tax reduction, the effect of this adjustment is that the principal is placed in the same position it would have occupied if the fiduciary had deducted the expenses for estate tax purposes, but the income beneficiaries receive an additional benefit. For example, if the income tax benefit from the deduction is \$30,000 and the estate tax benefit would have been \$20,000, principal will be reimbursed \$20,000 and the net benefit to the income beneficiaries will be \$10,000.

Irrevocable grantor trusts. Under Sections 671-679 of the Internal Revenue Code (the "grantor trust" provisions), a person who creates an irrevocable trust for the benefit of another person may be subject to tax on the trust's income or capital gains, or both, even though the settlor is not entitled to receive any income or principal from the trust. Because this is now a well-known tax result, many trusts have been created to produce this result, but there also may be trusts that are unintentionally subject to this rule. The Act does not require or authorize a trustee to distribute funds from the trust to the settlor in these cases because it is difficult to establish a rule that applies only to trusts where this tax result is unintended and does not apply to trusts where the tax result is intended. Settlers who intend this tax result rarely state it as an objective in the terms of the trust, but instead rely on the operation of the tax law to produce the desired result. As a result it may not be possible to determine from the terms of the trust if the result was intentional or unintentional. Where the drafter of such a trust wants the trustee to have the authority to distribute principal or income to the settlor to reimburse the settlor for taxes paid on the trust's income or capital gains, such a provision should be placed in the terms of the trust. In some situations the Internal Revenue Service may require that such a provision be placed in the terms of the trust as a condition to issuing a private letter ruling.

Section 62-7-931. In applying and construing this Uniform Act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Section 62-7-932. RESERVED

Part 9A

South Carolina Uniform Prudent Investor Act

GENERAL COMMENT

Effective July 18, 2001, South Carolina enacted as part of its Uniform Probate Code (SCPC) the South Carolina Uniform Prudent Investor Act (SCUPIA), Section 62-7-302. This is South Carolina's version of the Uniform Prudent Investor Act (UPIA) which was enacted and recommended in 1994 by the Uniform Law Commission (ULC) for enactment in all the states. UPIA consists of 16 separate sections, the first ten of which are each followed by a separate ULC Comment; whereas, SCUPIA is a single section (multi-subsection) consolidation of (1) UPIA's first ten sections but without any of the ULC Comments, (2) two other UPIA sections which have never had any comments (Sections 12, "Uniformity of Application and Construction" and 13, "Short Title") and (3) two new subsections which are not in UPIA and have never had any comments (SCUPIA subsections (J) and (K)). The remaining four sections of UPIA are not in SCUPIA and have never had any comments. Thus, prior to 2005 SCUPIA had no ULC Comments. When in 2005 South Carolina enacted its version of ULC's recommended 2000 Uniform Trust Code as the South Carolina Trust Code (SCTC), SC Code Title 62, Article 7, SCUPIA was retained, re-numbered and incorporated at SCTC Section 62-7-933, but still without any ULC Comments. Now, with this 2013 (or "current") amendment, the ULC Comments are consolidated into a single Comment drafted specifically for South Carolina purposes and inserted immediately following SCUPIA. Again, any reference elsewhere in the South Carolina Code to former SCPC Section 62-7-302 should now refer to SCTC Section 62-7-933.

When in 2005 SCUPIA was retained, re-numbered and incorporated at SCTC Section 62-7-933, certain subsections of SCUPIA as it had been originally enacted in 2001 (SCPC Section 62-7-302) were deleted as recommended by ULC because they were duplicative of provisions in the newly enacted SCTC: former SCPC Section 62-7-302(C)(6), (F), and (H). The correlative provisions of SCTC, which govern investment, management, and distribution of trust assets (i.e., trust administration), are broader in perspective than the deleted SCPC subsections, which governed only investment and management of trust assets. SCTC Section 62-7-933(C)(5)(c) retains and incorporates former SCPC Section 62-7-602.

Over the quarter century from the late 1960's to the early 1990s the investment practices of fiduciaries experienced significant change. ULC's Uniform Prudent Investor Act (UPIA) undertakes to update trust investment law in recognition of the alterations that have occurred in investment practice. These changes have occurred under the influence of a large and broadly accepted body of empirical and theoretical knowledge about the behavior of capital markets, often described as "modern portfolio theory."

UPIA, now enacted in South Carolina as SCUPIA at Section 62-7-933, draws upon the revised standards for prudent trust investment promulgated by the American Law Institute in its Restatement (Third) of Trusts: Prudent Investor Rule (1992) [hereinafter Restatement of Trusts 3d: Prudent Investor Rule; also referred to as 1992 Restatement]. [Since the early 1990's when the uniform version of this Prefatory Note and the following Comments were prepared by ULC, Restatement of Trusts 3d has progressed significantly as reported in the Forenote to Chapter 17 of what is now cited as "Restatement Third, Trusts":

The contents of this Chapter (Introduction and Sections 90-92) were approved at the American Law Institute's 1990 Annual Meeting and were originally published as Sections 227-229 of Restatement Third, Trusts (Prudent Investor Rule) in 1992 [*referred to throughout this SCUPIA Prefatory Note and the following Comments as either "Restatement of Trusts 3d: Prudent Investor Rule" or simply "1992 Restatement"*]. The "prudent investor rule" is incorporated here without substantive change, with some updating of the Reporter's Notes, adaptation of cross-references to reflect the new numbering and content of other Trust Third Sections, and adaptation of some wording to reflect the passage of time and interim developments, particularly the widespread substitution of prudent-investor principles for prior law. Therefore, appropriate reference to Chapter 17 (Introduction and Sections 90-92) of Restatement Third, Trusts is suggested.]

Objectives of the Act. SCUPIA makes five fundamental alterations in the former criteria for prudent investing. All are to be found in the Restatement of Trusts 3d: Prudent Investor Rule.

(1) The standard of prudence is applied to any investment as part of the total portfolio, rather than to individual investments. In the trust setting the term "portfolio" embraces all the trust's assets. SCUPIA Subsection (C)(2).

(2) The tradeoff in all investing between risk and return is identified as the fiduciary's central consideration. SCUPIA Subsection (C)(2).

(3) All categorical restrictions on types of investments have been abrogated; the trustee can invest in anything that plays an appropriate role in achieving the risk/return objectives of the trust and that meets the other requirements of prudent investing. SCUPIA Subsection (C)(5)(a).

(4) The long familiar requirement that fiduciaries diversify their investments has been integrated into the definition of prudent investing. SCUPIA Subsection (D).

(5) The much criticized former rule of trust law forbidding the trustee to delegate investment and management functions has been reversed. Delegation is now permitted, subject to safeguards. SCUPIA Subsection (J).

Literature. These changes in trust investment law have been presaged in an extensive body of practical and scholarly writing. See especially the discussion and reporter's notes by Edward C. Halbach, Jr., in *Restatement of Trusts 3d: Prudent Investor Rule* (1992); see also Edward C. Halbach, Jr., *Trust Investment Law in the Third Restatement*, 27 *Real Property, Probate & Trust J.* 407 (1992); Bevis Longstreth, *Modern Investment Management and the Prudent Man Rule* (1986); Jeffrey N. Gordon, *The Puzzling Persistence of the Constrained Prudent Man Rule*, 62 *N.Y.U.L. Rev.* 52 (1987); John H. Langbein & Richard A. Posner, *The Revolution in Trust Investment Law*, 62 *A.B.A.J.* 887 (1976); Note, *The Regulation of Risky Investments*, 83 *Harvard L. Rev.* 603 (1970). A succinct account of the main findings of modern portfolio theory, written for lawyers, is Jonathan R. Macey, *An Introduction to Modern Financial Theory* (1991) (American College of Trust & Estate Counsel Foundation). A leading introductory text on modern portfolio theory is R.A. Brealey, *An Introduction to Risk and Return from Common Stocks* (2d ed. 1983).

Legislation. Most states have had legislation governing trust-investment law for many years. This Act promotes uniformity of state law on the basis of the new consensus reflected in the *Restatement of Trusts 3d: Prudent Investor Rule*. Some states had already acted. California, Delaware, Georgia, Minnesota, South Carolina, Tennessee, and Washington revised their prudent investor legislation to emphasize the total-portfolio standard of care in advance of the 1992 *Restatement*. These statutes are extracted and discussed in *Restatement of Trusts 3d: Prudent Investor Rule* § 227, reporter's note, at 60-66 (1992). Although South Carolina took such action in 1990 by amending SC Code Section 62-7-302, the South Carolina revision was not extracted and discussed in the 1992 *Restatement*.

Remedies. This Act does not undertake to address issues of remedy law or the computation of damages in trust matters. Remedies are the subject of a reasonably distinct body of doctrine. See generally Restatement (Second) of Trusts §§ 197-226A (1959) [hereinafter cited as Restatement of Trusts 2d; also referred to as 1959 Restatement]. [With the enactment of the South Carolina Trust Code in 2005, however, remedies and damages for breach of trust are addressed. SCTC Part 10.]

Implications for charitable and pension trusts. This Act is centrally concerned with the investment responsibilities arising under the private gratuitous trust, which is the common vehicle for conditioned wealth transfer within the family. Nevertheless, the prudent investor rule also bears on charitable and pension trusts, among others. *“In making investments of trust funds the trustee of a charitable trust is under a duty similar to that of the trustee of a private trust.”* Restatement of Trusts 2d § 389 (1959). The Employee Retirement Income Security Act (ERISA), the federal regulatory scheme for pension trusts enacted in 1974, absorbs trust-investment law through the prudence standard of ERISA § 404(a)(1)(B), 29 U.S.C. § 1104(a). The Supreme Court has said: “ERISA’s legislative history confirms that the Act’s fiduciary responsibility provisions ‘codif[y] and mak[e] applicable to [ERISA] fiduciaries certain principles developed in the evolution of the law of trusts.’” *Firestone Tire & Rubber Co. v. Bruch*, 489 U.S. 101, 110-11 (1989) (footnote omitted).

Other fiduciary relationships. The South Carolina Uniform Prudent Investor Act (SCUPIA) regulates the investment responsibilities of trustees. Other fiduciaries - such as executors, conservators, and guardians of the property - sometimes have responsibilities over assets that are governed by the standards of prudent investment. It will often be appropriate for states to adapt the law governing investment by trustees under this Act to these other fiduciary regimes, taking account of such changed circumstances as the relatively short duration of most executorships and the intensity of court supervision of conservators and guardians in some jurisdictions. The present Act does not undertake to adjust trust-investment law to the special circumstances of the state schemes for administering decedents’ estates or conducting the affairs of protected persons. In South Carolina two other SC Code sections have been enacted for this purpose:

(1) Section 62-5-414.

In the exercise of his powers, a conservator is to act as a fiduciary and shall observe the standards of care applicable to trustees as described by Section 62-7-933 (SCUPIA).

(2) Section 62-3-703

(a) A personal representative is a fiduciary who ... shall observe the standards of care as described by Section 62-7-804.

(3) Both of these sections referred to Section 62-7-933 (SCUPIA) until 2010 when Section 62-3-703 was amended by replacing Section 62-7-933 with Section 62-7-804. Prudent administration -

A trustee shall administer the trust as a prudent person would, by considering the purposes, terms, distributional requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

(4) The Comments to the SCTC point out that Section 62-7-804 is “similar to” SCUPIA and recognizes that trust “administration” includes a trustee’s “distribution to beneficiaries” *in addition to* a trustee’s investment and management of trust assets.

Although SCUPIA by its terms applies to trusts and not to charitable corporations, the standards of the Act can be expected to inform the investment responsibilities of directors and officers of charitable corporations. As the 1992 Restatement observes, “*the duties of the members of the governing board of a charitable corporation are generally similar to the duties of the trustee of a charitable trust.*” Restatement of Trusts 3d: Prudent Investor Rule § 379, Comment *b*, at 190 (1992). See also *id.* § 389, Comment *b*, at 190-91 (absent contrary statute or other provision, prudent investor rule applies to investment of funds held for charitable corporations).

It is interesting to note that the ULC did not mention, on this investment point, in the 1994 UPIA Prefatory Note its earlier 1972 Uniform Management of Institutional Funds Act (UMIFA). This is probably explained by the following contrary view expressed in the 1972 Comment following UMIFA Section 6:

The section establishes a standard of care and prudence for a member of a governing board. The standard is generally comparable to that of a director of a business corporation rather than that of a private trustee, but it is cast in terms of the duties and responsibilities of a manager of a nonprofit institution.

Officers of a corporation owe a duty of care and loyalty to the corporation, and the more intimate the knowledge of the affairs of the corporation the higher the standard of care. Directors are obligated to act in the utmost good faith and to exercise ordinary business care and prudence in all matters affecting the management of the corporation. This is a proper standard for the managers of a nonprofit institution, whether or not it is incorporated.

Not until 2000 did South Carolina enact the South Carolina Uniform Management of Institutional Funds Act (SCUMIFA). Then in 2006 the ULC approved and recommended the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which South Carolina enacted in 2008 as the South Carolina Uniform Prudent Management of Institutional Funds Act (SCUPMIFA), Sections 34-6-10 through 100. Many of SCUPIA's provisions are in SCUPMIFA which is described by ULC as "bringing the law governing charitable institutions in line with modern investment and expenditure practice".

Section 62-7-933. (A) This section may be cited as the South Carolina Uniform Prudent Investor Act, or this act.

(B)(1) Except as otherwise provided in item (2) of this subsection, a trustee who invests and manages trust assets owes a duty to the beneficiaries of the trust to comply with the prudent investor rule in this act.

(2) The prudent investor rule is a default rule that may be expanded, restricted, eliminated, or otherwise altered by the provisions of a trust. A trustee is not liable to a beneficiary to the extent that the trustee acted in reasonable reliance on the provisions of the trust.

(C)(1) A trustee shall invest and manage trust assets as a prudent investor would by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

(2) A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

(3) Among other circumstances provided in item (1) of this subsection which a trustee shall consider in investing and managing trust assets are such of the following as are relevant to the trust or its beneficiaries:

- (a) general economic conditions;
- (b) the possible effect of inflation or deflation;
- (c) the expected tax consequences of investment decisions or strategies;
- (d) the role that each investment or course of action plays within the overall trust portfolio, including financial assets, interests in closely held enterprises, tangible and intangible personal property, and real property;
- (e) the expected total return from income and the appreciation of capital;

(f) other resources of the beneficiaries;
(g) needs for liquidity, regularity of income, and preservation or appreciation of capital; and

(h) an asset's special relationship or special value to the purposes of the trust or to one or more of the beneficiaries.

(4) A trustee shall make a reasonable effort to verify facts relevant to the investment and management of trust assets.

(5)(a) A trustee may invest in any kind of property or type of investment consistent with the standards of this act.

(b) Nothing in this act prohibits affiliate investments if they otherwise comply with the standards of this act. For these purposes, 'affiliate' means an entity that owns or is owned by the trustee, in whole or in part, or is owned by the same entity that owns the trustee. Affiliate investments include:

(i) investment and reinvestment in the securities of an open-end or closed-end management investment company or of an investment trust registered under the Investment Company Act of 1940, as amended. A bank or trustee, or both of them, may invest in these securities even if the bank or trustee, or an affiliate of the bank or trustee, provides services to the investment company or investment trust such as that of an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager, or otherwise, and receives reasonable remuneration for those services;

(ii) retention of the securities into which corporate securities owned by the trustee may be converted or which may be derived as a result of merger, consolidation, stock dividends, splits, liquidations, and similar procedures, and the exercise by purchase or otherwise any rights, warrants, or conversion features attaching to the securities;

(iii) purchase or other acquisition and retention of a security underwritten by a syndicate, even if the trustee or its affiliate participates or has participated as a member of the syndicate, provided the trustee does not purchase the security from itself, its affiliate, or from another member of the underwriting syndicate, or its affiliate, pursuant to an implied or express reciprocal agreement between the trustee, or its affiliate, and the other member, or its affiliate, to purchase all or part of each other's underwriting participation commitment within the syndicate.

(c) Notwithstanding any other provision of law, any fiduciary holding securities in its fiduciary capacity, any bank, trust company, or private banker holding securities as a custodian or managing agent, and any bank, trust company, or private banker holding securities as custodian for a fiduciary, is authorized to deposit or arrange for the

deposit of such securities in a clearing corporation, as defined in Article 8 of the Uniform Commercial Code. When such securities are so deposited, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of such clearing corporation with any other such securities deposited in such clearing corporation by any person regardless of the ownership of such securities, and certificates of small denomination may be merged into one or more certificates of larger denomination. The records of such fiduciary and the records of such bank, trust company, or private banker acting as custodian, as managing agent or as custodian for a fiduciary shall at all times show the name of the party for whose account the securities are so deposited. Ownership of, and other interests in, such securities may be transferred by bookkeeping entry on the books of such clearing corporation without physical delivery of certificates representing such securities. A bank, trust company, or private banker so depositing securities pursuant to this section shall be subject to such regulations as in the case of state-chartered institutions, the Board of Financial Institutions, and, in the case of national banking associations, The Comptroller of the Currency may from time to time issue. A bank, trust company, or private banker acting as custodian for a fiduciary shall, on demand by the fiduciary, certify in writing to the fiduciary the securities so deposited by such bank, trust company, or private banker in such clearing corporation for the account of such fiduciary. A fiduciary shall, on demand by any party to a judicial proceeding for the settlement of such fiduciary's account or on demand by the attorney for such party, certify in writing to such party the securities deposited by such fiduciary in such clearing corporation for its account as such fiduciary. This subsection shall apply to any fiduciary holding securities in its fiduciary capacity, and to any bank, trust company, or private banker holding securities as a custodian, managing agent, or custodian for a fiduciary, acting on April 17, 1973, or who thereafter may act regardless of the date of the agreement, instrument, or court order by which it is appointed and regardless of whether or not such fiduciary, custodian, managing agent, or custodian for a fiduciary owns capital stock of such clearing corporation.

(6) RESERVED

(D) A trustee shall diversify the investments of the trust unless the trustee reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying.

(E) Within a reasonable time after accepting a trusteeship or receiving trust assets, a trustee shall review the trust assets and make

and implement decisions concerning the retention and disposition of assets in order to bring the trust portfolio into compliance with the purposes, terms, distribution requirements, and other circumstances of the trust and with the requirements of this act.

(F) RESERVED

(G) Compliance with the prudent investor rule is determined in light of the facts and circumstances existing at the time of a trustee's decision or action and not by hindsight.

(H) RESERVED

(I) The following terms or comparable language in the provisions of a trust, unless otherwise limited or modified, authorize any investment or strategy permitted pursuant to this act: 'investments permissible by law for investment of trust funds', 'legal investments', 'authorized investments', 'using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital', 'prudent man rule', 'prudent trustee rule', 'prudent person rule', and 'prudent investor rule'.

(J)(1) Notwithstanding provisions of this act to the contrary, the duties of a trustee with respect to acquiring a contract of insurance upon the life of the trustor or upon the lives of the trustor and the trustor's spouse, children, or parents do not include a duty to:

(a) determine whether the contract is or remains a proper investment;

(b) exercise policy options available under the contract; or

(c) diversify the contract.

(2) The trustee is not liable to the beneficiaries of the contract of insurance or to another party for loss arising from this subsection.

(3) Except as specifically provided in the trust instrument, the provisions of this subsection apply to a trust established before or after the effective date of this subsection and to a life insurance policy acquired by the trustee before or after the effective date of this act.

(K) This act applies to 'charitable remainder trusts'. 'Charitable remainder trust' means a trust that provides for a specified distribution at least annually for either life or a term of years to one or more beneficiaries, at least one of which is not a charity with an irrevocable remainder interest to be held for the benefit of, or paid over to, charity.

(L) This act must be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this act among the States enacting it.

REPORTER'S COMMENT

Subsection 62-7-933(B):

Subsection 62-7-933(B)(1) of the South Carolina Uniform Prudent Investor Act (SCUPIA) imposes on trustees the obligation of prudence in the conduct of investment functions and identifies further subsections of SCUPIA that specify the attributes of prudent conduct.

Origins. The prudence standard for trust investing traces back to *Harvard College v. Amory*, 26 Mass. (9 Pick.) 446 (1830). Trustees should “observe how men of prudence, discretion and intelligence manage *their own affairs*, not in regard to speculation, but in regard to the permanent disposition of *their funds*, considering the probable income, as well as the probable safety of the capital to be invested.” *Id.* at 461.

Prior legislation. The Model Prudent Man Rule Statute (1942), sponsored by the American Bankers Association, undertook to codify the language of the *Amory* case. See Mayo A. Shattuck, *The Development of the Prudent Man Rule for Fiduciary Investment in the United States in the Twentieth Century*, 12 Ohio State L.J. 491, at 501 (1951); for the text of the model act, which inspired many state statutes, see *id.* at 508-09. Another prominent codification of the *Amory* standard is Uniform Probate Code § 7-302 (1969), which provides that “the trustee shall observe the standards in dealing with the trust assets that would be observed by a prudent man dealing with *the property of another ...*” [Italics added.]

Congress has imposed a comparable prudence standard for the administration of pension and employee benefit trusts in the Employee Retirement Income Security Act (ERISA), enacted in 1974. ERISA § 404(a)(1)(B), 29 U.S.C. § 1104(a), provides that “a fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and . . . with the care, skill, prudence, and diligence under the circumstances then prevailing that *a prudent man acting in a like capacity and familiar with such matters* would use in the *conduct of an enterprise of like character and with like aims . . .*” [Italics added.]

Prior Restatement. The Restatement of Trusts 2d (1959) also tracked the language of the *Amory* case: “In making investments of trust funds the trustee is under a duty to the beneficiary . . . to make such investments and only such investments as a prudent man would make of his own property having in view the preservation of the estate and the amount and regularity of the income to be derived” Restatement of Trusts 2d § 227 (1959).

Objective standard. The concept of prudence in the judicial opinions and legislation is essentially relational or comparative. It resembles in this respect the “reasonable person” rule of tort law. A prudent trustee behaves as other trustees similarly situated would behave. The standard is, therefore, objective rather than subjective. SCUPIA subsections 62-7-933(C) through (G) identify the main factors that bear on prudent investment behavior.

Variation. Almost all of the rules of trust law are default rules, that is, rules that the settlor may alter or abrogate. SCUPIA subsection 62-7-933(B)(2) carries forward this traditional attribute of trust law. Traditional trust law also allows the beneficiaries of the trust to excuse its performance, when they are all capable and not misinformed. Restatement of Trusts 2d § 216 (1959).

Subsection 62-7-933(C)

SCUPIA subsection (C) is the heart of the Act. Subsections (C)(1), (2) and (3) are patterned loosely on the language of the Restatement of Trusts 3d: Prudent Investor Rule § 227 (1992), and on the 1991 Illinois statute, 760 § ILCS 5/5a (1992). Subsection (C)(6) is derived from Uniform Probate Code § 7-302 (1969).

Objective Standard. SCUPIA subsection (C)(1) carries forward the relational and objective standard made familiar in the *Amory* case, in earlier prudent investor legislation, and in the Restatements. Early formulations of the prudent person rule were sometimes troubled by the effort to distinguish between the standard of a prudent person investing for another and investing on his or her own account. The language of SCUPIA subsection (C)(1), by relating the trustee’s duty to “the purposes, terms, distribution requirements, and other circumstances of the trust,” should put such questions to rest. The standard is the standard of the prudent investor similarly situated.

Portfolio Standard. SCUPIA subsection (C)(2) emphasizes the consolidated portfolio standard for evaluating investment decisions. An investment that might be imprudent standing alone can become prudent if undertaken in sensible relation to other trust assets, or to other nontrust assets. In the trust setting the term “portfolio” embraces the entire trust estate.

Risk and Return. SCUPIA subsection (C)(2) also sounds the main theme of modern investment practice, sensitivity to the risk/return curve. See generally the works cited in the Prefatory Note to this Act, under “Literature.” Returns correlate strongly with risk, but tolerance for risk varies greatly with the financial and other circumstances of the investor, or in the case of a trust, with the purposes of the trust and the relevant circumstances of the beneficiaries. A trust whose main

purpose is to support an elderly widow of modest means will have a lower risk tolerance than a trust to accumulate for a young scion of great wealth.

SCUPIA subsection (C)(2) of this Act follows Restatement of Trusts 3d: Prudent Investor Rule § 227(a), which provides that the standard of prudent investing “requires the exercise of reasonable care, skill, and caution, and is to be applied to investments not in isolation but in the context of the trust portfolio and as a part of an overall investment strategy, which should incorporate risk and return objectives reasonably suitable to the trust.”

Factors Affecting Investment. SCUPIA subsection (C)(3) points to certain of the factors that commonly bear on risk/return preferences in fiduciary investing. This listing is *non-exclusive*. Tax considerations, such as preserving the stepped up basis on death under Internal Revenue Code § 1014 for low-basis assets, have traditionally been exceptionally important in estate planning for affluent persons. Under the present recognition rules of the federal income tax, taxable investors, including trust beneficiaries, are in general best served by an investment strategy that minimizes the taxation incident to portfolio turnover. See generally Robert H. Jeffrey & Robert D. Arnott, *Is Your Alpha Big Enough to Cover Its Taxes?*, *Journal of Portfolio Management* 15 (Spring 1993).

Another familiar example of how tax considerations bear upon trust investing: In a regime of pass-through taxation, it may be prudent for the trust to buy lower yielding tax-exempt securities for high-bracket taxpayers, whereas it would ordinarily be imprudent for the trustees of a charitable trust, whose income is tax exempt, to accept the lowered yields associated with tax-exempt securities.

When tax considerations affect beneficiaries differently, the trustee’s duty of impartiality requires attention to the competing interests of each of them.

Duty to Monitor. SCUPIA subsection (C)(1) through (4) apply both to investing and managing trust assets. “Managing” embraces monitoring, that is, the trustee’s continuing responsibility for oversight of the suitability of investments already made as well as the trustee’s decisions respecting new investments.

Duty to Investigate. SCUPIA subsection (C)(4) carries forward the traditional responsibility of the fiduciary investor to examine information likely to bear importantly on the value or the security of an investment - for example, audit reports or records of title. E.g., *Estate of Collins*, 72 Cal. App. 3d 663, 139 Cal. Rptr. 644 (1977) (trustees lent on a junior mortgage on unimproved real estate, failed to have land

appraised, and accepted an unaudited financial statement; held liable for losses).

Abrogating Categorical Restrictions. SCUPIA subsection (C)(5)(a) clarifies that no particular kind of property or type of investment is inherently imprudent. Traditional trust law was encumbered with a variety of categorical exclusions, such as prohibitions on junior mortgages or new ventures. In some states legislation created so-called “legal lists” of approved trust investments. The universe of investment products changes incessantly. Investments that were at one time thought too risky, such as equities, or more recently, futures, are now used in fiduciary portfolios. By contrast, the investment that was at one time thought ideal for trusts, the long-term bond, has been discovered to import a level of risk and volatility - in this case, inflation risk - that had not been anticipated. Accordingly, SCUPIA subsection (C)(5)(a) follows Restatement of Trusts 3d: Prudent Investor Rule in abrogating categorical restrictions. The Restatement says: “Specific investments or techniques are not *per se* prudent or imprudent. The riskiness of a specific property, and thus the propriety of its inclusion in the trust estate, is not judged in the abstract but in terms of its anticipated effect on the particular trust’s portfolio.” Restatement of Trusts 3d: Prudent Investor Rule § 227, Comment f, at 24 (1992). The premise of SCUPIA subsection (C)(5)(a) is that trust beneficiaries are better protected by the Act’s emphasis on close attention to risk/return objectives as prescribed in SCUPIA subsection (C)(2) than in attempts to identify categories of investment that are *per se* prudent or imprudent.

The Act impliedly disavows the emphasis in older law on avoiding “speculative” or “risky” investments. Low levels of risk may be appropriate in some trust settings but inappropriate in others. It is the trustee’s task to invest at a risk level that is suitable to the purposes of the trust.

Professional Fiduciaries. The ULC Drafting Committee declined the suggestion that the Uniform Prudent Investor Act (UPIA) should create an exception to the prudent investor rule (or to the diversification requirement of UPIA Section 3) in the case of smaller trusts. The Committee believes that UPIA subsections 2(b) and (c) (SCUPIA subsections (C)(2) and (3) emphasize factors that are sensitive to the traits of small trusts. Furthermore, it is always open to the settlor of a trust under UPIA subsection 1 (b) (SCUPIA subsection (B)(2)) to reduce the trustee’s standard of care if the settlor deems such a step appropriate. The official comments to the 1992 Restatement observe that pooled investments, such as mutual funds and bank common trust funds, are especially suitable for small trusts. Restatement of Trusts 3d:

Prudent Investor Rule § 227, Comments *h, m*, at 28, 51; reporter's note to Comment *g*, *id.* at 83.

Matters of Proof. Although virtually all express trusts are created by written instrument, oral trusts are known, and accordingly, this Act presupposes no formal requirement that trust terms be in writing. When there is a written trust instrument, modern authority strongly favors allowing evidence extrinsic to the instrument to be consulted for the purpose of ascertaining the settlor's intent. See Uniform Probate Code Sec. 2-601 (1990), Comment; Restatement (Third) of Property: Donative Transfers (Preliminary Draft No. 2, ch. 11, Sept. 11, 1992).

Subsection 62-7-933(D)

The language of this SCUPIA subsection derives from Restatement of Trusts 2d § 228 (1959). ERISA insists upon a comparable rule for pension trusts. ERISA § 404(a)(1)(C), 29 U.S.C. § 1104(a)(1)(C). Case law overwhelmingly supports the duty to diversify. See Annot., Duty of Trustee to Diversify Investments, and Liability for Failure to Do So, 24 A.L.R. 3d 730 (1969) & 1992 Supp. at 78-79.

The 1992 Restatement of Trusts takes the significant step of integrating the diversification requirement into the concept of prudent investing. Section 227(b) of the 1992 Restatement treats diversification as one of the fundamental elements of prudent investing, replacing the separate section 228 of the Restatement of Trusts 2d. The message of the 1992 Restatement, carried forward in SCUPIA subsection (D) is that prudent investing ordinarily requires diversification.

Circumstances can, however, overcome the duty to diversify. For example, if a tax-sensitive trust owns an under-diversified block of low-basis securities, the tax costs of recognizing the gain may outweigh the advantages of diversifying the holding. The wish to retain a family business is another situation in which the purposes of the trust sometimes override the conventional duty to diversify.

Rationale for Diversification. "Diversification reduces risk . . . [because] stock price movements are not uniform. They are imperfectly correlated. This means that if one holds a well diversified portfolio, the gains in one investment will cancel out the losses in another." Jonathan R. Macey, *An Introduction to Modern Financial Theory* 20 (American College of Trust and Estate Counsel Foundation, 1991). For example, during the Arab oil embargo of 1973, international oil stocks suffered declines, but the shares of domestic oil producers and coal companies benefitted. Holding a broad enough portfolio allowed the investor to set off, to some extent, the losses associated with the embargo.

Modern portfolio theory divides risk into the categories of "compensated" and "uncompensated" risk. The risk of owning shares

in a mature and well-managed company in a settled industry is less than the risk of owning shares in a start-up high-technology venture. The investor requires a higher expected return to induce the investor to bear the greater risk of disappointment associated with the start-up firm. This is compensated risk - the firm pays the investor for bearing the risk. By contrast, nobody pays the investor for owning too few stocks. The investor who owned only international oils in 1973 was running a risk that could have been reduced by having configured the portfolio differently - to include investments in different industries. This is uncompensated risk - nobody pays the investor for owning shares in too few industries and too few companies. Risk that can be eliminated by adding different stocks (or bonds) is uncompensated risk. The object of diversification is to minimize this uncompensated risk of having too few investments. "As long as stock prices do not move exactly together, the risk of a diversified portfolio will be less than the average risk of the separate holdings." R.A. Brealey, *An Introduction to Risk and Return from Common Stocks* 103 (2d ed. 1983).

There is no automatic rule for identifying how much diversification is enough. The 1992 Restatement says: "Significant diversification advantages can be achieved with a small number of well-selected securities representing different industries Broader diversification is usually to be preferred in trust investing," and pooled investment vehicles "make thorough diversification practical for most trustees." Restatement of Trusts 3d: Prudent Investor Rule § 227, General Note on Comments *e-h*, at 77 (1992). See also Macey, *supra*, at 23-24; Brealey, *supra*, at 111-13.

Diversifying by Pooling. It is difficult for a small trust fund to diversify thoroughly by constructing its own portfolio of individually selected investments. Transaction costs such as the round-lot (100 shares) trading economies make it relatively expensive for a small investor to assemble a broad enough portfolio to minimize uncompensated risk. For this reason, pooled investment vehicles have become the main mechanism for facilitating diversification for the investment needs of smaller trusts.

Most states have legislation authorizing common trust funds; see 3 Austin W. Scott & William F. Fratcher, *The Law of Trusts* § 227.9, at 463-65 n.26 (4th ed. 1988) (collecting citations to state statutes). As of 1992, 35 states and the District of Columbia had enacted the Uniform Common Trust Fund Act (UCTFA) (1938), overcoming the rule against commingling trust assets and expressly enabling banks and trust companies to establish common trust funds. 7 Uniform Laws Ann. 1992 Supp. at 130 (schedule of adopting states). The Prefatory Note to

the UCTFA explains: “The purposes of such a common or joint investment fund are to diversify the investment of the several trusts and thus spread the risk of loss, and to make it easy to invest any amount of trust funds quickly and with a small amount of trouble.” 7 Uniform Laws Ann. 402 (1985).

Fiduciary Investing in Mutual Funds. Trusts can also achieve diversification by investing in mutual funds. See Restatement of Trusts 3d: Prudent Investor Rule, § 227, Comment *m*, at 99-100 (1992) (endorsing trust investment in mutual funds). ERISA § 401(b)(1), 29 U.S.C. § 1101(b)(1), expressly authorizes pension trusts to invest in mutual funds, identified as securities “issued by an investment company registered under the Investment Company Act of 1940”

Subsection 62-7-933(E)

SCUPIA subsection (E), requiring the trustee to dispose of unsuitable assets within a reasonable time, is old law, codified in Restatement of Trusts 3d: Prudent Investor Rule § 229 (1992), lightly revising Restatement of Trusts 2d § 230 (1959). The duty extends as well to investments that were proper when purchased but subsequently become improper. Restatement of Trusts 2d § 231 (1959). The same standards apply to successor trustees, see Restatement of Trusts 2d § 196 (1959).

The question of what period of time is reasonable turns on the totality of factors affecting the asset and the trust. The 1959 Restatement took the view that “ordinarily any time within a year is reasonable, but under some circumstances a year may be too long a time and under other circumstances a trustee is not liable although he fails to effect the conversion for more than a year.” Restatement of Trusts 2d § 230, comment *b* (1959). *The 1992 Restatement retreated from this rule of thumb, saying, “No positive rule can be stated with respect to what constitutes a reasonable time for the sale or exchange of securities.”* Restatement of Trusts 3d: Prudent Investor Rule § 229, comment *b* (1992).

The criteria and circumstances identified in SCUPIA subsection (C)(3) as bearing upon the prudence of decisions to invest and manage trust assets *also pertain to the prudence of decisions to retain or dispose of inception assets under this section.*

Subsection 62-7-933(G)

This subsection derives from the 1991 Illinois act, 760 ILCS 5/5(a)(2) (1992), which draws upon Restatement of Trusts 3d: Prudent Investor Rule § 227, comment *b*, at 11 (1992). Trustees are not insurers. Not every investment or management decision will turn out in the light of hindsight to have been successful. Hindsight is not the

relevant standard. In the language of law and economics, the standard is ex ante, not ex post.

Subsection 62-7-933(I):

This provision meant to facilitate incorporation of the Act by means of the formulaic language commonly used in trust instruments.

Part 10

Liability of Trustees and Rights of Persons Dealing With Trustee

GENERAL COMMENT

Sections 62-7-1001 through 62-7-1009 identify the remedies for breach of trust, describe how money damages are to be determined, and specify potential defenses. Section 62-7-1001 lists the remedies for breach of trust and specifies when a breach of trust occurs. A breach of trust occurs when the trustee breaches one of the duties contained in Article 8 or elsewhere in the Code. The remedies for breach of trust in Section 62-7-1001 are broad and flexible. Section 62-7-1002 provides how money damages for breach of trust are to be determined. The standard for determining money damages rests on two principles: (1) the trust should be restored to the position it would have been in had the harm not occurred; and (2) the trustee should not be permitted to profit from the trustee's own wrong. Section 62-7-1003 holds a trustee accountable for profits made from the trust even in the absence of a breach of trust. Section 62-7-1004 reaffirms the court's power in equity to award costs and attorney's fees as justice requires.

Sections 62-7-1005 through 62-7-1009 deal with potential defenses. Section 62-7-1005 provides a statute of limitations on actions against a trustee. Section 62-7-1006 protects a trustee who acts in reasonable reliance on the terms of a written trust instrument. Section 62-7-1007 protects a trustee who has exercised reasonable care to ascertain the happening of events that might affect distribution, such as a beneficiary's marriage or death. Section 62-7-1008 describes the effect and limits on the use of an exculpatory clause. Section 62-7-1009 deals with the standards for recognizing beneficiary approval of acts of the trustee that might otherwise constitute a breach of trust.

Sections 62-7-1010 through 62-7-1013 address trustee relations with persons other than beneficiaries. The emphasis is on encouraging third parties to engage in commercial transactions to the same extent as if the property were not held in trust. Section 62-7-1010 negates personal liability on contracts entered into by the trustee if the fiduciary capacity was properly disclosed. The trustee is also relieved from liability for

torts committed in the course of administration unless the trustee was personally at fault. Section 62-7-1011 negates personal liability for contracts entered into by partnerships in which the trustee is a general partner as long as the fiduciary capacity was disclosed in the contract or partnership certificate. Section 62-7-1012 protects persons other than beneficiaries who deal with a trustee in good faith and without knowledge that the trustee is exceeding or improperly exercising a power. Section 62-7-1013 permits a third party to rely on a certification of trust, thereby reducing the need for a third party to request a copy of the complete trust instrument.

Much of this Part is not subject to override in the terms of the trust. The settlor may not limit the rights of persons other than beneficiaries as provided in Sections 62-7-1010 through 62-7-1013, nor interfere with the court's ability to take such action to remedy a breach of trust as may be necessary in the interests of justice. *See* Section 62-7-105.

Section 62-7-1001. (a) A violation by a trustee of a duty the trustee owes to a beneficiary is a breach of trust.

(b) To remedy a breach of trust that has occurred or may occur, the court may:

- (1) compel the trustee to perform the trustee's duties;
- (2) enjoin the trustee from committing a breach of trust;
- (3) compel the trustee to redress a breach of trust by paying money, restoring property, or other means;
- (4) order a trustee to account;
- (5) appoint a special fiduciary to take possession of the trust property and administer the trust;
- (6) suspend the trustee;
- (7) remove the trustee as provided in Section 62-7-706;
- (8) reduce or deny compensation to the trustee;
- (9) subject to Section 62-7-1012, void an act of the trustee, impose a lien or a constructive trust on trust property, or trace trust property wrongfully disposed of and recover the property or its proceeds; or
- (10) order any other appropriate relief.

REPORTER'S COMMENT

This section codifies the remedies available to rectify or to prevent a breach of trust for violation of a duty owed to a beneficiary. The duties that a trust might breach include those contained in Part 8 in addition to those specified elsewhere in the Code.

Although subsections (b)(2) through (b)(9) list specific remedies, subsection (b)(10) provides a general statement of available remedies, which essentially confirms broad authority in the court to fashion an appropriate remedy for breach of trust.

This section identifies the available remedies but does not attempt to cover the refinements and exceptions developed in case law. The availability of a remedy in a particular circumstance will be determined not only by this Code but also by the common law of trusts and principles of equity. *See* Section 62-7-106.

Beneficiaries and cotrustees have standing to bring a petition to remedy a breach of trust. Following a successor trustee's acceptance of office, a successor trustee has standing to sue a predecessor for breach of trust. *See* Restatement (Second) of Trusts Section 200 (1959). A person who may represent a beneficiary's interest under Part 3 would have standing to bring a petition on behalf of the person represented. In the case of a charitable trust, those with standing include the state attorney general, a charitable organization expressly designated to receive distributions under the terms of the trust, and other persons with a special interest. *See* Section 62-7-110 & Restatement (Second) of Trusts Section 391 (1959). A person appointed to enforce a trust for an animal or a trust for a noncharitable purpose would have standing to sue for a breach of trust. *See* Sections 62-7-110(c), 62-7-408, 62-7-409.

Traditionally, remedies for breach of trust at law were limited to suits to enforce unconditional obligations to pay money or deliver chattels. *See* Restatement (Second) of Trusts Section 198 (1959). Otherwise, remedies for breach of trust were exclusively equitable, and as such, punitive damages were not available and findings of fact were made by the judge and not a jury. *See* Restatement (Second) of Trusts Section 197 (1959).

The remedies identified in this section are derived from Restatement (Second) of Trusts Section 199 (1959). The reference to payment of money in subsection (b)(3) includes liability that might be characterized as damages, restitution, or surcharge. For the measure of liability, *see* Section 62-7-1002. Subsection (b)(5) makes explicit the court's authority to appoint a special fiduciary, also sometimes referred to as a receiver. *See* Restatement (Second) of Trusts Section 199(d) (1959). The authority of the court to appoint a special fiduciary is not limited to actions alleging breach of trust but is available whenever the court, exercising its equitable jurisdiction, concludes that an appointment would promote administration of the trust. *See* Section 62-7-704(e) (special fiduciary may be appointed whenever court considers such appointment necessary for administration).

Subsection (b)(8), which allows the court to reduce or deny compensation, is in accord with Restatement (Second) of Trusts Section 243 (1959). For the factors to consider in setting a trustee's compensation absent breach of trust, see Section 62-7-708 and Comment. In deciding whether to reduce or deny a trustee compensation, the court may wish to consider (1) whether the trustee acted in good faith; (2) whether the breach of trust was intentional; (3) the nature of the breach and the extent of the loss; (4) whether the trustee has restored the loss; and (5) the value of the trustee's services to the trust. *See* Restatement (Second) of Trusts Section 243 cmt. c (1959).

The authority under subsection (b)(9) to set aside wrongful acts of the trustee is a corollary of the power to enjoin a threatened breach as provided in subsection (b)(2). However, in setting aside the wrongful acts of the trustee the court may not impair the rights of bona fide purchasers protected under Section 62-7-1012. *See* Restatement (Second) of Trusts Section 284 (1959).

Section 62-7-1002. (a) A trustee who commits a breach of trust is liable to the beneficiaries affected for the greater of:

(1) the amount required to restore the value of the trust property and trust distributions to what they would have been had the breach not occurred; or

(2) the profit the trustee made by reason of the breach.

(b) Except as otherwise provided in this subsection, if more than one trustee is liable to the beneficiaries for a breach of trust, a trustee is entitled to contribution from the other trustee or trustees. A trustee is not entitled to contribution if the trustee was substantially more at fault than another trustee or if the trustee committed the breach of trust in bad faith or with reckless indifference to the purposes of the trust or the interests of the beneficiaries. A trustee who received a benefit from the breach of trust is not entitled to contribution from another trustee to the extent of the benefit received.

REPORTER'S COMMENT

Subsection (a) is based on Restatement (Third) of Trusts: Prudent Investor Rule Section 205 (1992). If a trustee commits a breach of trust, the beneficiaries may either affirm the transaction or, if a loss has occurred, hold the trustee liable for the amount necessary to compensate fully for the consequences of the breach. This may include recovery of lost income, capital gain, or appreciation that would have resulted from proper administration. Even if a loss has not occurred,

the trustee may not benefit from the improper action and is accountable for any profit the trustee made by reason of the breach.

For extensive commentary on the determination of damages, traditionally known as trustee surcharge, with numerous specific applications, see Restatement (Third) of Trusts: Prudent Investor Rule Sections 205-213 (1992). For the use of benchmark portfolios to determine damages, see Restatement (Third) of Trusts: Prudent Investor Rule Reporter's Notes to Sections 205 and 208-211 (1992). On the authority of a court of equity to reduce or excuse damages for breach of trust, see Restatement (Second) of Trusts Section 205 cmt. g (1959). For purposes of this section and Section 62-7-1003, "profit" does not include the trustee's compensation. A trustee who has committed a breach of trust is entitled to reasonable compensation for administering the trust unless the court reduces or denies the trustee compensation pursuant to Section 62-7-1001(b)(8).

Subsection (b) is based on Restatement (Second) of Trusts Section 258 (1959). Cotrustees are jointly and severally liable for a breach of trust if there was joint participation in the breach. Joint and several liability also is imposed on a nonparticipating cotrustee who, as provided in Section 62-7-703(g), failed to exercise reasonable care (1) to prevent a cotrustee from committing a serious breach of trust, or (2) to compel a cotrustee to redress a serious breach of trust. Joint and several liability normally carries with it a right in any trustee to seek contribution from a cotrustee to the extent the trustee has paid more than the trustee's proportionate share of the liability. Subsection (b), consistent with Restatement (Second) of Trusts Section 258 (1959), creates an exception. A trustee who was substantially more at fault or committed the breach of trust in bad faith or with reckless indifference to the purposes of the trust or the interests of the beneficiaries is not entitled to contribution from the other trustees.

Determining degrees of comparative fault is a question of fact. The fact that one trustee was more culpable or more active than another does not necessarily establish that this trustee was substantially more at fault. Nor is a trustee substantially less at fault because the trustee did not actively participate in the breach. *See* Restatement (Second) of Trusts Section 258 cmt. e (1959). Among the factors to consider: (1) Did the trustee fraudulently induce the other trustee to join in the breach? (2) Did the trustee commit the breach intentionally while the other trustee was at most negligent? (3) Did the trustee, because of greater experience or expertise, control the actions of the other trustee? (4) Did the trustee alone commit the breach with liability imposed on the other trustee only because of an improper delegation or failure to

properly monitor the actions of the cotrustee? *See* Restatement (Second) of Trusts Section 258 cmt. d (1959).

Section 62-7-1003. (a) A trustee is accountable to an affected beneficiary for any profit made by the trustee arising from the administration of the trust, even absent a breach of trust.

(b) Absent a breach of trust, a trustee is not liable to a beneficiary for a loss or depreciation in the value of trust property or for not having made a profit.

REPORTER'S COMMENT

The principle on which a trustee's duty of loyalty is premised is that a trustee should not be allowed to use the trust as a means for personal profit other than for routine compensation earned. While most instances of personal profit involve situations where the trustee has breached the duty of loyalty, not all cases of personal profit involve a breach of trust. Subsection (a), which holds a trustee accountable for any profit made, even absent a breach of trust, is based on Restatement (Second) of Trusts Section 203 (1959). A typical example of a profit is receipt by the trustee of a commission or bonus from a third party for actions relating to the trust's administration. *See* Restatement (Second) of Trusts Section 203 cmt. a (1959).

A trustee is not an insurer. Similar to Restatement (Second) of Trusts Section 204 (1959), subsection (b) provides that absent a breach of trust a trustee is not liable for a loss or depreciation in the value of the trust property or for failure to make a profit.

For purposes of this section and Section 62-7-1002, "profit" does not include the trustee's compensation. A trustee who has committed a breach of trust is entitled to reasonable compensation for administering the trust unless the court reduces or denies the trustee compensation pursuant to Section 62-7-1001(b)(8).

Section 62-7-1004. In a judicial proceeding involving the administration of a trust, the court, as justice and equity may require, may award costs and expenses, including reasonable attorney's fees, to any party, to be paid by another party or from the trust that is the subject of the controversy.

REPORTER'S COMMENT

This section is similar to former South Carolina Probate Code Section 62-7-204 Paragraph (B) which granted to the probate court concurrent jurisdiction with the circuit courts of South Carolina over attorney's

fees. As that section states, "Attorney's fees may be set at a fixed or hourly rate or by contingency fee." SCTC Section 62-7-1004 goes further by codifying the power of the courts to award costs and expenses. This section codifies the court's historic authority to award costs and fees, including reasonable attorney's fees, in judicial proceedings grounded in equity. The court may award a party its own fees and costs from the trust. The court may also charge a party's costs and fees against another party to the litigation. Generally, litigation expenses were at common law chargeable against another party only in the case of egregious conduct such as bad faith or fraud. With respect to a party's own fees, Section 62-7-709 authorizes a trustee to recover expenditures properly incurred in the administration of the trust. The court may award a beneficiary litigation costs if the litigation is deemed beneficial to the trust. Sometimes, litigation brought by a beneficiary involves an allegation that the trustee has committed a breach of trust. On other occasions, the suit by the beneficiary is brought because of the trustee's failure to take action against a third party, such as to recover property properly belonging to the trust. For the authority of a beneficiary to bring an action when the trustee fails to take action against a third party, see Restatement (Second) of Trusts Sections 281-282 (1959). For the case law on the award of attorney's fees and other litigation costs, see 3 Austin W. Scott & William F. Fratcher, *The Law of Trusts* Sections 188.4 (4th ed. 1988).

Section 62-7-1005. (a) Unless previously barred by adjudication, consent, or limitation, a beneficiary may not commence a proceeding against a trustee for breach of trust more than one year after the date the beneficiary or a representative of the beneficiary was sent a report that adequately disclosed the existence of a potential claim for breach of trust.

(b) A report adequately discloses the existence of a potential claim for breach of trust if it provides sufficient information so that the beneficiary or representative knows of the potential claim or should have inquired into its existence.

(c) If subsection (a) does not apply, a judicial proceeding by a beneficiary or on behalf of a beneficiary against a trustee for breach of trust must be commenced within three years after the first to occur of:

- (1) the removal, resignation, or death of the trustee;
- (2) the termination of the beneficiary's interest in the trust; or
- (3) the termination of the trust.

REPORTER'S COMMENT

This section is similar in content to former South Carolina Probate Code Section 62-7-307. Both sections establish a statute of limitations especially applicable to trustees' liabilities to trust beneficiaries for breach of trust. SCTC Section 62-7-1005 sets the limit for commencing a proceeding against a trustee for breach of trust at one year after receiving a report from the trustee or its representative that provides sufficient information so that the beneficiary or representative should know of or be on inquiry notice about the claim. In other cases, the three-year limitation period applies.

SCTC Section 62-7-1005(a) does not adopt the Uniform Trust Code requirement that, for the one-year statute to commence, the report inform the beneficiary of the limitations period. SCTC Section 62-7-1005(c) reduces the UTC limitations period from five to three years.

The one-year and three-year limitations periods under this section are not the only means for barring an action by a beneficiary. A beneficiary may be foreclosed by consent, release, or ratification as provided in Section 62-7-1009. Claims may also be barred by principles such as estoppel and laches arising in equity under the common law of trusts. *See* Section 62-7-106.

The representative referred to in subsection (a) is the person who may represent and bind a beneficiary as provided in Part 3. During the time that a trust is revocable and the settlor has capacity, the person holding the power to revoke is the one who must receive the report. *See* Section 62-7-603(a) (rights of settlor of revocable trust).

This section addresses only the issue of when the clock will start to run for purposes of the statute of limitations. If the trustee wishes to foreclose possible claims immediately, a consent to the report or other information may be obtained pursuant to Section 62-7-1009. For the provisions relating to the duty to report to beneficiaries, see Section 62-7-813.

Subsection (a) applies only if the trustee has furnished a report. The one-year statute of limitations does not begin to run against a beneficiary who has waived the furnishing of a report as provided in Section 62-7-813(e).

Subsection (c) is intended to provide some ultimate repose for actions against a trustee. It applies to cases in which the trustee has failed to report to the beneficiaries or the report did not meet the disclosure requirements of subsection (b). It also applies to beneficiaries who did not receive notice of the report, whether personally or through representation. While the three-year limitations

period will normally begin to run on termination of the trust, it can also begin earlier. If a trustee leaves office prior to the termination of the trust, the limitations period for actions against that particular trustee begins to run on the date the trustee leaves office. If a beneficiary receives a final distribution prior to the date the trust terminates, the limitations period for actions by that particular beneficiary begins to run on the date of final distribution.

If a trusteeship terminates by reason of death, a claim against the trustee's estate for breach of fiduciary duty would, like other claims against the trustee's estate, be barred by a probate creditor's claim statute even though the statutory period prescribed by this section has not yet expired.

This section does not specifically provide that the statutes of limitations under this section are tolled for fraud or other misdeeds, leaving the resolution of this question to other law of the State.

Section 62-7-1005A. (A) If a trust instrument provides that a trustee is to follow the direction of a trust protector and the trustee acts in accordance with such direction, then except in cases of wilful misconduct on the part of the trustee so directed, the trustee is not liable directly or indirectly from any such act.

(B) If a trust instrument provides that a trustee is to make decisions with the consent of a trust protector, then except in cases of wilful misconduct or gross negligence on the part of the trustee, the trustee is not liable for any loss resulting directly or indirectly from any act taken or omitted as a result of such trust protector's failure to provide such consent after having been requested to do so by the trustee.

(C) If the trust document provides for a trust protector and the serving trust protector is unwilling or unable to serve or continue to serve and there is no provision for a successor trust protector, the then serving trustee may petition the court having jurisdiction over the trust estate to appoint an individual or a bank or trust company qualified to do business in the state of the settlor's domicile at the time of the settlor's death as successor trust protector.

(D) A trust protector, other than a beneficiary, is a fiduciary with respect to each power granted to such trust protector. In exercising a power or refraining from exercising any power, a trust protector shall act in good faith and in accordance with the terms and purposes of the trust.

(E) A trust protector is an excluded fiduciary with respect to each power granted or reserved exclusively to any one or more other trustees, trust advisors, or trust protectors.

Section 62-7-1005B. (A) If a trust instrument provides that a trustee is to follow the direction of a trust investment advisor, and the trustee acts in accordance with such a direction, then except in cases of wilful misconduct on the part of the trustee so directed, the trustee is not liable directly or indirectly from any such act.

(B) If a trust instrument provides that a trustee is to make decisions with the consent of a trust investment advisor, then except in cases of wilful misconduct or gross negligence on the part of the trustee, the trustee shall not be liable directly or indirectly from any act taken or omitted as a result of such trust investment advisor's failure to provide such consent after having been requested to do so by the trustee.

(C) If a trust instrument provides for a trust investment advisor and the serving trust investment advisor is unwilling or unable to serve or continue to serve and there is no provision for a successor trust investment advisor, the then serving trustee may petition the court having jurisdiction over the trust estate to appoint an individual or a bank or trust company qualified to do business in the state of the settlor's domicile at the time of the settlor's death as successor trust investment advisor.

(D) A trust investment advisor, other than a beneficiary, is a fiduciary with respect to each power granted to such trust investment advisor. In exercising any power or refraining from exercising any power, a trust investment advisor shall act in good faith and in accordance with the terms and purposes of the trust.

(E) A trust investment advisor is an excluded fiduciary with respect to each power granted or reserved exclusively to any one or more other trustees, trust advisors, or trust protectors.

Section 62-7-1006. A trustee who acts in reasonable reliance on the terms of the trust as expressed in the trust instrument is not liable to a beneficiary for a breach of trust to the extent the breach resulted from the reliance.

REPORTER'S COMMENT

Former South Carolina statutes and case law resembled SCTC Section 62-7-1006. Former South Carolina Probate Code Section 62-7-302(B)(2), retained and incorporated in Part 9, stated "[a] trustee is not liable to a beneficiary to the extent that the trustee acted in reasonable reliance on the provisions of the trust." That section is part of the South Carolina Uniform Prudent Investor Act, retained and incorporated in Section 62-7-933, which provides trustee guidelines for the administration of trusts, and specifically relates to the investment and management of trust assets. As a result, that section arguably

applies to only the investment and management of the trust corpus. SCTC Section 62-7-1006, however, covers a broader scope because it does not contain language limiting its application to investment and management of trust assets.

Prior South Carolina case law could be interpreted to allow trustees to rely not only on terms pertaining to investment and management of the trust, but also to other terms contained in the trust document. South Carolina courts have held “[i]n ascertaining the Settlor’s intent, [a] court must resort first to the language of the trust instrument” *Sarlin v. Sarlin*, 312 S.C. 27, 29, 430 S.E. 2d 530, 532 (S.C. Ct. App. 1993). One could infer that a trustee should follow the same canons of interpretation as applied by the courts. Additionally, former SCPC Section 62-7-704 encouraged trustees to perform without the assistance of the courts in providing that “a trustee has the power to perform, without court authorization, every act which a prudent man would perform for the purpose of the trust” This combination of case law and statutory law seems to hold (or at the very least imply) that a trustee could reasonably rely on the terms contained in the trust instrument for all types of provisions, not only those pertaining to the investment and management of trust assets. SCTC Section 62-7-1006 provides more certainty with respect to this issue.

It sometimes happens that the intended terms of the trust differ from the apparent meaning of the trust instrument. This can occur because the court, in determining the terms of the trust, is allowed to consider evidence extrinsic to the trust instrument. *See* Section 62-7-103(17) (definition of “terms of a trust”). Furthermore, if a trust is reformed on account of mistake of fact or law, as authorized by Section 62-7-415, provisions of a trust instrument can be deleted or contradicted and provisions not in the trust instrument may be added. The concept of the “terms of a trust,” both as defined in this Code and as used in the doctrine of reformation, is intended to effectuate the principle that a trust should be administered and distributed in accordance with the settlor’s intent. However, a trustee should also be able to administer a trust with some dispatch and without concern that a reasonable reliance on the terms of the trust instrument is misplaced. This section protects a trustee who so relies on a trust instrument but only to the extent the breach of trust resulted from such reliance. This section is similar to Section 62-7-933(B)(2), which protects a trustee from liability to the extent that the trustee acted in reasonable reliance on the provisions of the trust.

This section protects a trustee only if the trustee’s reliance is reasonable. For example, a trustee’s reliance on the trust instrument

would not be justified if the trustee is aware of a prior court decree or binding nonjudicial settlement agreement clarifying or changing the terms of the trust.

Section 62-7-1007. If the happening of an event, including marriage, divorce, performance of educational requirements, or death, affects the administration or distribution of a trust, a trustee who has exercised reasonable care to ascertain the happening of the event is not liable for a loss resulting from the trustee's lack of knowledge.

REPORTER'S COMMENT

There was no prior South Carolina statute specifically addressing the issue of a trustee's duty to ascertain the happening of events affecting the administration or distribution of a trust.

Prior South Carolina case law essentially stated that a trustee could be held liable for negligently failing to investigate events affecting the status of a beneficiary's rights to distributions. See *Rogers v. Herron*, 226 S.C. 317, 85 S.E.2d 104 (S.C. 1954); see also *First Union Nat. Bank of South Carolina v. Soden*, 511 S.E.2d 372 (Ct. App.1998) (essentially applying the same standards to a remainder beneficiary for failing to disclose her father's remarriage). SCTC Section 62-7-1007 expressly provides protection from liability for trustees who do exercise reasonable care.

Section 62-7-1008. A term of a trust relieving a trustee of liability for breach of trust is unenforceable to the extent that it:

(a) relieves the trustee of liability for breach of trust committed in bad faith or with reckless indifference to the purposes of the trust or the interests of the beneficiaries; or

(b) was inserted as the result of an abuse by the trustee of a fiduciary or confidential relationship to the settlor.

REPORTER'S COMMENT

Even if the terms of the trust attempt to completely exculpate a trustee for the trustee's acts, the trustee must always comply with a certain minimum standard. As provided in subsection (a), a trustee must always act in good faith with regard to the purposes of the trust and the interests of the beneficiaries. Subsection (a) is consistent with the standards expressed in Sections 62-7-105 and 62-7-814(a), which, similar to this section, place limits on the power of a settlor to negate trustee duties. This section is also similar to Section 222 of the Restatement (Second) of Trusts (1959), except that this Code, unlike

the Restatement, allows a settlor to exculpate a trustee for a profit that the trustee made from the trust.

South Carolina Trust Code Section 62-7-1008 does not include Uniform Trust Code Section 1008(b) concerning exculpatory terms drafted or caused to be drafted by the trustee.

Section 62-7-1009. (a) A trustee is not liable to a beneficiary for breach of trust if the beneficiary consented to the conduct constituting the breach, released the trustee from liability for the breach, or ratified the transaction constituting the breach, unless:

(1) the consent, release, or ratification of the beneficiary was induced by improper conduct of the trustee; or

(2) at the time of the consent, release, or ratification, the beneficiary did not have knowledge of the beneficiary's rights or of the material facts relating to the breach.

(b) No consideration is required for the consent, release or ratification to be valid.

REPORTER'S COMMENT

This section is based on Sections 216 through 218 of the Restatement (Second) of Trusts (1959). A consent, release, or affirmation under this section may occur either before or after the approved conduct. This section requires an affirmative act by the beneficiary. A failure to object is not sufficient. *See* Restatement (Second) of Trusts Section 216 cmt. a (1959). A consent is binding on a consenting beneficiary although other beneficiaries have not consented. *See* Restatement (Second) of Trusts Section 216 cmt. g (1959). To constitute a valid consent, the beneficiary must know of the beneficiary's rights and of the material facts relating to the breach. *See* Restatement (Second) of Trusts Section 216 cmt. k (1959). If the beneficiary's approval involves a self-dealing transaction, the approval is binding only if the transaction was fair and reasonable. *See* Restatement (Second) of Trusts Sections 170(2), 216(3) & cmt. n (1959).

An approval by the settlor of a revocable trust or by the holder of a presently exercisable power of withdrawal binds all the beneficiaries. *See* Section 62-7-603. A beneficiary is also bound to the extent an approval is given by a person authorized to represent the beneficiary as provided in Part 3.

The South Carolina Trust Code adds Section 62-7-1009(b) not found in the Uniform Trust Code version.

Section 62-7-1010. (a) Except as otherwise provided in the contract, a trustee is not personally liable on a contract properly entered into in the trustee's fiduciary capacity in the course of administering the trust if the trustee in the contract disclosed the fiduciary capacity.

(b) A trustee is personally liable for torts committed in the course of administering a trust, or for obligations arising from ownership or control of trust property, including liability for violation of environmental law, only if the trustee is personally at fault.

(c) A claim based on a contract entered into by a trustee in the trustee's fiduciary capacity, on an obligation arising from ownership or control of trust property, or on a tort committed in the course of administering a trust, may be asserted in a judicial proceeding against the trustee in the trustee's fiduciary capacity, whether or not the trustee is personally liable for the claim.

(d) The question of liability as between the trust estate and the trustee individually may be determined in a proceeding for accounting, surcharge, or indemnification or other appropriate proceeding.

REPORTER'S COMMENT

Section 62-7-1010(b) is substantially similar to former South Carolina Probate Code Section 62-7-306(b). Section 62-7-1010(b) could be viewed as expanding on a trustee's exemption from tort liability by its specific reference to excluding trustees from liabilities arising from violation of environmental laws. This specific exemption is not contained in former SCPC Section 62-7-306(b). It could be assumed, however, that the general exemption for liability from torts provided by former SCPC Section 62-7-306(b) would cover tort liabilities associated with environmental laws by virtue of the all encompassing general reference to the term "torts." This assumption, however, is less than certain in light of the Uniform Trust Code Comment to Section 1010, which indicates that UTC subsection 62-7-1010(b) was enacted in response to particular concerns from trustees over this type of liability. UTC Section 1010(c) essentially mirrors Section 62-7-306(c) of the South Carolina Probate Code.

SCTC Section 62-7-1010(d) retains and incorporates the provisions of former SCPC Section 62-7-306(d), not found in the UTC version of Section 62-7-1010.

Section 62-7-1011. (a) Except as otherwise provided in subsection (c) or unless personal liability is imposed in the contract, a trustee who holds an interest as a general partner in a general or limited partnership is not personally liable on a contract entered into by the partnership

after the trust's acquisition of the interest if the fiduciary capacity was disclosed in the contract or in a statement previously filed pursuant to the South Carolina versions of the Uniform Partnership Act or Uniform Limited Partnership Act.

(b) Except as otherwise provided in subsection (c), a trustee who holds an interest as a general partner is not personally liable for torts committed by the partnership or for obligations arising from ownership or control of the interest unless the trustee is personally at fault.

(c) The immunity provided by this section does not apply if an interest in the partnership is held by the trustee in a capacity other than that of trustee or is held by the trustee's spouse or one or more of the trustee's descendants, siblings, or parents, or the spouse of any of them.

(d) If the trustee of a revocable trust holds an interest as a general partner, the settlor is personally liable for contracts and other obligations of the partnership as if the settlor were a general partner.

REPORTER'S COMMENT

Section 62-7-1011 protects a trustee from personal liability on contracts that the trustee enters into on behalf of the trust. Section 62-7-1011 also absolves a trustee from liability for torts committed in administering the trust unless the trustee was personally at fault. It does not protect a trustee from personal liability for contracts entered into or torts committed by a general or limited partnership of which the trustee was a general partner. That is the purpose of this section. Subsection (a) protects the trustee from personal liability for such partnership obligations whether the trustee signed the contract or it was signed by another general partner. Subsection (b) protects a trustee from personal liability for torts committed by the partnership unless the trustee was personally at fault. Protection from the partnership's contractual obligations is available under subsection (a) only if the other party is on notice of the fiduciary relationship, either in the contract itself or in the partnership certificate on file.

Special protection is not needed for other business interests that the trustee may own, such as an interest as a limited partner, a membership interest in an LLC, or an interest as a corporate shareholder. In these cases the nature of the entity or the interest owned by the trustee carries with it its own limitation on liability.

Certain exceptions apply. The section is not intended to be used as a device for individuals or their families to shield assets from creditor claims. Consequently, subsection (c) excludes from the protections provided by this section trustees who own an interest in the partnership in another capacity or if an interest is owned by the trustee's spouse or

the trustee's descendants, siblings, parents, or the spouse of any of them.

Nor can a revocable trust be used as a device for avoiding claims against the partnership. Subsection (d) imposes personal liability on the settlor for partnership contracts and other obligations of the partnership the same as if the settlor were a general partner.

There was no prior South Carolina statutory or case law counterpart.

Section 62-7-1012. (a) A person other than a beneficiary who in good faith assists a trustee, or who in good faith and for value deals with a trustee, without knowledge that the trustee is exceeding or improperly exercising the trustee's powers is protected from liability as if the trustee properly exercised the power.

(b) A person other than a beneficiary who in good faith deals with a trustee is not required to inquire into the extent of the trustee's powers or the propriety of their exercise.

(c) A person who in good faith delivers assets to a trustee need not ensure their proper application.

(d) A person other than a beneficiary who in good faith assists a former trustee, or who in good faith and for value deals with a former trustee, without knowledge that the trusteeship has terminated is protected from liability as if the former trustee were still a trustee.

(e) Comparable protective provisions of other laws relating to commercial transactions or transfer of securities by fiduciaries prevail over the protection provided by this section.

REPORTER'S COMMENT

SCTC Section 62-7-1012 is similar to former South Carolina Probate Code Section 62-7-708. SCTC Section 62-7-1012 protects third parties who act in good faith in dealings with trustees. While good faith is not defined in the South Carolina Trust Code, definitions of good faith in the commercial context should be consistent with the purpose of this section, which is to treat commercial transactions with trustees similar to other commercial transactions. In addition, SCTC section 62-7-1012 protects a third party who in good faith deals with a former trustee without knowledge that the trusteeship has terminated.

This section is derived from Section 7 of the Uniform Trustee Powers Act.

Subsection (a) protects two different classes; persons other than beneficiaries who assist a trustee with a transaction, and persons other than beneficiaries who deal with the trustee for value. As long as the assistance was provided or the transaction was entered into in good

faith and without knowledge, third persons in either category are protected in the transaction even if the trustee was exceeding or improperly exercising the power. For the definition of “know,” see Section 62-7-104.

Subsection (b) confirms that a third party who is acting in good faith is not charged with a duty to inquire into the extent of a trustee’s powers or the propriety of their exercise. The third party may assume that the trustee has the necessary power. Consequently, there is no need to request or examine a copy of the trust instrument. A third party who wishes assurance that the trustee has the necessary authority instead should request a certification of trust as provided in Section 62-7-1013. Subsection (b) is intended to negate the rule, followed by some courts, that a third party is charged with constructive notice of the trust instrument and its contents. The cases are collected in George G. Bogert & George T. Bogert, *The Law of Trusts and Trustees* Section 897 (Rev. 2d ed. 1995); and 4 Austin W. Scott & William F. Fratcher, *The Law of Trusts* Section 297 (4th ed. 1989).

Subsection (c) protects any person, including a beneficiary, who in good faith delivers property to a trustee. The standard of protection in the Restatement is phrased differently although the result is similar. Under Restatement (Second) of Trusts Section 321 (1959), the person delivering property to a trustee is liable if at the time of the delivery the person had notice that the trustee was misapplying or intending to misapply the property.

Subsection (d) extends the protections afforded by the section to assistance provided to or dealings for value with a former trustee. The third party is protected the same as if the former trustee still held the office.

Subsection (e) clarifies that a statute relating to commercial transactions controls whenever both it and this section could apply to a transaction. Consequently, the protections provided by this section are superseded by comparable protective provisions of these other laws. The principal statutes in question are the various articles of the Uniform Commercial Code, including Article 8 on the transfer of securities, as well as the Uniform Simplification of Fiduciary Securities Transfer Act.

Section 62-7-1013. (a) Instead of furnishing a copy of the trust instrument to a person other than a beneficiary, the trustee may furnish to the person a certification of trust containing the following information:

(1) that the trust exists and the date the trust instrument was executed;

(2) the identity of the settlor;

(3) the identity and address of the currently acting trustee;

(4) the powers of the trustee which may make a reference to the powers set forth in the South Carolina Trust Code;

(5) the revocability or irrevocability of the trust and the identity of any person holding a power to revoke the trust;

(6) the authority of cotrustees to sign or otherwise authenticate and whether all or less than all are required in order to exercise powers of the trustee; and

(7) the manner of taking title to trust property.

(b) A certification of trust may be signed or otherwise authenticated by any trustee.

(c) A certification of trust must state that the trust has not been revoked, modified, or amended in any manner that would cause the representations contained in the certification of trust to be incorrect.

(d) A certification of trust need not contain the dispositive terms of a trust.

(e) A recipient of a certification of trust may require the trustee to furnish copies of those excerpts from the original trust instrument and later amendments which designate the trustee and confer upon the trustee the power to act in the pending transaction.

(f) A person who acts in reliance upon a certification of trust without knowledge that the representations contained therein are incorrect is not liable to any person for so acting and may assume without inquiry the existence of the facts contained in the certification. Knowledge of the terms of the trust may not be inferred solely from the fact that a copy of all or part of the trust instrument is held by the person relying upon the certification.

(g) A person who in good faith enters into a transaction in reliance upon a certification of trust may enforce the transaction against the trust property as if the representations contained in the certification were correct.

(h) A person making a demand for the trust instrument in addition to a certification of trust or excerpts is liable for damages if the court determines that the person did not act in good faith in demanding the trust instrument.

(i) This section does not limit the right of a person to obtain a copy of the trust instrument in a judicial proceeding concerning the trust.

(j) In a transaction involving title to real property, the certificate of trust must be executed and acknowledged in a manner that permits its

recording in the Office of the Register of Deeds or Clerk of Court in the county in which the real property is located.

(k) The Certificate of Trust may be either in the form set forth below or in any other form that satisfies the above requirements.

Settlor: _____

Name of Trust: _____

Date of Trust: _____

Current Trustee(s): _____

Address of Trust: _____

The undersigned trustee(s) does hereby confirm the existence of the within described Trust and certify the following:

1. The undersigned is/are all of the currently serving trustee(s).
2. The Trust is in full force and effect and has not been revoked, terminated or otherwise amended in any manner which would cause the representations in this Certification of Trust to be incorrect.
3. The Trust is revocable/irrevocable. (If revocable, define who can revoke the document).
4. The above designated trustee(s) is/are fully empowered to act for said Trust and is/are properly exercising the trustee's authority under this Trust. No other trustee or other individual or entity is required to execute any document for the Trust.
5. The signature(s) of _____ of the trustees is/are required for any action taken on behalf of the Trust. (Define signature requirements)
6. The proper manner for taking title to Trust property is:
[Name(s) of all current trustees], Trustee
[Name of trust], dated [Date of trust]
7. To the undersigned's knowledge, there are no claims, challenges of any kind, or cause of action alleged, which contest or question the validity of the Trust or the trustee's authority to act for the Trust.
8. The trustee is authorized by the Trust Agreement to _____ . (State, synopsize, or describe relevant powers.)

IN WITNESS THEREOF: the undersigned, being all of the trustees, do hereby execute this Certificate of Trust this ____ day of _____, 20__.

Witnesses: Trustee(s):

 STATE OF SOUTH CAROLINA)
)
) **ACKNOWLEDGMENT**
 COUNTY OF _____)

I, _____, do hereby certify that trustee(s) personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the day of _____, 20__

(SEAL)

Notary Public for South Carolina

My Commission Expires:

REPORTER’S COMMENT

South Carolina Trust Code Section 62-7-1013, which has no prior South Carolina statutory counterpart, permits a third party to request a certification of trust from the trustee. The elements of a certification are set forth in this section, and a third party may assume, without inquiry, the existence of facts contained in the certification. A third party who in good faith enters into a transaction in reliance upon the certification may enforce the transaction as if the representations contained in the certification were correct. This section is also designed to protect the privacy of the trust agreement and its beneficiaries, and under certain circumstances, a third party may be liable for damages if he demands a copy of the trust agreement in addition to the certification. The SCTC adds subsection (k) to the UTC version, providing a sample form certificate for use in South Carolina.

Part 11

Miscellaneous Provisions

Section 62-7-1101. In applying and construing this article, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact its provisions.

REPORTER’S COMMENT

This is consistent with SCPC Section 62-1-102, which provides that one of the underlying purposes and policies of the South Carolina

Probate Code “is to make uniform the law among the various jurisdictions.” See SCPC Section 62-1-102(b)(5).

Section 62-7-1102. The provisions of this article governing the legal effect, validity, or enforceability of electronic records or electronic signatures, and of contracts formed or performed with the use of such records or signatures, conform to the requirements of Section 102 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7002) and supersede, modify, and limit the requirements of the Electronic Signatures in Global and National Commerce Act.

REPORTER’S COMMENT

This section, which is being inserted in all Uniform Acts approved in 2000 or later, preempts the federal Electronic Signatures in Global and National Commerce Act. Section 102(a)(2)(B) of that Act provides that the federal law can be preempted by a later statute of the State that specifically refers to the federal law. The effect of this section, when enacted as part of this Code, is to leave to state law the procedures for obtaining and validating an electronic signature. The SCTC does not require that any document be in paper form, allowing all documents under this Code to be transmitted in electronic form. A properly directed electronic message is a valid method of notice under the Code as long as it is reasonably suitable under the circumstances and likely to result in receipt of the notice or document. *See* Section 62-7-109(a).

Section 62-7-1103. If any provision of this article or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of this article which can be given effect without the invalid provision or application, and to this end the provisions of this article are severable.

REPORTER’S COMMENT

The South Carolina Probate Code has a substantially identical provision in SCPC Section 62-1-104.

Section 62-7-1106. (a) Except as otherwise provided in this article, on the effective date of this article:

- (1) this article applies to all trusts created before, on, or after its effective date;
- (2) this article applies to all judicial proceedings concerning trusts commenced on or after its effective date;

(3) this article applies to judicial proceedings concerning trusts commenced before its effective date unless the court finds that application of a particular provision of this article would substantially interfere with the effective conduct of the judicial proceedings or prejudice the rights of the parties, in which case the particular provision of this article does not apply and the superseded law applies;

(4) subject to subsections (a)(5) and (b), any rule of construction or presumption provided in this article applies to trust instruments executed before the effective date of the article unless there is a clear indication of a contrary intent in the terms of the trust; and

(5) an act done and any right acquired or accrued before the effective date of the article is not affected by this article. Unless otherwise provided in this article, any right in a trust accrues in accordance with the law in effect on the date of the creation of a trust.

(b) If a right is acquired, extinguished, or barred upon the expiration of a prescribed period that has commenced to run under any other statute before the effective date of the article, that statute continues to apply to the right even if it has been repealed or superseded.

REPORTER'S COMMENT

The SCTC is intended to have the widest possible effect within constitutional limitations. Specifically, the Code applies to all trusts whenever created, to judicial proceedings concerning trusts commenced on or after its effective date, and unless the court otherwise orders, to judicial proceedings in progress on the effective date. In addition, any rules of construction or presumption provided in the Code apply to preexisting trusts unless there is a clear indication of a contrary intent in the trust's terms. By applying the Code to preexisting trusts, the need to know two bodies of law will quickly lessen.

This Code cannot be fully retroactive, however. Constitutional limitations preclude retroactive application of rules of construction to alter property rights under trusts that became irrevocable prior to the effective date. Also, rights already barred by a statute of limitation or rule under former law are not revived by a possibly longer statute or more liberal rule under this Code. Nor is an act done before the effective date of the Code affected by the Code's enactment.

The SCTC contains an additional effective date provision. Pursuant to Section 62-7-602(a), prior law will determine whether a trust executed prior to the effective date of the Code is presumed to be revocable or irrevocable.

The South Carolina Probate Code counterpart is SCPC Section 62-1-100, which has been subject to considerable litigation in the years after the probate code's enactment effective July 1, 1987. Importantly, the intent to safeguard preexisting rights is contained in SCTC Section 62-7-1106 as it is in SCPC Section 62-1-100. SCPC Section 62-1-100 draws a dichotomy between procedural provisions of the SCPC (as in SCPC Section 62-1-100(b)(2)) and substantive rights in the decedent's estate, which are to be unimpaired. SCPC Section 62-1-100(b)(4).

Rules of construction or presumption apply to trusts executed before the effective date unless there is a clear indication of a contrary intent in the terms of the trust. This appears similar to SCPC Section 62-1-100(b)(5). SCTC Section 62-7-1106(b), providing that any period of limitation which had commenced to run before the effective date would continue to apply, is a counterpart to SCPC Section 62-1-100(b)(4), last sentence. SCTC subsection 62-7-1106(a)(4) makes clear that the application of a presumption or rule of construction shall not disrupt accrued or acquired rights in the trust, which are determined according to the law in effect at the trust's creation."

Severability

SECTION 3. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Time effective and applicability

SECTION 4. (A) This act takes effect on January 1, 2014.

(B) Except as otherwise provided in this act, on the effective date of this act:

- (1) this act applies to any estates of decedents dying thereafter and to all trusts created before, on, or after its effective date;
- (2) the act applies to all judicial proceedings concerning estates of decedents and trusts commenced on or after its effective date;

(3) this act applies to judicial proceedings concerning estates of decedents and trusts commenced before its effective date unless the court finds that application of a particular provision of this act would substantially interfere with the effective conduct of the judicial proceedings or prejudice the rights of the parties, in which case the particular provision of this act does not apply and the superseded law applies;

(4) subject to item (5) and subsection (C) of this section, any rule of construction or presumption provided in this act applies to governing instruments executed before the effective date of the act unless there is a clear indication of a contrary intent in the terms of the governing instrument; and

(5) an act done and any right acquired or accrued before the effective date of the act is not affected by this act. Unless otherwise provided in this act, any right in a trust accrues in accordance with the law in effect on the date of the creation of a trust and a substantive right in the decedent's estate accrues in accordance with the law in effect on the date of the decedent's death.

(C) If a right is acquired, extinguished, or barred upon the expiration of a prescribed period that has commenced to run under any other statute before the effective date of the act, that statute continues to apply to the right even if it has been repealed or superseded.

Ratified the 4th day of June, 2013.

Approved the 7th day of June, 2013.

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No. 101

(R120, H3710)

AN ACT TO MAKE APPROPRIATIONS AND TO PROVIDE REVENUES TO MEET THE ORDINARY EXPENSES OF STATE GOVERNMENT FOR THE FISCAL YEAR BEGINNING JULY 1, 2013, TO REGULATE THE EXPENDITURE OF SUCH FUNDS, AND TO FURTHER PROVIDE FOR THE OPERATION OF STATE GOVERNMENT DURING THIS FISCAL YEAR AND FOR OTHER PURPOSES.

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

PART IA
APPROPRIATIONS

SECTION 1
H63-DEPARTMENT OF EDUCATION

	TOTAL FUNDS	GENERAL FUNDS
I. SUPT OF EDUCATION		
PERSONAL SERVICE		
STATE SUPER OF EDUC	92,007	92,007
	(1.00)	(1.00)
CLASSIFIED POSITIONS	1,363,860	1,120,081
	(24.00)	(21.25)
UNCLASSIFIED POSITIONS	189,867	189,867
OTHER PERSONAL SRVCS	88,800	
TOTAL PERSONAL SRVC	1,734,534	1,401,955
	(25.00)	(22.25)
OTHER OPERATING EXP	987,768	151,025
TOTAL SUPT OF EDUC	2,722,302	1,552,980
	(25.00)	(22.25)
II. BOARD OF EDUC		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	4,787	4,787
TOTAL PERSONAL SRVC	4,787	4,787
OTHER OPERATING EXP	53,247	53,247
TOTAL BOARD OF EDUC	58,034	58,034
IV. ACCOUNTABILITY		
A. OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	6,724,842	2,190,653
	(80.02)	(31.25)
OTHER PERSONAL SRVCS	473,732	15,709
TOTAL PERSONAL SRVC	7,198,574	2,206,362
	(80.02)	(31.25)
OTHER OPERATING EXP	18,019,972	210,254

OF SOUTH CAROLINA
General and Permanent Laws--2013
H63-DEPARTMENT OF EDUCATION

	TOTAL FUNDS	GENERAL FUNDS
TOTAL OPERATIONS	25,218,546	2,416,616
	(80.02)	(31.25)
<hr/>		
B. EDUC ACCTABILITY ACT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	236,548	236,548
TOTAL PERSONAL SRVC	236,548	236,548
OTHER OPERATING EXP	64,811	64,811
<hr/>		
TOTAL EDUCATION		
ACCOUNTABILITY ACT	301,359	301,359
<hr/>		
TOTAL ACCOUNTABILITY	25,519,905	2,717,975
	(80.02)	(31.25)
<hr/>		
VI. CHIEF INFO OFFICE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,654,600	1,624,600
	(22.51)	(16.76)
<hr/>		
TOTAL PERSONAL SRVC	1,654,600	1,624,600
	(22.51)	(16.76)
OTHER OPERATING EXP	355,000	350,000
<hr/>		
TOTAL CHIEF INFO OFF	2,009,600	1,974,600
	(22.51)	(16.76)
<hr/>		
VIII. SCHOOL EFFECTIVENESS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	4,027,274	3,106,209
	(67.49)	(48.05)
NEW POSITIONS:		
<i>EDUC ASSOCIATE</i>	65,000	65,000
	(1.00)	(1.00)
<i>PROGRAM COORDINATOR II</i>	45,000	45,000
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	892,155	469,751
<hr/>		
TOTAL PERSONAL SRVC	5,029,429	3,685,960
	(69.49)	(50.05)
OTHER OPERATING EXP	8,661,476	951,346
<hr/>		

STATUTES AT LARGE
General and Permanent Laws--2013
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	TOTAL FUNDS	GENERAL FUNDS
TOT SCHOOL EFFECTIVENESS	13,690,905	4,637,306
	<u>(69.49)</u>	<u>(50.05)</u>
IX. CHIEF FINANCE OFF		
A. FINANCE AND OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,798,654	1,233,024
	(48.02)	(41.02)
OTHER PERSONAL SRVCS	<u>44,201</u>	<u>4,201</u>
TOTAL PERSONAL SRVC	1,842,855	1,237,225
	(48.02)	(41.02)
OTHER OPERATING EXP	802,672	443,605
DISTRIBUTIONS TO SUBDIV		
AID TO OTHER ENTITIES	<u>5,617</u>	<u>5,617</u>
TOTAL DIST SUBDIV	<u>5,617</u>	<u>5,617</u>
TOT FINANCE & OPERATIONS	2,651,144	1,686,447
	<u>(48.02)</u>	<u>(41.02)</u>
B. INSTRUCTION MATERIALS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	161,064	
	(2.00)	
OTHER PERSONAL SRVCS	<u>30,000</u>	
TOTAL PERSONAL SRVC	191,064	
	(2.00)	
OTHER OPERATING EXP	<u>1,336,838</u>	
TOT INSTRUCT MATERIALS	1,527,902	
	<u>(2.00)</u>	
TOTAL CHIEF FINANCE OFF	4,179,046	1,686,447
	<u>(50.02)</u>	<u>(41.02)</u>
X. OPERATIONS AND SUPPORT		
A. SUPPORT OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	4,854,320	3,445,081
	(96.00)	(51.15)
OTHER PERSONAL SRVCS	<u>1,878,625</u>	<u>634</u>

H63-DEPARTMENT OF EDUCATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	6,732,945	3,445,715
	(96.00)	(51.15)
OTHER OPERATING EXP	7,150,329	1,188,609
DISTRIBUTIONS TO SUBDIV		
AID SCHOOL DISTRICTS	23,698	23,698
TOTAL DIST SUBDIV	<u>23,698</u>	<u>23,698</u>
TOT SUPPORT OPERATIONS	13,906,972	4,658,022
	(96.00)	(51.15)
B. BUS SHOPS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	16,239,571	11,239,571
	(457.62)	(376.02)
OTHER PERSONAL SRVCS	485,624	98,102
TOTAL PERSONAL SRVC	16,725,195	11,337,673
	(457.62)	(376.02)
OTHER OPERATING EXP	46,532,392	39,857,392
DISTRIBUTION TO SUBDIV		
AID SCHL DIST-DRVRS SLRY/F	36,233,620	36,233,620
AID SCHL DIST-CONTRACT DRI	298,390	298,390
BUS DRV AIDE	129,548	129,548
AID OTHER STATE AGENCIES	69,751	69,751
AID SCHL DIST - BUS		
DRIVERS' WORKERS' COMP	2,996,195	2,996,195
TOTAL DIST SUBDIV	<u>39,727,504</u>	<u>39,727,504</u>
TOTAL BUS SHOPS	102,985,091	90,922,569
	(457.62)	(376.02)
C. BUSES		
SPECIAL ITEMS		
EAA TRANSPORTATION	3,153,136	3,153,136
EEDA TRANSPORTATION	608,657	608,657
BUS PURCHASES	1,015,506	1,015,506
TOTAL SPECIAL ITEMS	<u>4,777,299</u>	<u>4,777,299</u>
TOTAL BUSES	<u>4,777,299</u>	<u>4,777,299</u>

STATUTES AT LARGE
General and Permanent Laws--2013
H63-DEPARTMENT OF EDUCATION

	TOTAL FUNDS	GENERAL FUNDS
TOT OPERS & SUPPORT	121,669,362	100,357,890
	<u>(553.62)</u>	<u>(427.17)</u>
XI. SC PUBLIC CHARTER SCHOOL DISTRICT SPECIAL ITEMS:		
PUB CHARTER SCH DIST	<u>42,473,146</u>	<u>42,473,146</u>
TOTAL SPECIAL ITEMS	<u>42,473,146</u>	<u>42,473,146</u>
TOT SC PUBLIC CHARTER SCHOOL DISTRICT	<u>42,473,146</u>	<u>42,473,146</u>
XII. EDUC IMPROVE ACT A. STANDARDS, TEACHING, LEARNING, ACCOUNT.		
1. STUDENT LEARNING PERSONAL SERVICE CLASSIFIED POSITIONS	<u>58,629</u>	
TOTAL PERSONAL SRVC	58,629	
OTHER OPERATING EXP	136,739	
AID TO SUBDIV:		
HIGH ACHIEVING STUDENTS	26,628,246	
AID TO DISTRICTS	37,736,600	
STUDENT HLTH AND FITNESS ACT - NURSES	6,000,000	
TECH PREP	3,021,348	
MODERNIZE VOC EQUIPMENT	6,359,609	
ALLOC EIA-ARTS CURRIC	1,187,571	
ADULT EDUC	13,573,736	
STUDENTS AT RISK OF SCHOOL FAILURE	136,163,204	
HIGH SCHOOLS THAT WORK	<u>2,146,499</u>	
TOTAL DIST SUBDIV	232,816,813	
SPECIAL ITEMS:		
EEDA	<u>7,315,832</u>	
TOTAL SPECIAL ITEMS	<u>7,315,832</u>	
TOTAL STUDENT LEARNING	<u>240,328,013</u>	

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	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
2. STUDENT TESTING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	488,518	
	(8.00)	
TOTAL PERSONAL SRVC	488,518	
	(8.00)	
OTHER OPERATING EXP	332,948	
SPECIAL ITEMS		
ASSESSMENT / TESTING	24,761,400	
TOTAL SPECIAL ITEMS	24,761,400	
TOTAL STUDENT TESTING	25,582,866	
	(8.00)	
3. CURRIC AND STANDARDS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	126,232	
	(2.00)	
OTHER PERSONAL SRVCS	4,736	
TOTAL PERSONAL SRVC	130,968	
	(2.00)	
OTHER OPERATING EXP	41,987	
SPECIAL ITEMS:		
READING	6,542,052	
INSTRUCT MATERIALS	20,922,839	
TOTAL SPECIAL ITEMS	27,464,891	
INSTRUCT MATERIALS -		
NONRECURRING	8,000,000	
TOT NON-RECURRING APPRO	8,000,000	
TOT CURRIC & STANDARDS	35,637,846	
	(2.00)	
4. ASSISTANCE, INTERVENT		
& REWARD		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,236,436	
	(28.35)	

STATUTES AT LARGE
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H63-DEPARTMENT OF EDUCATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	1,236,436	
	(28.35)	
OTHER OPERATING EXP	1,174,752	
SPECIAL ITEMS:		
EAA TECHNICAL ASSIST	6,000,000	
POWER SCHLS/DATA COLL	7,500,000	
TOTAL SPECIAL ITEMS	13,500,000	
TOTAL ASSISTANCE, INTERVENTION, REWARD	15,911,188	
	(28.35)	
TOT STANDARDS, TEACHING, LEARNING, ACCOUNT	317,459,913	
	(38.35)	
B. EARLY CHILDHOOD		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	376,246	
	(6.50)	
TOTAL PERSONAL SRVC	376,246	
	(6.50)	
OTHER OPERATING EXP	556,592	
AID TO SUBDIV		
CDDEP - SCDE	20,240,998	
ALLOC EIA-4 YR EARLY CHILD	15,513,846	
TOTAL DIST SUBDIV	35,754,844	
TOT EARLY CHILD EDUC	36,687,682	
	(6.50)	
C. TEACHER QUALITY		
1. CERTIFICATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,068,102	
	(25.25)	
OTHER PERSONAL SRVCS	1,579	
TOTAL PERSONAL SRVC	1,069,681	
	(25.25)	

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	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	638,999	
TOTAL CERTIFICATION	1,708,680	
	(25.25)	
<hr style="border-top: 1px dashed black;"/>		
2. RETENTION AND REWARD		
SPECIAL ITEMS		
TEACHER OF THE YEAR	155,000	
TEACHER QUAL COMMISS	372,724	
TOTAL SPECIAL ITEMS	527,724	
DIST SUBDIV		
ALLOC EIA-TEACHER SLRS	125,756,960	
ALLOC EIA-EMPLYR CONTRIB	15,766,752	
NATIONAL BOARD CERT	54,000,000	
TEACHER SUPPLIES	13,596,000	
TOTAL DIST SUBDIV	209,119,712	
TOT RETENTION & REWARD	209,647,436	
<hr style="border-top: 1px dashed black;"/>		
3. PROFESSIONAL DEVELOP		
SPECIAL ITEMS:		
PROFESSIONAL DEVELOP	5,515,911	
ADEPT	873,909	
TOTAL SPECIAL ITEMS	6,389,820	
TOT PROFESSIONAL DEVELOP	6,389,820	
<hr style="border-top: 1px dashed black;"/>		
TOTAL TEACHER QUALITY	217,745,936	
	(25.25)	
<hr style="border-top: 1px dashed black;"/>		
E. LEADERSHIP		
2. STATE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	82,049	
	(10.77)	
OTHER PERSONAL SRVCS	83,121	
TOTAL PERSONAL SRVC	165,170	
	(10.77)	
OTHER OPERATING EXP	150,032	

STATUTES AT LARGE
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	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
DISTRIBUTION SUBDIV		
TECHNOLOGY	10,171,826	
TOTAL DIST SUBDIV	10,171,826	
EMPLOYER CONTRIB		
EMPLOYER CONTRIB	1,064,221	
TOTAL FRINGE BENEFITS	1,064,221	
TOTAL STATE	11,551,249	
	(10.77)	
	<hr/>	
TOTAL LEADERSHIP	11,551,249	
	(10.77)	
	<hr/>	
F. PARTNERSHIPS		
2. OTHER AGENCIES & ENTITIES		
DIST SUBDIV		
TEACHER PAY (F30)	716,323	
EDUC OVERSIGHT COMM (A85)	1,293,242	
** <i>CENTER FOR EDUCATIONAL</i>		
<i>PARTNERSHIPS (H27)</i>	<i>715,933</i>	
SC COUNCIL ON ECON EDUC	300,000	
SCIENCE PLUS	503,406	
GOVERNOR'S SCHOOL FOR		
ARTS AND HUMANITIES	828,185	
WIL LOU GRAY OPPOR SCH (H71)	605,294	
SCH DEAF & BLIND (H75)	7,176,110	
DISB & SPECIAL NEEDS (J16)	613,653	
JH DE LA HOWE SCH (L12)	417,734	
CLEMSON AGRICULTURE		
EDUC TEACHERS (P20)	758,627	
CTRS OF EXCELLENCE (H03)	887,526	
TCHR RECRUIT PROG (H03)	4,243,527	
CENTER FOR EDUC RECRUIT,		
RETEN, & ADV (CER)	531,680	
TCHR LOAN PROG (E16)	5,089,881	
GOV SCHOOL FOR MATH		
AND SCIENCE (H63)	416,784	

** See note at end of Act.

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	TOTAL FUNDS	GENERAL FUNDS
SCIENCE SOUTH	500,000	
STEM CENTERS SC	1,750,000	
TEACH FOR AMERICA SC	3,000,000	
ETV - K-12 PUBLIC EDUC (H67)	2,829,281	
ETV - INFRASTRUCTURE (H67)	2,000,000	
SC YOUTH CHALLENGE ACAD	1,000,000	
*PUBLIC-PRIVATE LITERACY		
PARTNERSHIPS	50,000	
SCHOOL READINESS PLAN (A85)		
- NON-RECURRING	590,000	
	36,817,186	
TOTAL DIST SUBDIV	36,817,186	
TOTAL PARTNERSHIPS	36,817,186	
 G. TRANSPORTATION		
OTHER OPERATING EXP	16,347,285	
	16,347,285	
TOTAL TRANSPORTATION	16,347,285	
TOT EDUC IMPROVE ACT	636,609,251	
	(80.87)	
 XIII. GOVERNOR'S SCHOOL		
SCIENCE & MATH		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,264,826	1,264,826
	(39.30)	(39.30)
UNCLASSIFIED POSITIONS	3,239,794	3,129,794
	(29.79)	(29.02)
OTHER PERSONAL SRVCS	171,100	68,600
	4,675,720	4,463,220
TOTAL PERSONAL SRVC	(69.09)	(68.32)
OTHER OPERATING EXP	3,357,985	2,878,985
DISTRIBUTION TO SUBDIV		
ALLOC OTHER ENTITIES	13,200	
	13,200	
TOTAL DIST SUBDIV	13,200	
EMPLOYER CONTRIB		
EMPLOYER CONTRIB	1,351,845	1,310,045

* See note at end of Act.

STATUTES AT LARGE
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H63-DEPARTMENT OF EDUCATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL FRINGE BENEFITS	1,351,845	1,310,045
TOT GOVERNOR'S SCH SCIENCE & MATHEMATICS	9,398,750 (69.09)	8,652,250 (68.32)
XIV. AID TO SCHOOL DIST		
A. AID TO SCHOOL DIST		
SPECIAL ITEMS		
ALLOC SCHOOL DIST	808,180,265	
ALLOC OTHER ST AGENCIES	14,597,340	
ALLOC OTHER ENTITIES	13,560,038	
EMPLOYER CONTRIB - EFA	560,951,852	560,951,852
EDUC FINANCE ACT	1,335,811,295	1,335,811,295
LUNCH PROGRAM	25,800	25,800
STUDENT HLTH AND FITNESS	20,297,502	20,297,502
AID SCHOOL DISTRICTS	89,839	89,839
AID SCHL DIST-RETIREE INS	136,796,735	136,796,735
GUIDANCE/CAREER SPEC	21,362,113	21,362,113
MODERNIZE VOC EQUIPMENT	322,797	322,797
CDDEP - SCDE	14,083,439	14,083,439
SUMMER READING CAMPS	1,500,000	1,500,000
TOTAL DIST SUBDIV	<u>2,927,579,015</u>	<u>2,091,241,372</u>
TOT DISTRIB TO SUBDIV	<u>2,927,579,015</u>	<u>2,091,241,372</u>
B. SPECIAL ALLOCATIONS		
DISTRIBUTION TO SUBDIV		
SC COUNCIL ON HOLOCAUST ARCHIBALD RUTLEDGE	54,264	54,264
SCHOLARSHIPS	10,478	10,478
HANDICAPPED - PROFOUNDLY MENTALLY	85,286	85,286
SC STATE - FELTON LAB	108,736	108,736
STUDENT LOAN CORP-CAREER CHANGERS	1,065,125	1,065,125
VOCATIONAL EQUIPMENT (H71)	39,978	39,978
ARCHIVES AND HISTORY (H79)	22,377	22,377

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	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
STATUS OFFENDER (L12)	346,473	346,473
TOTAL DIST SUBDIV	<u>1,732,717</u>	<u>1,732,717</u>
TOT SPECIAL ALLOCATIONS	<u>1,732,717</u>	<u>1,732,717</u>
TOT DIRECT AID TO SCHOOL DISTRICTS	<u>2,929,311,732</u>	<u>2,092,974,089</u>
XV. GOV SCHL FOR ARTS & HUMANITIES PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,817,136	1,752,136
	(39.02)	(38.52)
UNCLASSIFIED POSITIONS	2,518,958	2,449,958
	(32.33)	(31.58)
OTHER PERSONAL SRVCS	<u>845,106</u>	<u>526,835</u>
TOTAL PERSONAL SRVC	5,181,200	4,728,929
	(71.35)	(70.10)
OTHER OPERATING EXP FRINGE BENEFITS EMPLOYER CONTRIB	1,431,826	981,826
	<u>1,628,649</u>	<u>1,526,149</u>
TOTAL FRINGE BENEFITS	<u>1,628,649</u>	<u>1,526,149</u>
TOT GOV'S SCHOOL FOR THE ARTS AND HUMANITIES	8,241,675	7,236,904
	<u>(71.35)</u>	<u>(70.10)</u>
XVII. FIRST STEPS TO SCHL READINESS A. POLICY AND ACCOUNT PERSONAL SERVICE		
CLASSIFIED POSITIONS	661,939	661,939
	(20.00)	
UNCLASSIFIED POSITIONS	121,540	121,540
	(1.00)	
OTHER PERSONAL SRVCS	<u>50,000</u>	<u>50,000</u>
TOTAL PERSONAL SRVC	833,479	833,479
	(21.00)	

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H63-DEPARTMENT OF EDUCATION

	TOTAL FUNDS	GENERAL FUNDS
OTHER OPERATING EXP	443,257	443,257
SPECIAL ITEMS		
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TOTAL POLICY AND ACCOUNTABILITY	1,276,736 (21.00)	1,276,736
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B. EARLY CHILDHOOD SRVCS		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	135,000	
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TOTAL PERSONAL SRVC	135,000	
OTHER OPERATING EXP	1,535,195	983,000
SPECIAL ITEMS		
COUNTY PARTNERSHIPS	12,202,714	11,262,214
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TOTAL SPECIAL ITEMS	12,202,714	11,262,214
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TOT EARLY CHILD SRVCS	13,872,909	12,245,214
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C. BABYNET		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,575,514 (36.50)	881,514 (31.50)
OTHER PERSONAL SRVCS	435,000	100,000
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TOTAL PERSONAL SRVC	2,010,514 (36.50)	981,514 (31.50)
OTHER OPERATING EXP	7,813,112	467,112
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TOTAL BABYNET	9,823,626 (36.50)	1,448,626 (31.50)
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D. CHILD DEVELOPMENT		
EDUC PILOT PROGRAM		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	158,000 (3.00)	158,000
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NEW POSITIONS:		
<i>PROGRAM MANAGER II</i>	80,000 (1.00)	80,000 (1.00)
<i>EDUCATION ASSOCIATE</i>	130,000 (2.00)	130,000 (2.00)
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	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	368,000	368,000
	(6.00)	(3.00)
OTHER OPERATING EXP	9,967,864	9,767,864
TOT CHILD DEVELOPMENT EDUC PILOT PROGRAM	10,335,864	10,135,864
	(6.00)	(3.00)
E. EMPLOYEE BENEFITS		
STATE EMPLOYER CONTRIB EMPLOYER CONTRIB	795,269	656,769
TOTAL FRINGE BENEFITS	795,269	656,769
TOT EMPLOYEE BENEFITS	795,269	656,769
TOTAL FIRST STEPS TO SCHOOL READINESS		
	36,104,404	25,763,209
	(63.50)	(34.50)
XVIII. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB EMPLOYER CONTRIB	14,224,092	9,011,275
TOTAL FRINGE BENEFITS	14,224,092	9,011,275
TOT EMPLOYEE BENEFITS	14,224,092	9,011,275
DEPT OF EDUCATION		
TOT FUNDS AVAILABLE	3,846,212,204	2,299,096,105
TOT AUTH FTE POSITIONS	(1,085.47)	(761.42)

SECTION 3
H66-LOTTERY EXPENDITURE ACCOUNT

	TOTAL FUNDS	GENERAL FUNDS
I. LOTTERY EXPENDITURE ACCT		
SPECIAL ITEMS		
LOTTERY EXPENDITURES	279,500,000	
UNCLAIMED PRIZES	8,000,000	

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H66-LOTTERY EXPENDITURE ACCOUNT

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL SPECIAL ITEMS	287,500,000	
TOTAL LOTTERY EXPENDITURE ACCOUNT	287,500,000	
LOTTERY EXPENDITURE ACCT		
TOTAL FUNDS AVAILABLE	287,500,000	

SECTION 4
A85-EDUCATION OVERSIGHT COMMITTEE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
EXEC DIRECTOR	99,600	
	(1.00)	
UNCLASS LEG MISC (P)	330,000	
	(9.00)	
OTHER PERSONAL SRVCS	130,000	
TAXABLE SUBSISTENCE	2,000	
TOTAL PERSONAL SRVC	561,600	
	(10.00)	
OTHER OPERATING EXP	603,088	
TOTAL ADMINISTRATION	1,164,688	
	(10.00)	
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	130,000	
TOTAL FRINGE BENEFITS	130,000	
TOTAL EMPLOYEE BENEFITS	130,000	

A85-EDUCATION OVERSIGHT COMMITTEE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
EDUC OVERSIGHT COMM		
TOTAL FUNDS AVAILABLE	1,294,688	
TOTAL AUTH FTE POSITIONS	(10.00)	
	=====	
TOTAL LEGISLATIVE DEPT	1,294,688	
	=====	
TOTAL AUTH FTE POSITIONS	(10.00)	
	=====	

SECTION 5

H71-WIL LOU GRAY OPPORTUNITY SCHOOL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
SUPERINTENDENT	79,070	79,070
	(1.00)	(1.00)
CLASSIFIED POSITIONS	174,090	174,090
	(4.00)	(4.00)
OTHER PERSONAL SRVCS	4,085	4,085

TOTAL PERSONAL SRVC	257,245	257,245
	(5.00)	(5.00)
OTHER OPERATING EXP	24,419	24,419
	=====	
TOT ADMINISTRATION	281,664	281,664
	(5.00)	(5.00)
	=====	
II. EDUCATIONAL PROG		
A. ACADEMIC PROGRAM		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	497,773	497,773
	(12.62)	(12.36)
UNCLASSIFIED POSITIONS	586,426	491,426
	(12.38)	(6.92)
OTHER PERSONAL SRVCS	13,770	13,770

TOTAL PERSONAL SRVC	1,097,969	1,002,969
	(25.00)	(19.28)

H71-WIL LOU GRAY OPPORTUNITY SCHOOL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	193,589	183,589
TOT ACADEMIC PROGRAM	1,291,558 (25.00)	1,186,558 (19.28)
B. VOCATIONAL EDUC		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	161,854 (4.43)	161,854 (3.50)
TOTAL PERSONAL SRVC	161,854 (4.43)	161,854 (3.50)
OTHER OPERATING EXP	127,040	102,040
TOTAL VOCATIONAL EDUC	288,894 (4.43)	263,894 (3.50)
C. LIBRARY		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	28,436 (.81)	28,436 (.61)
TOTAL PERSONAL SRVC	28,436 (.81)	28,436 (.61)
OPPORTUNITY SCHOOL		
OTHER OPERATING EXP	2,837	2,837
TOTAL LIBRARY	31,273 (.81)	31,273 (.61)
TOT EDUCATIONAL PROG	1,611,725 (30.24)	1,481,725 (23.39)
III. STUDENT SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	936,412 (43.39)	936,412 (43.39)
OTHER PERSONAL SRVCS	15,000	15,000
TOTAL PERSONAL SRVC	951,412 (43.39)	951,412 (43.39)
OTHER OPERATING EXP	158,000	125,000

H71-WIL LOU GRAY OPPORTUNITY SCHOOL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL STUDENT SRVCS	1,109,412 (43.39)	1,076,412 (43.39)
IV. SUPPORT SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	606,982 (16.61)	510,982 (13.84)
OTHER PERSONAL SRVCS	30,000	
TOTAL PERSONAL SRVC	636,982 (16.61)	510,982 (13.84)
OTHER OPERATING EXP	1,906,233	1,059,912
TOTAL SUPPORT SRVCS	2,543,215 (16.61)	1,570,894 (13.84)
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,222,124	1,167,124
TOTAL FRINGE BENEFITS	1,222,124	1,167,124
TOTAL EMPLOYEE BENEFITS	1,222,124	1,167,124
WIL LOU GRAY OPPORTUNITY SCHOOL		
TOTAL FUNDS AVAILABLE	6,768,140	5,577,819
TOTAL AUTH FTE POSITIONS	(95.24)	(85.62)

SECTION 6**H75-SCHOOL FOR THE DEAF AND THE BLIND**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
PRESIDENT	110,219 (1.00)	110,219 (1.00)
CLASSIFIED POSITIONS	1,206,942 (23.50)	1,120,680 (22.00)

H75-SCHOOL FOR THE DEAF AND THE BLIND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	88,900	
	(1.00)	
OTHER PERSONAL SRVCS	<u>176,779</u>	<u>162,668</u>
TOTAL PERSONAL SRVC	1,582,840	1,393,567
	(25.50)	(23.00)
OTHER OPERATING EXP	3,576,775	3,497,586
SPECIAL ITEMS		
SC ASSOC FOR THE DEAF	<u>138,256</u>	<u>138,256</u>
TOTAL SPECIAL ITEMS	138,256	138,256
DEBT SRVC		
PRINCIPAL	110,000	110,000
INTEREST	<u>10,855</u>	<u>10,855</u>
TOTAL DEBT SRVC	<u>120,855</u>	<u>120,855</u>
TOTAL ADMINISTRATION	5,418,726	5,150,264
	<u>(25.50)</u>	<u>(23.00)</u>
II. EDUCATION		
A. DEAF EDUCATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	112,702	112,702
	(5.00)	(5.00)
UNCLASSIFIED POSITIONS	218,900	218,900
	(14.00)	(4.20)
OTHER PERSONAL SRVCS	<u>86,674</u>	<u>86,674</u>
TOTAL PERSONAL SRVC	418,276	418,276
	(19.00)	(9.20)
OTHER OPERATING EXP	<u>339,805</u>	<u>333,990</u>
TOT DEAF EDUCATION	758,081	752,266
	<u>(19.00)</u>	<u>(9.20)</u>
B. BLIND EDUCATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	100,741	100,741
	(4.00)	(4.00)
UNCLASSIFIED POSITIONS	199,292	199,292
	(13.00)	(3.90)

H75-SCHOOL FOR THE DEAF AND THE BLIND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	87,649	87,649
TOTAL PERSONAL SRVC	387,682	387,682
	(17.00)	(7.90)
OTHER OPERATING EXP	396,728	392,423
DISTRIBUTION TO SUBDIV		
AID OTHER ST AGENCIES	50,000	50,000
TOTAL DIST SUBDIV	50,000	50,000
TOTAL BLIND EDUCATION	834,410	830,105
	(17.00)	(7.90)
C. MULTIHANDICAPPED EDUC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	278,586	278,586
	(13.00)	(13.00)
UNCLASSIFIED POSITIONS	210,757	210,757
	(14.00)	(4.20)
OTHER PERSONAL SRVCS	39,810	39,810
TOTAL PERSONAL SRVC	529,153	529,153
	(27.00)	(17.20)
OTHER OPERATING EXP	338,300	333,421
TOT MULTIHANDICAPPED		
EDUCATION	867,453	862,574
	(27.00)	(17.20)
TOTAL EDUCATION	2,459,944	2,444,945
	(63.00)	(34.30)
III. STUDENT SUPPORT SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,114,231	350,447
	(16.02)	(8.69)
UNCLASSIFIED POSITIONS	780,458	549,205
	(21.31)	(5.30)
OTHER PERSONAL SRVCS	1,019,721	115,633
TOTAL PERSONAL SRVC	2,914,410	1,015,285
	(37.33)	(13.99)
OTHER OPERATING EXP	3,436,152	1,440,462

H75-SCHOOL FOR THE DEAF AND THE BLIND

	TOTAL FUNDS	GENERAL FUNDS
TOT STUDENT SUPP SRVCS	6,350,562 (37.33)	2,455,747 (13.99)
<hr/>		
IV. RESIDENTIAL LIFE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	632,415 (19.38)	632,415 (19.38)
NEW POSITIONS ADDED BY THE BUDGET & CONTROL BOARD		
NEW POSITIONS:		
<i>TEACHER</i>		
	(30.00)	(30.00)
<i>HUMAN SRVCS SPECIALIST</i>		
	(30.00)	(30.00)
<i>ASSOCIATE TEACHER</i>		
	(15.00)	(15.00)
<i>PROGRAM COORDINATOR I</i>		
	(14.00)	(14.00)
UNCLASSIFIED POSITIONS	102,906 (6.30)	102,906 (2.10)
OTHER PERSONAL SRVCS	1,055,409	1,055,409
TOTAL PERSONAL SRVC	1,790,730 (114.68)	1,790,730 (110.48)
OTHER OPERATING EXP	63,897	16,245
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TOTAL RESIDENTIAL LIFE	1,854,627 (114.68)	1,806,975 (110.48)
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V. OUTREACH SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	974,175 (13.49)	
UNCLASSIFIED POSITIONS	1,079,157 (45.45)	
OTHER PERSONAL SRVCS	268,135	
TOTAL PERSONAL SRVC	2,321,467 (58.94)	
OTHER OPERATING EXP	1,428,305	
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H75-SCHOOL FOR THE DEAF AND THE BLIND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL OUTREACH SRVCS	3,749,772 (58.94)	
VI. PHYSICAL SUPPORT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	262,700 (8.00)	262,700 (8.00)
OTHER PERSONAL SRVCS	226,780	226,780
TOTAL PERSONAL SRVC	489,480 (8.00)	489,480 (8.00)
OTHER OPERATING EXP	937,096	703,176
TOTAL PHYSICAL SUPPORT	1,426,576 (8.00)	1,192,656 (8.00)
VII. EMPLOYEE BENEFITS		
EMPLOYER CONTRIB	3,491,504	2,241,669
TOTAL FRINGE BENEFITS	3,491,504	2,241,669
TOT EMPLOYEE BENEFITS	3,491,504	2,241,669
SCHOOL FOR THE DEAF AND THE BLIND		
TOTAL FUNDS AVAILABLE	24,751,711	15,292,256
TOTAL AUTH FTE POSITIONS	(307.45)	(189.77)

SECTION 7

L12-JOHN DE LA HOWE SCHOOL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
SUPERINTENDENT	79,070 (1.00)	79,070 (1.00)
CLASSIFIED POSITIONS	189,450 (6.00)	189,450 (6.00)
OTHER PERSONAL SRVCS	20,761	1,952

STATUTES AT LARGE
General and Permanent Laws--2013
L12-JOHN DE LA HOWE SCHOOL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	289,281	270,472
	(7.00)	(7.00)
OTHER OPERATING EXP	<u>39,600</u>	<u>14,600</u>
TOTAL ADMINISTRATION	328,881	285,072
	<u>(7.00)</u>	<u>(7.00)</u>
 II. EDUCATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	76,001	41,664
	(3.35)	(1.90)
UNCLASSIFIED POSITIONS	387,573	362,354
	(18.25)	(7.74)
OTHER PERSONAL SRVCS	<u>83,000</u>	<u>53,000</u>
TOTAL PERSONAL SRVC	546,574	457,018
	(21.60)	(9.64)
OTHER OPERATING EXP	<u>382,293</u>	<u>10,076</u>
TOTAL EDUCATION	928,867	467,094
	<u>(21.60)</u>	<u>(9.64)</u>
 III. CHILDREN'S SRVCS		
A. RESIDENTIAL SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	885,316	885,316
	(30.34)	(30.34)
OTHER PERSONAL SRVCS	<u>1,064</u>	<u>1,064</u>
TOTAL PERSONAL SRVC	886,380	886,380
	(30.34)	(30.34)
OTHER OPERATING EXP	295,731	106,094
CASE SRVCS		
CASE SRVCS	<u>2,000</u>	
TOT CASE SRVC/PUB ASST	<u>2,000</u>	
TOT RESIDENTIAL SRVCS	1,184,111	992,474
	<u>(30.34)</u>	<u>(30.34)</u>
 B. BEHAVIORAL HEALTH		
PERSONAL SERVICE		

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General and Permanent Laws--2013
L12-JOHN DE LA HOWE SCHOOL

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	264,718	264,718
	(9.97)	(9.72)
TOTAL PERSONAL SRVC	264,718	264,718
	(9.97)	(9.72)
OTHER OPERATING EXP	102,516	44,641
TOT BEHAVIORAL HEALTH	367,234	309,359
	(9.97)	(9.72)
C. EXPERIMENTAL LEARNING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	173,697	173,697
	(7.00)	(7.00)
TOTAL PERSONAL SRVC	173,697	173,697
	(7.00)	(7.00)
OTHER OPERATING EXP	50,000	5,000
TOT EXPERIMENTAL LEARN	223,697	178,697
	(7.00)	(7.00)
D. WILDERNESS CAMP		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	362,000	362,000
	(12.50)	(12.50)
TOTAL PERSONAL SRVC	362,000	362,000
	(12.50)	(12.50)
OTHER OPERATING EXP	213,700	138,700
TOTAL WILDERNESS CAMP	575,700	500,700
	(12.50)	(12.50)
TOTAL CHILDREN'S SRVCS	2,350,742	1,981,230
	(59.81)	(59.56)
IV. SUPPORT SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	397,945	397,945
	(19.00)	(18.75)
TOTAL PERSONAL SRVC	397,945	397,945
	(19.00)	(18.75)

STATUTES AT LARGE
General and Permanent Laws--2013
L12-JOHN DE LA HOWE SCHOOL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	339,842	133,865
TOTAL SUPPORT SRVCS	737,787 (19.00)	531,810 (18.75)
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,204,326	1,148,123
TOTAL FRINGE BENEFITS	1,204,326	1,148,123
TOTAL EMPLOYEE BENEFITS	1,204,326	1,148,123
JOHN DE LA HOWE SCHOOL		
TOTAL FUNDS AVAILABLE	5,550,603	4,413,329
TOTAL AUTH FTE POSITIONS	(107.41)	(94.95)

SECTION 8**H67-EDUCATIONAL TELEVISION COMMISSION**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. INTERNAL ADMINISTRATION		
PERSONAL SERVICE		
PRESIDENT & GENERAL MGR	125,190 (1.00)	
CLASSIFIED POSITIONS	866,810 (22.00)	
OTHER PERSONAL SRVCS	196,500	
TOTAL PERSONAL SRVC	1,188,500 (23.00)	
OTHER OPERATING EXP	645,000	
TOTAL INTERNAL ADMIN	1,833,500 (23.00)	
II. PROGRAM AND SRVCS		
A. PUBLIC EDUCATION		
PERSONAL SERVICE		

H67-EDUCATIONAL TELEVISION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	2,200,000	
	(44.00)	
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TOTAL PERSONAL SRVC	2,200,000	
	(44.00)	
OTHER OPERATING EXP	3,150,745	
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TOTAL PUBLIC EDUC	5,350,745	
	(44.00)	
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B. HIGHER EDUCATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	168,500	
	(4.00)	
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TOTAL PERSONAL SRVC	168,500	
	(4.00)	
OTHER OPERATING EXP	111,000	
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TOTAL HIGHER EDUC	279,500	
	(4.00)	
<hr/> <hr/>		
C. AGENCY SRVCS		
1. LOCAL GOVT & BUS SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	292,585	
	(7.00)	
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TOTAL PERSONAL SRVC	292,585	
	(7.00)	
OTHER OPERATING EXP	10,000	
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TOTAL LOCAL GOVT & BUSINESS SRVCS	302,585	
	(7.00)	
<hr/> <hr/>		
2. GENERAL SUPP & SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	835,000	
	(22.00)	
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TOTAL PERSONAL SRVC	835,000	
	(22.00)	

H67-EDUCATIONAL TELEVISION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	1,045,600	
TOT GENERAL SUPP & SRVCS	1,880,600	
	(22.00)	
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TOTAL AGENCY SRVCS	2,183,185	
	(29.00)	
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D. COMMUNITY EDUC PERSONAL SERVICE CLASSIFIED POSITIONS	1,210,415	
	(26.00)	
OTHER PERSONAL SRVCS	90,000	
<hr/>		
TOTAL PERSONAL SRVC	1,300,415	
	(26.00)	
OTHER OPERATING EXP	3,050,000	
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TOTAL COMMUNITY EDUC	4,350,415	
	(26.00)	
<hr/>		
E. PUBLIC AFFAIRS PERSONAL SERVICE CLASSIFIED POSITIONS	375,000	
	(18.20)	
OTHER PERSONAL SRVCS	120,000	
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TOTAL PERSONAL SRVC	495,000	
	(18.20)	
OTHER OPERATING EXP	807,655	
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TOTAL PUBLIC AFFAIRS	1,302,655	
	(18.20)	
<hr/>		
F. CULTUR & PERFORM ARTS PERSONAL SERVICE COMMISSION CLASSIFIED POSITIONS	300,000	
	(10.00)	
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TOTAL PERSONAL SRVC	300,000	
	(10.00)	
OTHER OPERATING EXP	900,000	
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H67-EDUCATIONAL TELEVISION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT CULTURAL & PERFORMING ARTS	1,200,000 (10.00)	
TOT PROGRAM AND SRVCS	14,666,500 (131.20)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	2,320,000	
TOTAL FRINGE BENEFITS	2,320,000	
TOTAL EMPLOYEE BENEFITS	2,320,000	
EDUCATIONAL TELEVISION COMMISSION		
TOTAL FUNDS AVAILABLE	18,820,000	
TOTAL AUTH FTE POSITIONS	(154.20)	

SECTION 11**H03-COMMISSION ON HIGHER EDUCATION**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
EXEC DIRECTOR	154,840 (1.00)	154,840 (1.00)
CLASSIFIED POSITIONS	1,130,853 (35.00)	1,130,853 (23.95)
UNCLASSIFIED POSITIONS	(1.70)	(1.15)
OTHER PERSONAL SRVCS	60,765	60,765
TOTAL PERSONAL SRVC	1,346,458 (37.70)	1,346,458 (26.10)
OTHER OPERATING EXP	285,520	285,520

H03-COMMISSION ON HIGHER EDUCATION

	TOTAL FUNDS	GENERAL FUNDS
TOTAL ADMINISTRATION	1,631,978	1,631,978
	(37.70)	(26.10)
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III. OTH AGENCIES & ENTITIES		
SPECIAL ITEMS		
GREENVILLE TC - UNIV CNTR	594,390	594,390
UNIV CNTR OF GRNVILLE - OPERATIONS	1,084,899	1,084,899
LOWCOUNTRY GRAD CENTER	785,099	785,099
ACADEMIC ENDOWMENT	160,592	160,592
EPSCOR	161,314	161,314
AFRICAN AMERI LOAN PROG	119,300	119,300
PERFORMANCE FUNDING	1,397,520	1,397,520
CHARLESTON TRANSITION CONNECTION	179,178	179,178
STATE ELECTRONIC LIBRARY	3,850,866	164,289
TOTAL SPECIAL ITEMS	8,333,158	4,646,581
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TOT OTHER AGENCIES & ENTITIES	8,333,158	4,646,581
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V. LICENSING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	237,524	45,962
	(3.00)	(.60)
TOTAL PERSONAL SRVC	237,524	45,962
	(3.00)	(.60)
OTHER OPERATING EXP	59,929	
TOTAL LICENSING	297,453	45,962
	(3.00)	(.60)
<hr/>		
VI. STATE APPROVING SECT		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	32,788	
	(.30)	
OTHER PERSONAL SRVCS	162,129	
TOTAL PERSONAL SRVC	194,917	
	(.30)	

H03-COMMISSION ON HIGHER EDUCATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	66,723	
TOT STATE APPROVING SEC	261,640 (.30)	
VIII. CHE GRANT & OTHER HIGHER EDUC COLLABOR SPECIAL ITEMS		
EEDA	1,180,576	1,180,576
IMPROV'G TEACH QUAL (ITQ)	876,879	
GEAR UP	3,620,801	177,201
COLL ACCESS CHALL GRT	1,942,116	
COLLEGE GOAL SUNDAY	35,000	
STWIDE LONGITUD DATA SYS	1,404,133	
SMARTSTATE PROG ADMIN	885,284	
TOTAL SPECIAL ITEMS	9,944,789	1,357,777
TOT CHE GRANT & OTHER HIGHER EDUC COLLABORA	9,944,789	1,357,777
IX. EMPLOYEE BENEFITS C. STATE EMPLOY CONTRIB EMPLOYER CONTRIB	640,355	437,806
TOTAL FRINGE BENEFITS	640,355	437,806
TOT EMPLOYEE BENEFITS	640,355	437,806
X. SCHOLARSHIPS & ASSIST SPECIAL ITEMS		
NATIONAL GUARD CAP	89,968	89,968
LIFE SCHOLARSHIPS	59,754,048	59,754,048
PALMETTO FELLOWS	8,439,310	8,439,310
HOPE SCHOLARSHIP	231,727	231,727
SREB CONT PROG & ASSESS	3,509,750	3,509,750
SREB ARTS PROGRAM	7,177	7,177
EDUCATIONAL ENDOWMENT	24,000,000	24,000,000
NEEDS-BASED GRANTS	4,000,000	
TOTAL SPECIAL ITEMS	100,031,980	96,031,980

H03-COMMISSION ON HIGHER EDUCATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL SCHOLARSHIPS AND ASSISTANCE	<u>100,031,980</u>	<u>96,031,980</u>
COMMISS ON HIGHER EDUC		
TOTAL FUNDS AVAILABLE	121,141,353	104,152,084
TOTAL AUTH FTE POSITIONS	<u>(41.00)</u>	<u>(26.70)</u>

SECTION 12

H06-HIGHER EDUCATION TUITION GRANTS COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	70,492	70,492
	(1.00)	(1.00)
CLASSIFIED POSITIONS	114,873	114,873
	(4.00)	(4.00)
TOTAL PERSONAL SRVC	185,365	185,365
	(5.00)	(5.00)
OTHER OPERATING EXP	10,608	10,608
SPECIAL ITEMS		
*STUDENT LEGISLATURE	<u>25,000</u>	<u>25,000</u>
TOTAL SPECIAL ITEMS	<u>25,000</u>	<u>25,000</u>
TOTAL ADMINISTRATION	220,973	220,973
	(5.00)	(5.00)
II. TUITION GRANTS		
OTHER OPERATING EXP		
OTHER OPERATING EXP	<u>27,996,918</u>	<u>23,358,622</u>
TOTAL TUITION GRANTS	<u>27,996,918</u>	<u>23,358,622</u>
III. EMPLOYEE BENEFITS		
EMPLOYER CONTRIB	<u>74,611</u>	<u>74,611</u>

* See note at end of Act.

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H06-HIGHER EDUCATION TUITION GRANTS COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL FRINGE BENEFITS	<u>74,611</u>	<u>74,611</u>
TOT EMPLOYEE BENEFITS	<u>74,611</u>	<u>74,611</u>
HIGHER EDUC TUITION GRANTS COMMISSION		
TOTAL FUNDS AVAILABLE	28,292,502	23,654,206
TOTAL AUTH FTE POSITIONS	<u>(5.00)</u>	<u>(5.00)</u>

SECTION 13
H09-THE CITADEL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION & GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
PRESIDENT	151,200	151,200
	(1.00)	(1.00)
CLASSIFIED POSITIONS	13,777,534	3,548,683
	(362.05)	(170.71)
NEW POSITIONS		
<i>INSTRUCTOR</i>	(2.00)	
<i>STUDENT SRVCS COORD II</i>	(1.00)	
<i>SR APPLICATIONS ANALYST</i>	(1.00)	
<i>GRANTS ADMINISTRATOR</i>	(1.00)	
<i>PROGRAM COORDINATOR</i>	(1.00)	
UNCLASSIFIED POSITIONS	14,897,763	3,457,420
	(148.25)	(95.93)
NEW POSITIONS		
<i>ASSISTANT PROFESSOR</i>	(2.25)	
OTHER PERSONAL SRVCS	<u>4,811,852</u>	

STATUTES AT LARGE
General and Permanent Laws--2013
H09-THE CITADEL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	33,638,349	7,157,303
	(519.55)	(267.64)
OTHER OPERATING EXP	15,445,345	
TOTAL UNRESTRICTED	49,083,694	7,157,303
	(519.55)	(267.64)
B. RESTRICTED		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	2,171,303	
TOTAL PERSONAL SRVC	2,171,303	
OTHER OPERATING EXP	43,878,571	
TOTAL RESTRICTED	46,049,874	
TOTAL EDUC AND GENERAL	95,133,568	7,157,303
	(519.55)	(267.64)
II. AUXILIARY ENTERPRISES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,998,288	
	(94.20)	
NEW POSITIONS		
<i>ATHLETIC COACH</i>		
	(1.00)	
UNCLASSIFIED POSITIONS	2,848,842	
	(27.00)	
OTHER PERSONAL SRVCS	1,263,159	
TOTAL PERSONAL SRVC	6,110,289	
	(122.20)	
OTHER OPERATING EXP	21,963,768	
TOT AUX ENTERPRISES	28,074,057	
	(122.20)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	12,466,054	1,783,605
TOTAL FRINGE BENEFITS	12,466,054	1,783,605

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL EMPLOYEE BENEFITS	12,466,054	1,783,605
THE CITADEL		
TOTAL FUNDS AVAILABLE	135,673,679	8,940,908
TOTAL AUTH FTE POSITIONS	(641.75)	(267.64)

SECTION 14

H12-CLEMSON UNIVERSITY (EDUCATIONAL & GENERAL)

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION & GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
PRESIDENT	245,869	245,869
	(1.00)	(1.00)
CLASSIFIED POSITIONS	66,809,371	
	(1,515.82)	(986.21)
UNCLASSIFIED POSITIONS	127,937,301	49,441,086
	(874.65)	(271.76)
NEW POSITIONS		
<i>PROFESSORS</i>		
	(34.00)	(14.00)
OTHER PERSONAL SRVCS	22,535,998	
TOTAL PERSONAL SRVC	217,528,539	49,686,955
	(2,425.47)	(1,272.97)
OTHER OPERATING EXP	116,952,684	900,000
SPECIAL ITEMS		
SCHOLARSHIPS		
	24,502,457	
TOTAL SPECIAL ITEMS	24,502,457	
TOTAL UNRESTRICTED	358,983,680	50,586,955
	(2,425.47)	(1,272.97)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,629,099	
	(64.46)	

H12-CLEMSON UNIVERSITY (EDUCATIONAL & GENERAL)

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	15,668,490	
	(108.68)	
OTHER PERSONAL SRVCS	22,771,446	
TOTAL PERSONAL SRVC	41,069,035	
	(173.14)	
OTHER OPERATING EXP	67,330,554	
SPECIAL ITEMS:		
SCHOLARSHIPS	93,112,114	
TOTAL SPECIAL ITEMS	93,112,114	
TOTAL RESTRICTED	201,511,703	
	(173.14)	
TOTAL EDUC & GENERAL	560,495,383	50,586,955
	(2,598.61)	(1,272.97)
II. AUXILIARY ENTERPRISES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	16,042,156	
	(324.59)	
UNCLASSIFIED POSITIONS	16,655,786	
	(137.38)	
OTHER PERSONAL SRVCS	4,133,530	
TOTAL PERSONAL SRVC	36,831,472	
	(461.97)	
OTHER OPERATING EXP	78,697,951	
DEBT SRVC:		
PRINCIPAL	3,008,581	
INTEREST	3,514,489	
TOTAL DEBT SRVC	6,523,070	
SPECIAL ITEMS:		
SCHOLARSHIPS	8,921,659	
TOTAL SPECIAL ITEMS	8,921,659	
TOT AUX ENTERPRISES	130,974,152	
	(461.97)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		

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 General and Permanent Laws--2013
H12-CLEMSON UNIVERSITY (EDUCATIONAL & GENERAL)

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
EMPLOYER CONTRIB	92,163,258	15,095,637
TOTAL FRINGE BENEFITS	<u>92,163,258</u>	<u>15,095,637</u>
TOTAL EMPLOYEE BENEFITS	<u>92,163,258</u>	<u>15,095,637</u>
CLEMSON UNIVERSITY (EDUCATIONAL & GENERAL)		
TOTAL FUNDS AVAILABLE	783,632,793	65,682,592
TOTAL AUTH FTE POSITIONS	<u>(3,060.58)</u>	<u>(1,272.97)</u>

SECTION 15
H15-UNIVERSITY OF CHARLESTON

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION & GENERAL		
PERSONAL SERVICE		
PRESIDENT	179,498	179,498
	(1.00)	(1.00)
CLASSIFIED POSITIONS	25,523,706	4,809,853
	(692.94)	(248.47)
NEW POSITIONS:		
<i>ADMINISTRATIVE ASSISTANT</i>		
	(5.00)	
<i>ADMINISTRATIVE COORD I</i>		
	(1.00)	
<i>STUDENT SRVC PGM COORD I</i>		
	(6.00)	
<i>INFO RESOURCE CONSULTANT II</i>		
	(4.00)	
<i>ACCOUNTANT/FISCAL ANALYST I</i>		
	(1.00)	
<i>DATABASE ADMINISTRATOR II</i>		
	(2.00)	
<i>SYSTEMS PROGRAMMER I</i>		
	(2.00)	
<i>APPLICATIONS ANALYST II</i>		
	(1.00)	

STATUTES AT LARGE
General and Permanent Laws--2013
H15-UNIVERSITY OF CHARLESTON

	TOTAL FUNDS	GENERAL FUNDS
<i>PUBLIC INFO DIRECTOR I</i>		
	(1.00)	
UNCLASSIFIED POSITIONS	43,499,998	10,109,370
	(532.49)	(238.91)
NEW POSITIONS:		
<i>ASSISTANT PROFESSOR</i>		
	(9.00)	
OTHER PERSONAL SRVCS	17,670,896	
TOTAL PERSONAL SRVC	86,874,098	15,098,721
	(1,258.43)	(488.38)
OTHER OPERATING EXP	71,602,407	400,000
TOT EDUC AND GENERAL	158,476,505	15,498,721
	(1,258.43)	(488.38)
II. AUXILIARY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,797,790	
	(77.50)	
UNCLASSIFIED POSITIONS	2,056,206	
	(26.25)	
OTHER PERSONAL SRVCS	2,500,264	
TOTAL PERSONAL SRVC	7,354,260	
	(103.75)	
OTHER OPERATING EXP	33,257,925	
TOTAL AUXILIARY SRVCS	40,612,185	
	(103.75)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	25,845,043	3,951,140
TOTAL FRINGE BENEFITS	25,845,043	3,951,140
TOTAL EMPLOYEE BENEFITS	25,845,043	3,951,140

OF SOUTH CAROLINA
General and Permanent Laws--2013
H15-UNIVERSITY OF CHARLESTON

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNIVERSITY OF CHARLESTON		
TOTAL FUNDS AVAILABLE	224,933,733	19,449,861
TOTAL AUTH FTE POSITIONS	<u>(1,362.18)</u>	<u>(488.38)</u>

SECTION 16
H17-COASTAL CAROLINA UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION & GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
PRESIDENT	167,400	167,400
	(1.00)	(1.00)
CLASSIFIED POSITIONS	22,207,647	1,426,855
	(586.90)	(55.83)
NEW POSITIONS		
<i>SECURITY SPECIALIST</i>	(2.00)	
<i>STUDENT SRVCS PROG COORD I</i>	(6.00)	
<i>BLDG/GROUNDS SPECIALIST II</i>	(4.00)	
<i>TRADES SPECIALIST IV</i>	(2.00)	
<i>STUDENT SRVCS PROG COORD II</i>	(2.00)	
<i>ADMINISTRATIVE ASSISTANT</i>	(2.00)	
<i>PROGRAM COORDINATOR I</i>	(3.00)	
<i>ACCOUNTANT/FISCAL ANALYST I</i>	(1.00)	
<i>APPLICATIONS ANALYST II</i>	(1.00)	

STATUTES AT LARGE
General and Permanent Laws--2013
H17-COASTAL CAROLINA UNIVERSITY

	TOTAL FUNDS	GENERAL FUNDS
UNCLASSIFIED POSITIONS	33,878,747	5,520,175
	(490.56)	(130.91)
NEW POSITIONS		
<i>PROFESSOR</i>	(1.00)	
<i>ASSOCIATE PROFESSOR</i>	(10.00)	
<i>ASSISTANT PROFESSOR</i>	(11.00)	
OTHER PERSONAL SRVCS	12,000,000	
TOTAL PERSONAL SRVC	68,253,794	7,114,430
	(1,123.46)	(187.74)
OTHER OPERATING EXP	40,000,000	
SPECIAL ITEMS		
SCHOLARSHIPS	10,000,000	
TOTAL SPECIAL ITEMS	10,000,000	
TOTAL UNRESTRICTED	118,253,794	7,114,430
	(1,123.46)	(187.74)
 B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	248,500	
	(3.50)	
UNCLASSIFIED POSITIONS	80,585	
	(7.12)	
OTHER PERSONAL SRVCS	1,242,869	
TOTAL PERSONAL SRVC	1,571,954	
	(10.62)	
OTHER OPERATING EXP	6,508,519	
SPECIAL ITEMS		
SCHOLARSHIPS	27,740,000	
TOTAL SPECIAL ITEMS	27,740,000	
TOTAL RESTRICTED	35,820,473	
	(10.62)	

OF SOUTH CAROLINA
General and Permanent Laws--2013
H17-COASTAL CAROLINA UNIVERSITY

	TOTAL FUNDS	GENERAL FUNDS
TOTAL EDUC & GENERAL	154,074,267	7,114,430
	(1,134.08)	(187.74)
<hr/>		
II. AUXILIARY ENTERPRISES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	630,653	
	(22.00)	
OTHER PERSONAL SRVCS	730,000	
<hr/>		
TOTAL PERSONAL SRVC	1,360,653	
	(22.00)	
OTHER OPERATING EXP	8,489,347	
<hr/>		
TOTAL AUX ENTERPRISES	9,850,000	
	(22.00)	
<hr/>		
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	18,803,561	1,902,355
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TOTAL FRINGE BENEFITS	18,803,561	1,902,355
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TOTAL EMPLOYEE BENEFITS	18,803,561	1,902,355
<hr/>		
COASTAL CAROLINA UNIV		
TOTAL FUNDS AVAILABLE	182,727,828	9,016,785
TOTAL AUTH FTE POSITIONS	(1,156.08)	(187.74)
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SECTION 17
H18-FRANCIS MARION UNIVERSITY

	TOTAL FUNDS	GENERAL FUNDS
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
PRESIDENT	178,343	178,343
	(1.00)	(1.00)
CLASSIFIED POSITIONS	8,424,586	3,359,728
	(236.07)	(163.19)

STATUTES AT LARGE
General and Permanent Laws--2013
H18-FRANCIS MARION UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	18,632,154	5,978,231
	(215.04)	(130.99)
OTHER PERSONAL SRVCS	622,191	
TOTAL PERSONAL SRVC	27,857,274	9,516,302
	(452.11)	(295.18)
OTHER OPERATING EXP	2,349,434	
TOT E & G - UNRESTRICTED	30,206,708	9,516,302
	(452.11)	(295.18)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	(1.25)	
UNCLASSIFIED POSITIONS	52,477	
	(5.00)	
OTHER PERSONAL SRVCS	715,103	
TOTAL PERSONAL SRVC	767,580	
	(6.25)	
OTHER OPERATING EXP	17,697,981	
TOTAL E & G - RESTRICTED	18,465,561	
	(6.25)	
TOTAL EDUC AND GENERAL	48,672,269	9,516,302
	(458.36)	(295.18)
II. AUXILIARY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	161,086	
	(7.00)	
OTHER PERSONAL SRVCS	4,655	
TOTAL PERSONAL SRVC	165,741	
	(7.00)	
OTHER OPERATING EXP	22,895	
TOTAL AUXILIARY SRVCS	188,636	
	(7.00)	

OF SOUTH CAROLINA
General and Permanent Laws--2013
H18-FRANCIS MARION UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	8,298,255	2,291,511
TOTAL FRINGE BENEFITS	<u>8,298,255</u>	<u>2,291,511</u>
TOTAL EMPLOYEE BENEFITS	<u>8,298,255</u>	<u>2,291,511</u>
FRANCIS MARION UNIV		
TOTAL FUNDS AVAILABLE	57,159,160	11,807,813
TOTAL AUTH FTE POSITIONS	<u>(465.36)</u>	<u>(295.18)</u>

SECTION 18
H21-LANDER UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION AND GENERAL		
PERSONAL SERVICE		
PRESIDENT	156,779	156,779
	(1.00)	(1.00)
CLASSIFIED POSITIONS	7,930,015	
	(85.85)	
NEW POSITIONS ADDED BY THE		
BUDGET AND CONTROL BOARD		
<i>APPLICATIONS ANALYST</i>	(1.00)	
<i>STUDENT SRVCS PROG COORD II</i>	(1.00)	
<i>TECH PROGRAMMER</i>	(1.00)	
NEW POSITIONS		
<i>APPLICATIONS ANALYST</i>	(2.00)	
<i>STUDENT SRVS PROG COORD II</i>	(2.00)	
<i>TECH PROGRAMMER</i>	(1.00)	

	TOTAL FUNDS	GENERAL FUNDS
<i>PROGRAM COORDINATOR II</i>	(1.00)	
<i>TRADES SPECIALIST IV</i>	(1.00)	
<i>GROUNDSKEEPER I</i>	(1.00)	
<i>BUILDINGS & GROUNDS SPEC I</i>	(1.00)	
<i>AGRI/ANIMAL ASSIST II</i>	(1.00)	
<i>FISCAL TECHNICIAN I</i>	(1.00)	
<i>FISCAL ANALYST III</i>	(1.00)	
<i>ALUMNI/DEVELOP MANAGER I</i>	(1.00)	
UNCLASSIFIED POSITIONS	9,519,901	4,540,640
	(258.06)	(171.70)
NEW POSITIONS ADDED BY THE BUDGET AND CONTROL BOARD		
<i>ASSOCIATE PROFESSOR</i>	(8.00)	
<i>ASSISTANT PROFESSOR</i>	(4.00)	
NEW POSITIONS		
<i>ASSOCIATE PROFESSOR</i>	(10.00)	
<i>ASSISTANT PROFESSOR</i>	(5.00)	
<i>INSTRUCTOR</i>	(1.00)	
<i>LIBRARIAN I</i>	(1.00)	
OTHER PERSONAL SRVCS	1,859,340	
TOTAL PERSONAL SRVC	19,466,035	4,697,419
	(389.91)	(172.70)
OTHER OPERATING EXP	7,094,196	

	TOTAL FUNDS	GENERAL FUNDS
TOTAL EDUC AND GENERAL	26,560,231 (389.91)	4,697,419 (172.70)
II. AUXILIARY ENTERPRISES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	534,483 (11.00)	
OTHER PERSONAL SRVCS	397,500	
TOTAL PERSONAL SRVC	931,983 (11.00)	
OTHER OPERATING EXP	7,282,527	
TOT AUXILIARY ENTERPRISES	8,214,510 (11.00)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	5,980,320	1,456,126
TOTAL FRINGE BENEFITS	5,980,320	1,456,126
TOTAL EMPLOYEE BENEFITS	5,980,320	1,456,126
LANDER UNIVERSITY		
TOTAL FUNDS AVAILABLE	40,755,061	6,153,545
TOTAL AUTH FTE POSITIONS	(400.91)	(172.70)

SECTION 19
H24-SOUTH CAROLINA STATE UNIVERSITY

	TOTAL FUNDS	GENERAL FUNDS
I. EDUCATION & GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
PRESIDENT	144,911 (1.00)	144,911 (1.00)
CLASSIFIED POSITIONS	9,657,789 (176.10)	2,948,228 (120.30)

H24-SOUTH CAROLINA STATE UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	15,111,737	6,259,429
	(299.47)	(203.12)
OTHER PERSONAL SRVCS	7,049,280	
TOTAL PERSONAL SRVC	31,963,717	9,352,568
	(476.57)	(324.42)
OTHER OPERATING EXP	24,865,552	25,942
SPECIAL ITEMS		
TRANSPORTATION CENTER	1,334,489	
TEACHER TRAINING & DEVELOPMENT	51,506	
TOTAL SPECIAL ITEMS	1,385,995	
TOTAL UNRESTRICTED	58,215,264	9,378,510
	(476.57)	(324.42)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	549,426	
	(.07)	
UNCLASSIFIED POSITIONS	7,048,782	
	(.20)	
OTHER PERSONAL SRVCS	4,676,603	
TOTAL PERSONAL SRVC	12,274,811	
	(.27)	
OTHER OPERATING EXP	46,511,798	
SPECIAL ITEMS		
EIA-TEACHER RECRUITMENT	467,000	
TOTAL SPECIAL ITEMS	467,000	
TOTAL RESTRICTED	59,253,609	
	(.27)	
TOTAL EDUC & GENERAL	117,468,873	9,378,510
	(476.84)	(324.42)
II. AUXILIARY ENTERPRISES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	842,970	
	(81.39)	

H24-SOUTH CAROLINA STATE UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	1,094,336	
TOTAL PERSONAL SRVC	1,937,306	
	(81.39)	
OTHER OPERATING EXP	13,322,914	
TOT AUXILIARY ENTERPRISES	15,260,220	
	(81.39)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	13,327,554	2,920,835
TOTAL FRINGE BENEFITS	13,327,554	2,920,835
TOTAL EMPLOYEE BENEFITS	13,327,554	2,920,835
SC STATE UNIVERSITY		
TOTAL FUNDS AVAILABLE	146,056,647	12,299,345
TOTAL AUTH FTE POSITIONS	(558.23)	(324.42)

SECTION 20A

H27-UNIVERSITY OF SOUTH CAROLINA

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. UNIVERSITY OF SC		
A. USC-NON-MEDICINE:		
UNRESTRICTED E & G		
PERSONAL SERVICE		
PRESIDENT	286,200	286,200
	(1.00)	(1.00)
CLASSIFIED POSITIONS	89,431,643	20,315,342
	(2,188.72)	(1,540.57)
UNCLASSIFIED POSITIONS	158,582,840	51,289,053
	(1,209.89)	(908.81)
OTHER PERSONAL SRVCS	35,520,863	
TOTAL PERSONAL SRVC	283,821,546	71,890,595
	(3,399.61)	(2,450.38)

H27-UNIVERSITY OF SOUTH CAROLINA

	TOTAL FUNDS	GENERAL FUNDS
OTHER OPERATING EXP	200,452,231	2,115,000
SPECIAL ITEMS		
LAW LIBRARY	344,076	344,076
PALMETTO POISON CENTER	251,763	251,763
SMALL BUSINESS DEV CTR	791,734	791,734
TOTAL SPECIAL ITEMS	1,387,573	1,387,573
TOTAL USC-NON-MED:		
UNRESTRICTED	485,661,350	75,393,168
	(3,399.61)	(2,450.38)
B. USC-NON-MEDICINE:		
RESTRICTED E & G		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,163,925	
	(119.09)	
UNCLASSIFIED POSITIONS	33,617,643	
	(223.82)	
OTHER PERSONAL SRVCS	19,453,772	
TOTAL PERSONAL SRVC	56,235,340	
	(342.91)	
OTHER OPERATING EXP	163,713,051	
SPECIAL ITEMS		
EIA-SCHOOL IMPROVEMENT		
COUNCIL PROJECT	127,303	
TOTAL SPECIAL ITEMS	127,303	
TOT USC-NON-MED: RESTRICT	220,075,694	
	(342.91)	
C. USC-NON-MEDICINE:		
AUXILIARY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	12,833,515	
	(213.08)	
UNCLASSIFIED POSITIONS	13,137,961	
	(106.00)	
OTHER PERSONAL SRVCS	10,692,182	

H27-UNIVERSITY OF SOUTH CAROLINA

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	36,663,658	
	(319.08)	
OTHER OPERATING EXP	67,989,879	
TOT USC-NON-MED: AUX	104,653,537	
	(319.08)	
II. USC-MEDICINE		
A. USC-MEDICINE:		
UNRESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	5,871,677	1,244,330
	(220.55)	(86.70)
UNCLASSIFIED POSITIONS	12,458,230	9,331,476
	(182.13)	(127.30)
OTHER PERSONAL SRVCS	1,015,541	
TOTAL PERSONAL SRVC	19,345,448	10,575,806
	(402.68)	(214.00)
OTHER OPERATING EXP	10,592,526	
TOTAL USC-MEDICINE:		
UNRESTRICTED	29,937,974	10,575,806
	(402.68)	(214.00)
B. USC-MEDICINE: RESTRICT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,316,700	
	(201.58)	
UNCLASSIFIED POSITIONS	13,679,419	
	(139.84)	
OTHER PERSONAL SRVCS	1,467,010	
TOTAL PERSONAL SRVC	17,463,129	
	(341.42)	
OTHER OPERATING EXP	11,506,490	
TOTAL USC-		
MEDICINE:RESTRICTED	28,969,619	
	(341.42)	

STATUTES AT LARGE
General and Permanent Laws--2013
H27-UNIVERSITY OF SOUTH CAROLINA

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
C. USC-MEDICINE:		
EMPLOYEE BENEFITS		
EMPLOYER CONTRIB	10,529,825	2,739,216
TOTAL FRINGE BENEFITS	<u>10,529,825</u>	<u>2,739,216</u>
TOTAL EMPLOYEE BENEFITS	<u>10,529,825</u>	<u>2,739,216</u>
TOTAL USC-MEDICINE	879,827,999	88,708,190
	<u>(4,805.70)</u>	<u>(2,664.38)</u>
III. USC GREENVILLE SCHOOL OF MEDICINE		
A. UNRESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	375,000	
	(9.00)	
UNCLASSIFIED POSITIONS	1,200,000	
	<u>(23.00)</u>	
TOTAL PERSONAL SRVC	1,575,000	
	(32.00)	
OTHER OPERATING EXP	14,286,743	
TOTAL UNRESTRICTED	15,861,743	
	<u>(32.00)</u>	
B. GREENVILLE-MEDICINE:		
EMPLOYEE BENEFITS		
EMPLOYER CONTRIB	600,000	
TOTAL FRINGE BENEFITS	<u>600,000</u>	
TOTAL EMPLOYEE BENEFITS	<u>600,000</u>	
TOT USC GREENVILLE SCHOOL OF MEDICINE	16,461,743	
	<u>(32.00)</u>	
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOYER		
CONTRIB		
EMPLOYER CONTRIB	98,463,363	18,211,941

H27-UNIVERSITY OF SOUTH CAROLINA

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL FRINGE BENEFITS	98,463,363	18,211,941
TOTAL EMPLOYEE BENEFITS	98,463,363	18,211,941
UNIV OF SOUTH CAROLINA		
TOTAL FUNDS AVAILABLE	994,753,105	106,920,131
TOTAL AUTH FTE POSITIONS	(4,837.70)	(2,664.38)

SECTION 20B
H29-U S C - AIKEN CAMPUS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	5,621,844	616,844
	(187.80)	(49.06)
UNCLASSIFIED POSITIONS	12,905,748	4,630,748
	(164.42)	(106.82)
OTHER PERSONAL SRVCS	1,300,000	
TOTAL PERSONAL SRVC	19,827,592	5,247,592
	(352.22)	(155.88)
OTHER OPERATING EXP	9,178,739	
TOTAL UNRESTRICTED	29,006,331	5,247,592
	(352.22)	(155.88)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	64,471	
	(5.44)	
UNCLASSIFIED POSITIONS	487,302	
	(8.85)	
OTHER PERSONAL SRVCS	221,877	
TOTAL PERSONAL SRVC	773,650	
	(14.29)	
OTHER OPERATING EXP	15,230,364	

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STATUTES AT LARGE
General and Permanent Laws--2013
H29-U S C - AIKEN CAMPUS

(No. 101)

	TOTAL FUNDS	GENERAL FUNDS
TOTAL RESTRICTED	16,004,014 (14.29)	
TOTAL EDUC & GENERAL	45,010,345 (366.51)	5,247,592 (155.88)
II. AUXILIARY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	524,713 (13.75)	
OTHER PERSONAL SRVCS	200,000	
TOTAL PERSONAL SRVC	724,713 (13.75)	
OTHER OPERATING EXP	4,002,789	
TOTAL AUXILIARY	4,727,502 (13.75)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	5,798,403	1,234,689
TOTAL FRINGE BENEFITS	5,798,403	1,234,689
TOTAL EMPLOYEE BENEFITS	5,798,403	1,234,689
U S C - AIKEN CAMPUS		
TOTAL FUNDS AVAILABLE	55,536,250	6,482,281
TOTAL AUTH FTE POSITIONS	(380.26)	(155.88)

SECTION 20C
H34-U S C - UPSTATE

	TOTAL FUNDS	GENERAL FUNDS
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	9,372,734	1,224,226
	(252.72)	(53.81)
UNCLASSIFIED POSITIONS	21,607,022	6,094,293
	(237.21)	(131.01)
OTHER PERSONAL SRVCS	2,528,044	
TOTAL PERSONAL SRVC	33,507,800	7,318,519
	(489.93)	(184.82)
OTHER OPERATING EXP	18,904,394	
TOTAL UNRESTRICTED	52,412,194	7,318,519
	(489.93)	(184.82)
 B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	69,092	
	(2.54)	
UNCLASSIFIED POSITIONS	507,063	
	(1.53)	
OTHER PERSONAL SRVCS	395,290	
TOTAL PERSONAL SRVC	971,445	
	(4.07)	
OTHER OPERATING EXP	24,943,866	
TOTAL RESTRICTED	25,915,311	
	(4.07)	
TOTAL EDUC & GENERAL	78,327,505	7,318,519
	(494.00)	(184.82)
 II. AUXILIARY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	468,257	
	(12.00)	
OTHER PERSONAL SRVCS	354,480	
TOTAL PERSONAL SRVC	822,737	
	(12.00)	
OTHER OPERATING EXP	3,430,750	

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STATUTES AT LARGE
General and Permanent Laws--2013
H34-U S C - UPSTATE

(No. 101)

	TOTAL FUNDS	GENERAL FUNDS
TOTAL AUXILIARY SRVCS	4,253,487	
	(12.00)	
<hr style="border-top: 1px dashed black;"/>		
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	9,594,307	1,729,800
TOTAL FRINGE BENEFITS	9,594,307	1,729,800
TOTAL EMPLOYEE BENEFITS	9,594,307	1,729,800
<hr style="border-top: 1px dashed black;"/>		
U S C - UPSTATE		
TOTAL FUNDS AVAILABLE	92,175,299	9,048,319
TOTAL AUTH FTE POSITIONS	(506.00)	(184.82)

SECTION 20D
H36-U S C - BEAUFORT CAMPUS

	TOTAL FUNDS	GENERAL FUNDS
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,995,703	212,574
	(77.99)	(3.74)
UNCLASSIFIED POSITIONS	6,850,175	2,133,146
	(71.60)	(17.75)
OTHER PERSONAL SRVCS	1,415,027	
TOTAL PERSONAL SRVC	11,260,905	2,345,720
	(149.59)	(21.49)
OTHER OPERATING EXP	5,939,185	
TOTAL UNRESTRICTED	17,200,090	2,345,720
	(149.59)	(21.49)
<hr style="border-top: 1px dashed black;"/>		
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,532	

OF SOUTH CAROLINA
General and Permanent Laws--2013
H36-U S C - BEAUFORT CAMPUS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	271,918	
	(1.50)	
OTHER PERSONAL SRVCS	77,292	
TOTAL PERSONAL SRVC	351,742	
	(1.50)	
OTHER OPERATING EXP	6,333,157	
TOTAL RESTRICTED	6,684,899	
	(1.50)	
TOTAL EDUC & GENERAL	23,884,989	2,345,720
	(151.09)	(21.49)
II. AUXILIARY SRVCS		
OTHER OPERATING EXP	30,000	
TOTAL AUXILIARY SRVCS	30,000	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	2,937,551	281,894
TOTAL FRINGE BENEFITS	2,937,551	281,894
TOTAL EMPLOYEE BENEFITS	2,937,551	281,894
U S C - BEAUFORT CAMPUS		
TOTAL FUNDS AVAILABLE	26,852,540	2,627,614
TOTAL AUTH FTE POSITIONS	(151.09)	(21.49)

SECTION 20E
H37-U S C - LANCASTER CAMPUS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,838,553	72,564
	(50.28)	(5.41)

STATUTES AT LARGE
General and Permanent Laws--2013
H37-U S C - LANCASTER CAMPUS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	4,517,169	1,171,644
	(46.75)	(21.25)
OTHER PERSONAL SRVCS	1,411,481	
TOTAL PERSONAL SRVC	7,767,203	1,244,208
	(97.03)	(26.66)
OTHER OPERATING EXP	2,288,780	
TOTAL UNRESTRICTED	10,055,983	1,244,208
	(97.03)	(26.66)
 B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	11,376	
UNCLASSIFIED POSITIONS	279,434	
OTHER PERSONAL SRVCS	56,228	
TOTAL PERSONAL SRVC	347,038	
OTHER OPERATING EXP	6,789,933	
TOTAL RESTRICTED	7,136,971	
TOTAL EDUC & GENERAL	17,192,954	1,244,208
	(97.03)	(26.66)
 II. AUXILIARY		
OTHER OPERATING EXP		
OTHER OPERATING EXP	10,000	
TOTAL AUXILIARY	10,000	
 III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	2,213,995	298,240
TOTAL FRINGE BENEFITS	2,213,995	298,240
TOTAL EMPLOYEE BENEFITS	2,213,995	298,240
 U S C - LANCASTER CAMPUS		
TOTAL FUNDS AVAILABLE	19,416,949	1,542,448
TOTAL AUTH FTE POSITIONS	(97.03)	(26.66)

SECTION 20F
H38-U S C - SALKEHATCHIE CAMPUS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	962,604	103,671
	(32.50)	(3.00)
UNCLASSIFIED POSITIONS	2,257,019	870,960
	(24.77)	(21.24)
OTHER PERSONAL SRVCS	721,818	
TOTAL PERSONAL SRVC	3,941,441	974,631
	(57.27)	(24.24)
OTHER OPERATING EXP	2,273,100	
SPECIAL ITEMS		
SALKEHATCHIE LEADERSHIP CENTER		
	100,460	100,460
TOTAL SPECIAL ITEMS	100,460	100,460
TOTAL UNRESTRICTED	6,315,001	1,075,091
	(57.27)	(24.24)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	20,779	
UNCLASSIFIED POSITIONS	175,265	
OTHER PERSONAL SRVCS	112,310	
TOTAL PERSONAL SRVC	308,354	
OTHER OPERATING EXP	5,286,801	
TOTAL RESTRICTED	5,595,155	
TOTAL EDUC & GENERAL	11,910,156	1,075,091
	(57.27)	(24.24)
II. AUXILLIARY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	46,437	
TOTAL PERSONAL SRVC	46,437	
OTHER OPERATING EXP	406,756	

STATUTES AT LARGE
General and Permanent Laws--2013
H38-U S C - SALKEHATCHIE CAMPUS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL AUXILIARY	453,193	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,200,594	234,853
TOTAL FRINGE BENEFITS	1,200,594	234,853
TOTAL EMPLOYEE BENEFITS	1,200,594	234,853
U S C - SALKEHATCHIE CAMPUS		
TOTAL FUNDS AVAILABLE	13,563,943	1,309,944
TOTAL AUTH FTE POSITIONS	(57.27)	(24.24)

SECTION 20G
H39-U S C - SUMTER CAMPUS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SRVC		
CLASSIFIED POSITIONS	1,773,650	399,167
	(66.00)	(27.29)
UNCLASSIFIED POSITIONS	3,301,139	1,555,277
	(45.60)	(29.11)
OTHER PERSONAL SRVCS	417,816	
TOTAL PERSONAL SRVC	5,492,605	1,954,444
	(111.60)	(56.40)
OTHER OPERATING EXP	2,164,898	
TOTAL UNRESTRICTED	7,657,503	1,954,444
	(111.60)	(56.40)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	32,881	
	(1.46)	

	TOTAL FUNDS	GENERAL FUNDS
UNCLASSIFIED POSITIONS	579,988	
	(1.00)	
OTHER PERSONAL SRVCS	272,731	
TOTAL PERSONAL SRVC	885,600	
	(2.46)	
OTHER OPERATING EXP	3,770,653	
TOTAL RESTRICTED	4,656,253	
	(2.46)	
TOTAL EDUC & GENERAL	12,313,756	1,954,444
	(114.06)	(56.40)
 II. AUXILIARY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	67,342	
	(3.00)	
OTHER PERSONAL SRVCS	25,416	
TOTAL PERSONAL SRVC	92,758	
	(3.00)	
OTHER OPERATING EXP	602,089	
TOTAL AUXILIARY SRVCS	694,847	
	(3.00)	
 III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,917,595	495,651
TOTAL FRINGE BENEFITS	1,917,595	495,651
TOTAL EMPLOYEE BENEFITS	1,917,595	495,651
 IV. NON-RECURRING APPRO:		
PARITY FUNDING	78,750	78,750
TOT NON-RECURRING APPRO	78,750	78,750
TOTAL NON-RECURRING	78,750	78,750

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STATUTES AT LARGE
General and Permanent Laws--2013
H39-U S C - SUMTER CAMPUS

(No. 101)

	TOTAL FUNDS	GENERAL FUNDS
U S C - SUMTER CAMPUS		
TOTAL RECURRING BASE	14,926,198	2,450,095
TOTAL FUNDS AVAILABLE	15,004,948	2,528,845
TOTAL AUTH FTE POSITIONS	(117.06)	(56.40)

SECTION 20H
H40-U S C - UNION CAMPUS

	TOTAL FUNDS	GENERAL FUNDS
I. EDUCATION AND GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	611,053	86,286
	(17.75)	(6.54)
UNCLASSIFIED POSITIONS	1,121,788	401,031
	(17.07)	(11.06)
OTHER PERSONAL SRVCS	215,000	
TOTAL PERSONAL SRVC	1,947,841	487,317
	(34.82)	(17.60)
OTHER OPERATING EXP	828,136	
TOTAL UNRESTRICTED	2,775,977	487,317
	(34.82)	(17.60)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	11,416	
UNCLASSIFIED POSITIONS	134,456	
OTHER PERSONAL SRVCS	40,220	
TOTAL PERSONAL SRVC	186,092	
OTHER OPERATING EXP	2,818,820	
TOTAL RESTRICTED	3,004,912	
TOTAL EDUC & GENERAL	5,780,889	487,317
	(34.82)	(17.60)

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General and Permanent Laws--2013
H40-U S C - UNION CAMPUS

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	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
II. AUXILIARY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	41,472	
OTHER PERSONAL SRVCS	10,667	
	<hr/>	
TOTAL PERSONAL SRVC	52,139	
OTHER OPERATING EXP	210,000	
	<hr/>	
TOTAL AUXILIARY SRVCS	262,139	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	647,016	113,414
	<hr/>	<hr/>
TOTAL FRINGE BENEFITS	647,016	113,414
	<hr/>	<hr/>
TOTAL EMPLOYEE BENEFITS	647,016	113,414
	<hr/>	<hr/>
U S C - UNION CAMPUS		
TOTAL FUNDS AVAILABLE	6,690,044	600,731
TOTAL AUTH FTE POSITIONS	(34.82)	(17.60)
	<hr/>	<hr/>
TOT UNIVERSITY OF SC	1,223,993,078	131,060,313
	<hr/>	<hr/>
TOTAL AUTH FTE POSITIONS	(6,181.23)	(3,151.47)
	<hr/>	<hr/>

SECTION 21
H47-WINTHROP UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. EDUCATION & GENERAL		
PERSONAL SERVICE		
PRESIDENT	169,970	169,970
	(1.00)	(1.00)
CLASSIFIED POSITIONS	15,773,508	4,173,508
	(347.67)	(215.73)

STATUTES AT LARGE
General and Permanent Laws--2013
H47-WINTHROP UNIVERSITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
NEW POSITIONS		
UNCLASSIFIED POSITIONS	25,929,885	6,422,385
	(385.25)	(226.23)
NEW POSITIONS		
OTHER PERSONAL SRVCS	7,840,000	
TOTAL PERSONAL SRVC	49,713,363	10,765,863
	(733.92)	(442.96)
OTHER OPERATING EXP	71,535,000	
SPECIAL ITEMS		
ALLOC EIA - TCHR RECRUIT	3,968,320	
TOTAL SPECIAL ITEMS	3,968,320	
TOTAL EDUC & GENERAL	125,216,683	10,765,863
	(733.92)	(442.96)
 II. AUXILIARY ENTERPRISES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,074,000	
	(59.11)	
UNCLASSIFIED POSITIONS	335,500	
	(3.00)	
OTHER PERSONAL SRVCS	640,500	
TOTAL PERSONAL SRVC	3,050,000	
	(62.11)	
OTHER OPERATING EXP	8,145,000	
TOTAL AUXILIARY	11,195,000	
	(62.11)	
 III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	14,559,423	2,714,423
TOTAL FRINGE BENEFITS	14,559,423	2,714,423
TOTAL EMPLOYEE BENEFITS	14,559,423	2,714,423

	TOTAL FUNDS	GENERAL FUNDS
WINTHROP UNIVERSITY		
TOTAL FUNDS AVAILABLE	150,971,106	13,480,286
TOTAL AUTH FTE POSITIONS	(796.03)	(442.96)

SECTION 23

H51-MEDICAL UNIVERSITY OF SOUTH CAROLINA

	TOTAL FUNDS	GENERAL FUNDS
I. EDUCATIONAL & GENERAL		
A. UNRESTRICTED		
PERSONAL SERVICE		
PRESIDENT	250,629	250,629
	(1.00)	(1.00)
CLASSIFIED POSITIONS	55,646,205	17,043,521
	(1,545.85)	(789.76)
UNCLASSIFIED POSITIONS	92,141,791	23,703,322
	(994.82)	(328.93)
OTHER PERSONAL SRVCS	11,048,639	
TOTAL PERSONAL SRVC	159,087,264	40,997,472
	(2,541.67)	(1,119.69)
OTHER OPERATING EXP	258,301,793	
SPECIAL ITEMS		
DIABETES CENTER	123,470	123,470
RURAL DENTISTS INCENTIVE	176,101	176,101
HYPERTENSION INITIATIVE	240,433	240,433
HOSPITAL AUTHORITY		
-TELEMEDICINE PROGRAM	12,000,000	4,000,000
SCHOLARSHIPS & FELLOWSHIPS	1,356,224	
TOTAL SPECIAL ITEMS	13,896,228	4,540,004
TOTAL UNRESTRICTED	431,285,285	45,537,476
	(2,541.67)	(1,119.69)
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	20,863,316	
	(117.59)	

H51-MEDICAL UNIVERSITY OF SOUTH CAROLINA

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	56,989,184	
	(312.16)	
OTHER PERSONAL SRVCS	24,547,232	
TOTAL PERSONAL SRVC	102,399,732	
	(429.75)	
OTHER OPERATING EXP	70,417,774	
SPECIAL ITEMS		
SCHOLARSHIPS & FELLOWSHIPS	1,353,905	
TOTAL SPECIAL ITEMS	1,353,905	
TOTAL RESTRICTED	174,171,411	
	(429.75)	
TOTAL EDUC & GENERAL	605,456,696	45,537,476
	(2,971.42)	(1,119.69)
II. AUXILIARY ENTERPRISES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,115,989	
	(64.75)	
UNCLASSIFIED POSITIONS		
	(1.00)	
OTHER PERSONAL SRVCS	112,294	
TOTAL PERSONAL SRVC	1,228,283	
	(65.75)	
OTHER OPERATING EXP	10,219,568	
TOT AUXILIARY ENTERPRISES	11,447,851	
	(65.75)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	46,424,120	12,706,675
TOTAL FRINGE BENEFITS	46,424,120	12,706,675
TOTAL EMPLOYEE BENEFITS	46,424,120	12,706,675

H51-MEDICAL UNIVERSITY OF SOUTH CAROLINA

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
MEDICAL UNIVERSITY OF SC		
TOTAL FUNDS AVAILABLE	663,328,667	58,244,151
TOTAL AUTH FTE POSITIONS	<u>(3,037.17)</u>	<u>(1,119.69)</u>

SECTION 24

H53-AREA HEALTH EDUCATION CONSORTIUM

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. CONSORTIUM		
A. GENERAL		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	789,491	653,510
	(7.67)	(7.39)
UNCLASSIFIED POSITIONS	1,353,159	1,124,848
	(5.87)	(5.35)
OTHER PERSONAL SRVCS	<u>176,069</u>	<u>165,553</u>
TOTAL PERSONAL SRVC	2,318,719	1,943,911
	(13.54)	(12.74)
OTHER OPERATING EXP	3,850,668	1,700,275
SPECIAL ITEMS		
RURAL PHYSICIANS PROG	500,000	500,000
NURSING RECRUITMENT	20,000	20,000
HLTH PROFESSIONS RURAL		
INFRASTRUCTURE PR	<u>400,000</u>	<u>400,000</u>
TOTAL SPECIAL ITEMS	<u>920,000</u>	<u>920,000</u>
TOT CONSORTIUM-GENERAL	<u>7,089,387</u>	<u>4,564,186</u>
	<u>(13.54)</u>	<u>(12.74)</u>
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	39,740	6,740
	(.40)	
UNCLASSIFIED POSITIONS	<u>134,631</u>	<u>44,831</u>
	<u>(1.35)</u>	

H53-AREA HEALTH EDUCATION CONSORTIUM

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	174,371	51,571
	(1.75)	
OTHER OPERATING EXP	694,100	
TOT CONSORTIUM-RESTRICT	868,471	51,571
	(1.75)	
TOTAL CONSORTIUM	7,957,858	4,615,757
	(15.29)	(12.74)
 II. FAMILY PRACTICE		
PERSONAL SRVC		
CLASSIFIED POSITIONS	251,863	251,863
	(2.77)	(2.77)
UNCLASSIFIED POSITIONS	1,675,399	1,675,399
	(8.26)	(8.26)
TOTAL PERSONAL SRVC	1,927,262	1,927,262
	(11.03)	(11.03)
OTHER OPERATING EXP	2,193,756	1,992,085
TOTAL FAMILY PRACTICE	4,121,018	3,919,347
	(11.03)	(11.03)
 III. GRADUATE DOCTOR		
OTHER OPERATING EXP	82,055	
TOT GRAD DOCTOR EDUC	82,055	
 IV. EMPLOYEE BENEFITS		
STATE EMPLOYER CONTRIB		
EMPLOYER CONTRIB	1,080,920	1,053,120
TOTAL FRINGE BENEFITS	1,080,920	1,053,120
TOTAL EMPLOYEE BENEFITS	1,080,920	1,053,120
 AREA HEALTH		
EDUCATION CONSORTIUM		
TOTAL FUNDS AVAILABLE	13,241,851	9,588,224
TOTAL AUTH FTE POSITIONS	(26.32)	(23.77)

H53-AREA HEALTH EDUCATION CONSORTIUM

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT MEDICAL UNIV OF SC	<u>676,570,518</u>	<u>67,832,375</u>
TOTAL AUTH FTE POSITIONS	<u>(3,063.49)</u>	<u>(1,143.46)</u>

SECTION 25

H59-TECHNICAL & COMPREHENSIVE EDUCATION BD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
A. PRESIDENT'S OFFICE		
PERSONAL SERVICE		
EXEC DIRECTOR	174,153	174,153
	(1.00)	(1.00)
CLASSIFIED POSITIONS	537,469	537,469
	(11.00)	(11.00)
OTHER PERSONAL SRVCS	<u>108,750</u>	<u>108,750</u>
TOTAL PERSONAL SRVC	820,372	820,372
	(12.00)	(12.00)
OTHER OPERATING EXP	<u>120,000</u>	<u>120,000</u>
TOTAL PRESIDENT'S OFF	940,372	940,372
	<u>(12.00)</u>	<u>(12.00)</u>
B. FINANCE & HUMAN RESOUR		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	646,932	646,932
	(18.00)	(18.00)
UNCLASSIFIED POSITIONS	242,958	242,958
	(2.00)	(2.00)
OTHER PERSONAL SRVCS	<u>76,110</u>	<u>76,110</u>
TOTAL PERSONAL SRVC	966,000	966,000
	(20.00)	(20.00)
OTHER OPERATING EXP	<u>1,179,128</u>	<u>704,128</u>
TOT FIN & HUMAN RESOUR	2,145,128	1,670,128
	<u>(20.00)</u>	<u>(20.00)</u>

H59-TECHNICAL & COMPREHENSIVE EDUCATION BD

	TOTAL FUNDS	GENERAL FUNDS
C. INFO TECHNOLOGY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	611,978	561,978
	(16.00)	(15.00)
UNCLASSIFIED POSITIONS	138,981	138,981
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	70,350	70,350
TOTAL PERSONAL SRVC	821,309	771,309
	(17.00)	(16.00)
OTHER OPERATING EXP	1,773,983	337,983
TOTAL INFO TECHNOLOGY	2,595,292	1,109,292
	(17.00)	(16.00)
TOTAL ADMINISTRATION	5,680,792	3,719,792
	(49.00)	(48.00)
II. INSTRUCTIONAL PROG		
A. TECHNICAL COLLEGES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	129,978,738	25,806,792
	(2,474.41)	(1,714.67)
NEW POSITIONS ADDED BY THE BUDGET & CONTROL BOARD		
<i>BUILDING / GROUNDS SPECIALIST I</i>	(25.00)	
<i>PROCUREMENT SPECIALIST II</i>	(1.00)	
<i>DATA COORDINATOR I</i>	(1.00)	
<i>STUDENT SVCS PROG COORD I</i>	(4.00)	
<i>STUDENT SRVCS PROG COORD II</i>	(6.00)	
<i>ADMINISTRATIVE SPEC II</i>	(4.00)	
<i>INFO RESOURCE CONSULTANT I</i>	(1.00)	
<i>PUBLIC INFO DIRECTOR I</i>	(1.00)	

H59-TECHNICAL & COMPREHENSIVE EDUCATION BD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
<i>LAB TECHNICIAN I</i>		
	(1.00)	
<i>LAB TECHNICIAN III</i>		
	(1.00)	
<i>PROGRAM ASSISTANT</i>		
	(2.00)	
<i>LIBRARIAN</i>		
	(1.00)	
<i>ALUMNI/DEVELOPMENT MGR I</i>		
	(1.00)	
<i>ASSOCIATE ENGINEER II</i>		
	(1.00)	
UNCLASSIFIED POSITIONS	166,037,580	34,451,964
	(1,854.48)	(1,395.69)
<i>INSTRUCTOR</i>		
	(19.50)	
OTHER PERSONAL SRVCS	47,637,160	9,258,022
TOTAL PERSONAL SRVC	343,653,478	69,516,778
	(4,398.39)	(3,110.36)
OTHER OPERATING EXP	186,840,225	175,000
SPECIAL ITEMS		
CRITICAL NEEDS NURSING	322,512	322,512
SPARTANBURG - CHEROKEE		
EXPANSION	906,816	906,816
MIDLANDS TECH NURS PROG	370,943	370,943
FLORENCE DARLINGTON-OPER	302,271	302,271
FLORENCE DARLINGTON SIMT	906,817	906,817
TRIDENT TC-CULINARY ARTS	468,522	468,522
TOTAL SPECIAL ITEMS	3,277,881	3,277,881
TOT TECHNICAL COLLEGES	533,771,584	72,969,659
	(4,398.39)	(3,110.36)
 B. SYSTEM WIDE PROGRAMS AND INITIATIVES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	362,677	317,677
	(17.00)	(16.00)

H59-TECHNICAL & COMPREHENSIVE EDUCATION BD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	124,959	124,959
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	91,691	
TOTAL PERSONAL SRVC	579,327	442,636
	(18.00)	(17.00)
OTHER OPERATING EXP	524,205	45,000
SPECIAL ITEMS		
PATHWAYS TO PROSPERITY	604,545	604,545
TOTAL SPECIAL ITEMS	604,545	604,545
TOTAL SYSTEM WIDE		
PROGRAM INITIATIVES	1,708,077	1,092,181
	(18.00)	(17.00)
C. EMPLOYEE BENEFITS		
(INSTRUCTIONAL)		
EMPLOYER CONTRIB	105,503,508	31,121,681
TOTAL FRINGE BENEFITS	105,503,508	31,121,681
TOT EMPLOYEE BENEFITS		
FORMULA FUNDING	105,503,508	31,121,681
TOT INSTRUCTIONAL PROG	640,983,169	105,183,521
	(4,416.39)	(3,127.36)
III. ECONOMIC DEVELOPMENT		
A. ADMINISTRATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,636,706	1,636,706
	(41.00)	(41.00)
UNCLASSIFIED POSITIONS	117,106	117,106
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	25,000	25,000
TOTAL PERSONAL SRVC	1,778,812	1,778,812
	(42.00)	(42.00)
OTHER OPERATING EXP	425,000	425,000
TOTAL ADMINISTRATION	2,203,812	2,203,812
	(42.00)	(42.00)

H59-TECHNICAL & COMPREHENSIVE EDUCATION BD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
B. SPECIAL SCHLS TRAINING		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	1,499,184	1,499,184
TOTAL PERSONAL SRVC	1,499,184	1,499,184
SPECIAL ITEMS		
OTHER DIRECT TRAIN COSTS	5,779,253	5,779,253
TOTAL SPECIAL ITEMS	5,779,253	5,779,253
TOT SPECIAL SCHL TRAINING	<u>7,278,437</u>	<u>7,278,437</u>
TOT ECONOMIC DEVELOP	9,482,249	9,482,249
	(42.00)	(42.00)
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,552,786	1,509,682
TOTAL FRINGE BENEFITS	<u>1,552,786</u>	<u>1,509,682</u>
TOTAL EMPLOYEE BENEFITS	<u>1,552,786</u>	<u>1,509,682</u>
TECH & COMPREHENSIVE EDUCATION BOARD		
TOTAL FUNDS AVAILABLE	657,698,996	119,895,244
TOTAL AUTH FTE POSITIONS	<u>(4,507.39)</u>	<u>(3,217.36)</u>

SECTION 26**H79-DEPARTMENT OF ARCHIVES AND HISTORY**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMIN & PLANNING		
PERSONAL SERVICE		
DIRECTOR	90,950	90,950
	(1.00)	(1.00)
CLASSIFIED POSITIONS	168,241	168,241
	(4.00)	(4.00)
OTHER PERSONAL SRVCS	<u>64,000</u>	

H79-DEPARTMENT OF ARCHIVES AND HISTORY

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	323,191	259,191
	(5.00)	(5.00)
OTHER OPERATING EXP	762,398	613,488
TOTAL ADMIN & PLANNING	1,085,589	872,679
	(5.00)	(5.00)
 III. ARCH & RECORDS MGMT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	851,087	828,087
	(27.00)	(27.00)
OTHER PERSONAL SRVCS	55,100	
TOTAL PERSONAL SRVC	906,187	828,087
	(27.00)	(27.00)
OTHER OPERATING EXP	496,000	
TOT ARCHIVES & RECORDS MANAGEMENT	1,402,187	828,087
	(27.00)	(27.00)
 IV. HISTORICAL SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	380,000	
	(8.00)	
OTHER PERSONAL SRVCS	37,075	
TOTAL PERSONAL SRVC	417,075	
	(8.00)	
OTHER OPERATING EXP	146,420	
SPECIAL ITEMS:		
STATE HISTORIC GRANT FUND	415,000	
AFRICAN AMERICAN HERITAGE HISTORY COMMISS	25,000	25,000
TOTAL SPECIAL ITEMS	440,000	25,000
DISTRIBUTION TO SUBDIV:		
ALLOC MUN-RESTRICTED	50,000	
ALLOC OTHER STATE AGENCIES	50,000	
ALLOC-PRIVATE SECTOR	40,000	
TOTAL DIST SUBDIV	140,000	

H79-DEPARTMENT OF ARCHIVES AND HISTORY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL HISTORICAL SRVCS	1,143,495 (8.00)	25,000
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	871,014	584,778
TOTAL FRINGE BENEFITS	871,014	584,778
TOTAL EMPLOYEE BENEFITS	871,014	584,778
DEPT OF ARCHIVES AND HISTORY		
TOTAL FUNDS AVAILABLE	4,502,285	2,310,544
TOTAL AUTH FTE POSITIONS	(40.00)	(32.00)

SECTION 27
H87-STATE LIBRARY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	89,555 (1.00)	89,555 (1.00)
CLASSIFIED POSITIONS	285,785 (8.00)	285,785 (8.00)
OTHER PERSONAL SRVCS	2,302	2,302
TOTAL PERSONAL SRVC	377,642 (9.00)	377,642 (9.00)
OTHER OPERATING EXP	743,547	729,547
TOTAL ADMINISTRATION	1,121,189 (9.00)	1,107,189 (9.00)
II. TALKING BOOK SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	300,699 (11.00)	

STATUTES AT LARGE
General and Permanent Laws--2013
H87-STATE LIBRARY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	300,699	
	(11.00)	
OTHER OPERATING EXP	<u>105,397</u>	
TOT TALKING BOOK SRVCS	406,096	
	<u>(11.00)</u>	
 III. INNOVATION AND TECH		
PERSONAL SRVC		
CLASSIFIED POSITIONS	325,039	71,088
	(13.00)	(5.00)
TOTAL PERSONAL SRVC	<u>325,039</u>	<u>71,088</u>
	(13.00)	(5.00)
OTHER OPERATING EXP	1,274,544	76,311
DISTRIBUTION TO SUBDIV		
DISCUS PROG (H87)	<u>1,960,095</u>	<u>1,960,095</u>
TOTAL DIST SUBDIV	<u>1,960,095</u>	<u>1,960,095</u>
TOT INNOVATION & TECH	3,559,678	2,107,494
	<u>(13.00)</u>	<u>(5.00)</u>
 IV. LIBRARY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	509,719	369,359
	(14.00)	(9.00)
TOTAL PERSONAL SRVC	<u>509,719</u>	<u>369,359</u>
	(14.00)	(9.00)
OTHER OPERATING EXP	621,885	117,958
DISTRIBUTION TO SUBDIV		
ALLOC CNTY LIBRARIES	100,000	
ALLOC-PRIVATE SECTOR	50,000	
AID CNTY-LIBRARIES	5,365,581	5,365,581
ALLOC OTHER ST AGENCIES	<u>50,000</u>	
TOTAL DIST SUBDIV	<u>5,565,581</u>	<u>5,365,581</u>
TOTAL LIBRARY SRVCS	6,697,185	5,852,898
	<u>(14.00)</u>	<u>(9.00)</u>

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	458,764	257,185
TOTAL FRINGE BENEFITS	<u>458,764</u>	<u>257,185</u>
TOTAL EMPLOYEE BENEFITS	<u>458,764</u>	<u>257,185</u>
STATE LIBRARY		
TOTAL FUNDS AVAILABLE	12,242,912	9,324,766
TOTAL AUTH FTE POSITIONS	<u>(47.00)</u>	<u>(23.00)</u>

SECTION 28
H91-ARTS COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	98,080	52,248
	(1.00)	(.50)
TOTAL PERSONAL SRVC	<u>98,080</u>	<u>52,248</u>
	<u>(1.00)</u>	<u>(.50)</u>
TOTAL ADMINISTRATION	<u>98,080</u>	<u>52,248</u>
	<u>(1.00)</u>	<u>(.50)</u>
II. STATEWIDE ARTS SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	832,397	310,081
	(22.50)	(14.50)
TOTAL PERSONAL SRVC	832,397	310,081
	(22.50)	(14.50)
** OTHER OPERATING EXP	417,750	102,142
DIST TO SUBDIV		
DISTRIBUTION TO SUBDIV	<u>2,821,693</u>	<u>2,356,318</u>

** See note at end of Act.

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STATUTES AT LARGE
General and Permanent Laws--2013
H91-ARTS COMMISSION

(No. 101)

	TOTAL FUNDS	GENERAL FUNDS
TOTAL DIST SUBDIV	2,821,693	2,356,318
TOT STATEWIDE ARTS SRVC	4,071,840	2,768,541
	(22.50)	(14.50)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	299,631	139,414
TOTAL FRINGE BENEFITS	299,631	139,414
TOTAL EMPLOYEE BENEFITS	299,631	139,414
ARTS COMMISSION		
TOTAL FUNDS AVAILABLE	4,469,551	2,960,203
TOTAL AUTH FTE POSITIONS	(23.50)	(15.00)

SECTION 29
H95-STATE MUSEUM COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
A. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	98,315	98,315
	(1.00)	(1.00)
CLASSIFIED POSITIONS	155,826	155,130
	(6.00)	(6.00)
OTHER PERSONAL SRVCS	22,715	
TOTAL PERSONAL SRVC	276,856	253,445
	(7.00)	(7.00)
OTHER OPERATING EXP	2,175,175	1,533,831
TOTAL ADMINISTRATION	2,452,031	1,787,276
	(7.00)	(7.00)
B. GUEST SRVCS		
PERSONAL SERVICE		

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General and Permanent Laws--2013
H95-STATE MUSEUM COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	91,112	
	(3.00)	
OTHER PERSONAL SRVCS	82,500	
TOTAL PERSONAL SRVC	173,612	
	(3.00)	
OTHER OPERATING EXP	807,700	
TOTAL GUEST SRVCS	981,312	
	(3.00)	
	3,433,343	1,787,276
	(10.00)	(7.00)
 II. PROGRAMS		
A. COLLECTIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	390,172	190,376
	(5.00)	(5.00)
OTHER PERSONAL SRVCS	208,395	
TOTAL PERSONAL SRVC	598,567	190,376
	(5.00)	(5.00)
OTHER OPERATING EXP	333,250	
TOTAL COLLECTIONS	931,817	190,376
	(5.00)	(5.00)
 B. EXHIBITS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	257,831	257,831
	(12.00)	(12.00)
TOTAL PERSONAL SRVC	257,831	257,831
	(12.00)	(12.00)
TOTAL PERSONAL SRVC		
TOTAL EXHIBITS	257,831	257,831
	(12.00)	(12.00)
 C. EDUCATION		
PERSONAL SERVICE		

STATUTES AT LARGE
General and Permanent Laws--2013
H95-STATE MUSEUM COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	133,304	133,304
	(3.00)	(3.00)
TOTAL PERSONAL SRVC	133,304	133,304
	(3.00)	(3.00)
TOTAL PERSONAL SRVC		
TOTAL EDUCATION	133,304	133,304
	(3.00)	(3.00)
D. PROG AND EVENTS		
PERSONAL SRVC		
CLASSIFIED POSITIONS	113,914	113,914
	(5.00)	(5.00)
TOTAL PERSONAL SRVC	113,914	113,914
	(5.00)	(5.00)
TOTAL PERSONAL SRVC		
TOTAL PROG AND EVENTS	113,914	113,914
	(5.00)	(5.00)
E. PUBLIC INFO & MARKET		
PERSONAL SERVICE		
**CLASSIFIED POSITIONS	89,153	89,153
TOTAL PERSONAL SRVC	89,153	89,153
TOT PUBLIC INFO & MARKET	89,153	89,153
TOTAL PROGRAMS	1,526,019	784,578
	(25.00)	(25.00)
TOT STATEWIDE ARTS SRVCS		
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	516,656	343,664
TOTAL FRINGE BENEFITS	516,656	343,664
TOTAL EMPLOYEE BENEFITS	516,656	343,664

** See note at end of Act.

OF SOUTH CAROLINA
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H95-STATE MUSEUM COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
STATE MUSEUM COMMISSION		
TOTAL FUNDS AVAILABLE	5,476,018	2,915,518
TOTAL AUTH FTE POSITIONS	<u>(35.00)</u>	<u>(32.00)</u>

SECTION 32
H73-VOCATIONAL REHABILITATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
COMMISSIONER/S	126,009	126,009
	(1.00)	(1.00)
CLASSIFIED POSITIONS	3,347,619	1,111,639
	(69.00)	(15.80)
UNCLASSIFIED POSITIONS	99,783	13,606
	(1.00)	(.24)
OTHER PERSONAL SRVCS	<u>562,361</u>	
TOTAL PERSONAL SRVC	4,135,772	1,251,254
	(71.00)	(17.04)
OTHER OPERATING EXP	<u>2,250,000</u>	
TOTAL ADMINISTRATION	<u>6,385,772</u>	<u>1,251,254</u>
	<u>(71.00)</u>	<u>(17.04)</u>
II. VOC REHAB PROG		
A. BASIC SRVC PROGRAM		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	32,003,352	7,841,519
	(770.76)	(171.43)
OTHER PERSONAL SRVCS	<u>2,500,000</u>	
TOTAL PERSONAL SRVC	34,503,352	7,841,519
	(770.76)	(171.43)
OTHER OPERATING EXP	11,801,404	
CASE SRVCS		
CASE SRVCS	<u>10,055,741</u>	<u>1,000,000</u>

STATUTES AT LARGE
General and Permanent Laws--2013
H73-VOCATIONAL REHABILITATION

	TOTAL FUNDS	GENERAL FUNDS
TOT CASE SRVC/PUB ASST	10,055,741	1,000,000
TOT BASIC SRVC PROG	56,360,497	8,841,519
	(770.76)	(171.43)
<hr/>		
B. SPECIAL PROJECTS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	360,615	
	(27.00)	
OTHER PERSONAL SRVCS	1,823,000	
<hr/>		
TOTAL PERSONAL SRVC	2,183,615	
	(27.00)	
OTHER OPERATING EXP	908,672	66,557
CASE SRVCS		
CASE SRVCS		
	636,484	
<hr/>		
TOTAL CASE SRVC/PUB ASST	636,484	
TOTAL SPECIAL PROJECTS	3,728,771	66,557
	(27.00)	
<hr/>		
C. WORKSHOP PRODUCTION		
OTHER OPERATING EXP		
OTHER OPERATING EXP		
	21,000,000	
<hr/>		
TOT WORKSHOP PRODUCT	21,000,000	
<hr/>		
TOT VOC REHAB PROG	81,089,268	8,908,076
	(797.76)	(171.43)
<hr/>		
III. DISAB DETERMINATION		
SERV		
PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	22,050,000	
	(385.51)	
OTHER PERSONAL SRVCS	2,025,000	
<hr/>		
TOTAL PERSONAL SRVC	24,075,000	
	(385.51)	
OTHER OPERATING EXP	5,814,284	
CASE SRVCS		
CASE SRVCS		
	15,796,913	
<hr/>		

OF SOUTH CAROLINA
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H73-VOCATIONAL REHABILITATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT CASE SRVC/PUB ASST	15,796,913	
TOT DISABILITY DETERMINATION DIV	45,686,197 (385.51)	
IV. EMPLOYEE BENEFITS C. STATE EMPLOY CONTRIB EMPLOYER CONTRIB	21,050,500	3,552,182
TOTAL FRINGE BENEFITS	21,050,500	3,552,182
TOTAL EMPLOYEE BENEFITS	21,050,500	3,552,182
VOCATIONAL REHABILITAT		
TOTAL FUNDS AVAILABLE	154,211,737	13,711,512
TOTAL AUTH FTE POSITIONS	(1,254.27)	(188.47)

SECTION 33

J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION PERSONAL SERVICE EXECUTIVE DIRECTOR	154,879 (1.00)	61,721 (.40)
CLASSIFIED POSITIONS	7,427,866 (112.00)	2,915,308 (53.32)
UNCLASSIFIED POSITIONS	353,297 (5.00)	151,144 (1.84)
TOTAL PERSONAL SRVC	7,936,042 (118.00)	3,128,173 (55.56)
OTHER OPERATING EXP	9,508,376	2,578,146
TOTAL ADMINISTRATION	17,444,418 (118.00)	5,706,319 (55.56)

J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

	TOTAL FUNDS	GENERAL FUNDS
II. PROGRAM AND SRVCS		
A. HEALTH SERVICES		
1. MEDICAL ADMIN PERSONAL SERVICE		
CLASSIFIED POSITIONS	20,970,141	6,865,652
	(469.11)	(171.18)
OTHER PERSONAL SRVCS	764,282	
TOTAL PERSONAL SRVC	21,734,423	6,865,652
	(469.11)	(171.18)
OTHER OPERATING EXP	15,340,940	1,258,062
TOTAL MEDICAL ADMIN	37,075,363	8,123,714
	(469.11)	(171.18)
2. MEDICAL CONTRACTS		
OTHER OPERATING EXP		
A. PROVIDER SUPPORT	41,751,154	6,187,690
B. NURS HOME CONTRACTS	5,130,502	298,502
C. CLTC CONTRACTS	2,969,293	632,910
D. ELIGIBILITY CONTRACTS	31,797,803	4,520,000
E. MMIS-MED MGMT INFO	93,966,065	18,852,816
TOTAL MEDICAL CONTRACTS	175,614,817	30,491,918
3. MEDICAL ASSIST PAYMENT CASE SRVCS		
A. HOSPITAL SRVCS	717,588,840	139,894,804
B. NURSING HOME SRVCS	566,082,607	149,234,551
D. PHARMACEUTICAL SRVCS	207,504,803	22,593,171
E. PHYSICIAN SRVCS	215,045,913	42,965,427
F. DENTAL SRVCS	108,718,650	18,384,366
G. CLTC-COMMUNITY LONG-TERM CARE	175,719,588	41,894,406
I. HOME HEALTH SRVCS	7,279,544	1,457,396
J. EPSDT SRVCS	11,221,979	3,233,166
K. MEDICAL PROFESS SRVCS	40,127,635	11,931,726
L. TRANSPORTATION SRVCS	71,285,456	11,651,782
M. LAB & X-RAY SRVCS	27,606,007	6,560,072
N. FAMILY PLANNING	23,604,665	1,925,602
O. PREMIUMS MATCHED	193,123,041	44,635,213

J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
P. PREMIUMS 100% STATE	17,900,000	14,810,953
Q. HOSPICE	12,603,013	2,886,419
R. OPTIONAL ST SUPPLEMENT	23,843,357	13,881,053
S. INTEGRAT PERSONAL CARE	1,270,818	1,270,818
T. CLINICAL SRVCS	70,883,609	16,988,501
U. DURABLE MED EQUIP	35,676,910	9,856,728
V. COORDINATED CARE	2,156,884,310	378,530,331
W. PACE	12,275,306	3,426,160
X. CHILD COMMUNITY CARE	11,947,674	
Y. MMA PHASED DOWN CONTR	82,300,000	80,722,176
Z. BEHAVIORAL HLTH SRVCS	19,298,042	
TOT CASE SRVC/PUB ASST	<u>4,809,791,767</u>	<u>1,018,734,821</u>
TOT MEDICAL ASSISTANCE PAYMENT	<u>4,809,791,767</u>	<u>1,018,734,821</u>
4. ASSISTANCE PAYMENTS-STATE AGENCIES		
A. MENTAL HEALTH	154,400,000	
B. DISABILITIES & SPEC NDS	562,521,328	
C. DHEC	17,192,275	
D. MUSC	36,387,256	
E. USC	3,704,711	
G. CONTINUUM OF CARE	20,434,175	
H. SCHL FOR DEAF & BLIND	4,003,210	
I. SOCIAL SERVICES	16,210,670	
J. JUVENILE JUSTICE	5,558,355	
K. DEPT OF EDUCATION	50,433,725	
M. WIL LOU GRAYOPPOR SCHL	34,650	
N. DEPT OF CORRECTIONS	4,016,069	
P. SC STATE HOUSING AUTH	345,000	
Q. SC FIRST STEPS	700,000	
TOT CASE SRVC/PUB ASST	<u>875,941,424</u>	
TOT ASSIST PAYMENTS - STATE AGENCIES	<u>875,941,424</u>	
5. EMOTIONALLY DISTURBED CHILDREN CASE SRVCS		
	<u>36,229,166</u>	

J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

	TOTAL FUNDS	GENERAL FUNDS
TOT CASE SRVC/PUB ASST	36,229,166	
TOT EMOTIONALLY DISTURBED CHILDREN	36,229,166	
6. OTHER ENTITIES ASSIST PAYMENTS		
B. MUSC-MAXILLOFACIAL PROSTHODONTICS		
	225,086	225,086
C. OTHER ENTITIES FUNDING		
	11,267,559	
F. DISPROPORTIONATE SHARE		
	480,128,621	18,628,621
TOTAL CASE SRVC/PUB ASST	491,621,266	18,853,707
TOTAL OTHER ENTITIES ASSISTANCE PAYMENTS	491,621,266	18,853,707
7. MEDICAID ELIGIBILITY PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	16,238,632	6,007,773
	(472.89)	(188.51)
OTHER PERSONAL SRVCS		
	2,700,296	198,594
TOTAL PERSONAL SRVC		
	18,938,928	6,206,367
	(472.89)	(188.51)
OTHER OPERATING EXP		
	3,697,323	1,046,041
TOT MEDICAID ELIGIBILITY		
	22,636,251	7,252,408
	(472.89)	(188.51)
TOTAL HEALTH SRVCS		
	6,448,910,054	1,083,456,568
	(942.00)	(359.69)
TOT PROGRAM AND SRVCS		
	6,448,910,054	1,083,456,568
	(942.00)	(359.69)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB		
	16,190,025	5,855,744
TOTAL FRINGE BENEFITS		
	16,190,025	5,855,744
TOTAL EMPLOYEE BENEFITS		
	16,190,025	5,855,744

J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
DEPT OF HEALTH AND HUMAN SERVICES		
TOTAL FUNDS AVAILABLE	6,482,544,497	1,095,018,631
TOTAL AUTH FTE POSITIONS	<u>(1,060.00)</u>	<u>(415.25)</u>

SECTION 34

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
COMMISSIONER/S	162,578	162,578
	(1.00)	(1.00)
CLASSIFIED POSITIONS	10,375,090	4,829,605
	(243.56)	(109.89)
UNCLASSIFIED POSITIONS	220,691	220,691
	(3.00)	(3.00)
OTHER PERSONAL SRVCS	<u>351,283</u>	<u>110,312</u>
TOTAL PERSONAL SRVC	11,109,642	5,323,186
	(247.56)	(113.89)
OTHER OPERATING EXP	<u>8,664,354</u>	<u>319,683</u>
TOTAL ADMINISTRATION	<u>19,773,996</u>	<u>5,642,869</u>
	<u>(247.56)</u>	<u>(113.89)</u>
II. PROGRAMS & SRVCS		
A. WATER QUALITY IMPROVE		
1. UNDRGRND STORAGE TANKS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,637,657	
	<u>(40.10)</u>	
TOTAL PERSONAL SRVC	1,637,657	
	(40.10)	
OTHER OPERATING EXP	<u>2,618,592</u>	

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT UNDERGROUND TANKS	4,256,249 (40.10)	
<hr/>		
A. WATER QUAL IMPROVE		
2. WATER MGMT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	15,449,913 (431.77)	4,561,831 (128.78)
UNCLASSIFIED POSITIONS	131,031 (1.00)	131,031 (1.00)
OTHER PERSONAL SRVCS	569,747	91,897
TOTAL PERSONAL SRVC	16,150,691 (432.77)	4,784,759 (129.78)
OTHER OPERATING EXP	9,341,939	3,037,853
AID TO SUBDIV:		
ALLOC MUN-RESTRICTED	570,953	
ALLOC CNTY-RESTRICTED	2,266,267	
ALLOC SCHOOL DIST	186,550	
ALLOC OTHER ST AGENCIES	213,264	
ALLOC OTHER ENTITIES	2,156,620	
ALLOC-PRIVATE SECTOR	87,342	
ALLOC PLANNING DIST	281,135	
TOTAL DIST SUBDIV	5,762,131	
TOTAL WATER MGMT	31,254,761 (432.77)	7,822,612 (129.78)
<hr/>		
A. WATER QUAL IMPROVE		
3. ENVIRONMENTAL HLTH		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	11,788,814 (149.97)	9,603,869 (92.61)
OTHER PERSONAL SRVCS	315,987	48,187
TOTAL PERSONAL SRVC	12,104,801 (149.97)	9,652,056 (92.61)
OTHER OPERATING EXP	2,726,368	1,794,199

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT ENVIRONMENTAL HLTH	14,831,169 (149.97)	11,446,255 (92.61)
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TOTAL WATER QUALITY IMPROVEMENT	50,342,179 (622.84)	19,268,867 (222.39)
<hr/>		
B. COASTAL RESOURCE IMPROVEMENT PERSONAL SERVICE CLASSIFIED POSITIONS	2,639,654 (55.35)	664,972 (16.64)
UNCLASSIFIED POSITIONS	122,692 (1.00)	122,692 (1.00)
OTHER PERSONAL SRVCS	210,433	33,529
TOTAL PERSONAL SRVC	2,972,779 (56.35)	821,193 (17.64)
OTHER OPERATING EXP	2,947,026	106,871
SPECIAL ITEMS: <i>*WATERWAY CLEANUP/CAUDLE FOUNDATION</i>	<i>1</i>	<i>1</i>
TOTAL SPECIAL ITEMS	1	1
TOTAL COASTAL RESOURCE IMPROVEMENT	5,919,806 (56.35)	928,065 (17.64)
<hr/>		
C. AIR QUALITY IMPROVE PERSONAL SERVICE CLASSIFIED POSITIONS	11,265,493 (237.40)	2,480,191 (21.33)
OTHER PERSONAL SRVCS	43,854	10,854
TOTAL PERSONAL SRVC	11,309,347 (237.40)	2,491,045 (21.33)
OTHER OPERATING EXP	3,049,724	212,054
AID TO SUBDIV: ALLOC OTHER ST AGENCIES	211,015	

* See note at end of Act.

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	TOTAL FUNDS	GENERAL FUNDS
ALLOC OTHER ENTITIES	298,307	
ALLOC MUNI-RESTRICTED	234,872	
ALLOC CNTY-RESTRICTED	299,797	
ALLOC SCHOOL DIST	71,710	
	1,115,701	
TOTAL DIST SUBDIV	1,115,701	
TOT AIR QUALITY IMPROVE	15,474,772	2,703,099
	(237.40)	(21.33)
	15,474,535	2,703,078
 D. LAND & WASTE MGMT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	10,472,009	1,786,321
	(279.17)	(45.27)
OTHER PERSONAL SRVCS	289,568	47,945
	10,761,577	1,834,266
TOTAL PERSONAL SRVC	10,761,577	1,834,266
	(279.17)	(45.27)
OTHER OPERATING EXP	8,975,641	515,934
AID TO SUBDIV:		
ALLOC MUN-RESTRICTED	360,313	
ALLOC CNTY-RESTRICTED	4,550,507	
ALLOC SCHOOL DIST	1,603,174	
ALLOC OTHER ENTITIES	761,633	
ALLOC-PRIVATE SECTOR	3,062,964	
ALLOC PLANNING DIST	824,724	
	11,163,315	
TOTAL DIST SUBDIV	11,163,315	
TOT LAND & WASTE MGMT	30,900,533	2,350,200
	(279.17)	(45.27)
	30,900,254	2,350,155
 E. FAMILY HEALTH		
1. INFECTIOUS DISEASE		
PREVENTION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	8,075,373	4,123,957
	(279.88)	(143.55)
OTHER PERSONAL SRVCS	467,658	60,202
	8,543,031	4,184,159
TOTAL PERSONAL SRVC	8,543,031	4,184,159
	(279.88)	(143.55)
OTHER OPERATING EXP	11,585,253	3,961,813

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
SPECIAL ITEMS:		
PALMETTO AIDS LIFE SUPP	50,000	50,000
TOTAL SPECIAL ITEMS	50,000	50,000
PUBLIC ASSISTANCE:		
CASE SRVCS	21,639,618	7,176,404
TOTAL CASE SRVC/PUB ASST	21,639,618	7,176,404
AID TO SUBDIV:		
ALLOC OTHER ST AGENCIES	8,145,853	
ALLOC OTHER ENTITIES	11,485,400	
TOTAL DIST SUBDIV	19,631,253	
TOTAL INFECTIOUS DISEASE PREVENTION	61,449,155	15,372,376
	(279.88)	(143.55)
E. FAMILY HEALTH		
2. MATERNAL/INFANT HLTH		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	21,099,270	1,394,121
	(456.70)	(26.31)
OTHER PERSONAL SRVCS	1,764,626	12,642
TOTAL PERSONAL SRVC	22,863,896	1,406,763
	(456.70)	(26.31)
OTHER OPERATING EXP	9,578,679	155,886
SPECIAL ITEMS:		
NEWBORN HEARING SCREEN	421,750	421,750
*DONATED DENTAL	50,000	50,000
TOTAL SPECIAL ITEMS	471,750	471,750
PUBLIC ASSISTANCE:		
CASE SRVCS	136,659,910	498,459
TOTAL CASE SRVC/PUB ASST	136,659,910	498,459
AID TO SUBDIV:		
ALLOC OTHER ENTITIES	1,947,352	
TOTAL DIST SUBDIV	1,947,352	

* See note at end of Act.

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT MATERN/INFANT HLTH	171,521,587	2,532,858
	<u>(456.70)</u>	<u>(26.31)</u>
E. FAMILY HEALTH		
3. CHRONIC DISEASE		
PREVENTION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,651,867	719,464
	(38.29)	(19.09)
OTHER PERSONAL SRVCS	<u>309,630</u>	<u>30,522</u>
TOTAL PERSONAL SRVC	1,961,497	749,986
	(38.29)	(19.09)
OTHER OPERATING EXP	4,627,953	365,129
SPECIAL ITEMS:		
YOUTH SMOKING PREVENT	592,738	
SMOKING PREVENT TRUST	<u>8,800,000</u>	
TOTAL SPECIAL ITEMS	9,392,738	
PUBLIC ASSISTANCE:		
CASE SRVCS	<u>3,286,611</u>	
TOT CASE SRVC/PUB ASST	3,286,611	
AID TO SUBDIV:		
ALLOC OTHER ST AGENCIES	3,629,336	
ALLOC OTHER ENTITIES	<u>3,013,000</u>	
TOTAL DIST SUBDIV	<u>6,642,336</u>	
TOTAL CHRONIC DISEASE		
PREVENTION	25,911,135	1,115,115
	<u>(38.29)</u>	<u>(19.09)</u>
E. FAMILY HEALTH		
4. ACCESS TO CARE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	34,967,686	13,922,524
	(901.84)	(473.93)
UNCLASSIFIED POSITIONS	160,017	160,017
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	<u>4,562,737</u>	<u>129,714</u>

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	39,690,440	14,212,255
	(902.84)	(474.93)
OTHER OPERATING EXP	31,082,144	3,835,584
PUBLIC ASSISTANCE:		
CASE SRVCS	631,102	9,536
TOT CASE SRVC/PUB ASST	631,102	9,536
AID TO SUBDIV:		
ALLOC OTHER ST AGENCIES	755,290	
ALLOC OTHER ENTITIES	3,881,777	
TOTAL DIST SUBDIV	4,637,067	
TOTAL ACCESS TO CARE	76,040,753	18,057,375
	(902.84)	(474.93)
E. FAMILY HEALTH		
5. DRUG CONTROL		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,506,499	
	(35.89)	
OTHER PERSONAL SRVCS	38,287	
TOTAL PERSONAL SRVC	1,544,786	
	(35.89)	
OTHER OPERATING EXP	753,534	
TOTAL DRUG CONTROL	2,298,320	
	(35.89)	
E. FAMILY HEALTH		
6. RAPE VIOLENCE PREVENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	76,598	
TOTAL PERSONAL SRVC	76,598	
OTHER OPERATING EXP	27,008	
PUBLIC ASSISTANCE:		
CASE SRVCS	1,348,114	1,348,114
TOT CASE SRVC/PUB ASST	1,348,114	1,348,114
AID TO SUBDIV:		
AID TO OTHER ENTITIES	795,366	8,575

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL DIST SUBDIV	795,366	8,575
TOTAL RAPE VIOLENCE PREVENTION	<u>2,247,086</u>	<u>1,356,689</u>
E. FAMILY HEALTH		
7. INDEPENDENT LIVING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	10,836,062	867,067
	(185.59)	(3.34)
OTHER PERSONAL SRVCS	<u>2,032,748</u>	<u>759</u>
TOTAL PERSONAL SRVC	12,868,810	867,826
	(185.59)	(3.34)
OTHER OPERATING EXP	5,466,735	533,149
SPECIAL ITEMS:		
SICKLE CELL PROF		
EDUCATION	<u>100,000</u>	<u>100,000</u>
TOTAL SPECIAL ITEMS	100,000	100,000
PUBLIC ASSISTANCE:		
CASE SRVCS	<u>11,461,017</u>	<u>3,812,198</u>
TOT CASE SRVC/PUB ASST	11,461,017	3,812,198
AID TO SUBDIV:		
ALLOC OTHER ENTITIES	<u>250,000</u>	
TOTAL DIST SUBDIV	<u>250,000</u>	
TOT INDEPENDENT LIVING	30,146,562	5,313,173
	<u>(185.59)</u>	<u>(3.34)</u>
TOTAL FAMILY HEALTH	<u>369,614,598</u>	<u>43,747,586</u>
	<u>(1,899.19)</u>	<u>(667.22)</u>
F. HLTH CARE STANDARDS		
1. RADIOLOGAL MONITOR		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,441,954	1,576,026
	(26.95)	(9.86)
OTHER PERSONAL SRVCS	<u>49,019</u>	<u>15,368</u>
TOTAL PERSONAL SRVC	2,490,973	1,591,394
	(26.95)	(9.86)

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	506,263	56,741
TOT RADIOLOGICAL MONITORING	2,997,236 (26.95)	1,648,135 (9.86)
F. HLTH CARE STANDARDS		
2. FACIL/SVC DEVELOP		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,376,569 (9.74)	1,187,333 (6.83)
UNCLASSIFIED POSITIONS	117,743 (1.00)	117,743 (1.00)
OTHER PERSONAL SRVCS	15,643	8,818
TOTAL PERSONAL SRVC	1,509,955 (10.74)	1,313,894 (7.83)
OTHER OPERATING EXP	249,960	128,677
*TOT FACILITY & SRVC DEVEL	1,759,915 (10.74)	1,442,571 (7.83)
F. HLTH CARE STANDARDS		
3. FACILITY LICENSING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,678,614 (38.93)	753,601 (21.78)
OTHER PERSONAL SRVCS	42,175	42,175
TOTAL PERSONAL SRVC	1,720,789 (38.93)	795,776 (21.78)
OTHER OPERATING EXP	447,562	67,039
TOTAL FACILITY LICENSING	2,168,351 (38.93)	862,815 (21.78)
F. HEALTH CARE STANDARDS		
4. CERTIFICATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,152,835 (70.18)	

* See note at end of Act.

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	26,000	
TOTAL PERSONAL SRVC	3,178,835	
	(70.18)	
OTHER OPERATING EXP	1,650,107	
TOTAL CERTIFICATION	4,828,942	
	(70.18)	
<hr style="border-top: 3px double #000;"/>		
F. HLTH CARE STANDARDS		
5. EMERGENCY MED SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	927,811	795,750
	(11.76)	(8.71)
OTHER PERSONAL SRVCS	44,264	42,175
TOTAL PERSONAL SRVC	972,075	837,925
	(11.76)	(8.71)
OTHER OPERATING EXP	787,770	81,394
SPECIAL ITEMS:		
TRAUMA CENTER FUND	2,656,240	2,268,886
TOTAL SPECIAL ITEMS	2,656,240	2,268,886
AID TO SUBDIV:		
ALLOC CNTY-RESTRICTED	52,773	
AID CNTY-RESTRICTED	536,382	536,382
AID EMS-REGION COUNCILS	164,579	164,579
TOTAL DIST SUBDIV	753,734	700,961
TOTAL E.M.S.	5,169,819	3,889,166
	(11.76)	(8.71)
<hr style="border-top: 3px double #000;"/>		
TOT HLTH CARE STANDARDS	16,924,263	7,842,687
	(158.56)	(48.18)
<hr style="border-top: 3px double #000;"/>		
G. HEALTH SURVEILLANCE		
SUPPORT		
1. HEALTH LAB		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,354,606	855,760
	(77.63)	(25.49)
OTHER PERSONAL SRVCS	330,666	

J04-DEPT OF HEALTH AND ENVIRONMENTAL CONTROL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	3,685,272	855,760
	(77.63)	(25.49)
OTHER OPERATING EXP	<u>9,977,716</u>	<u>212,924</u>
TOTAL HEALTH LAB	13,662,988	1,068,684
	<u>(77.63)</u>	<u>(25.49)</u>
G. HLTH SURVEILLANCE SUPPORT		
2. VITAL RECORDS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,197,075	83,183
	(67.33)	(2.65)
OTHER PERSONAL SRVCS	<u>1,096,420</u>	<u>10,000</u>
TOTAL PERSONAL SRVC	4,293,495	93,183
	(67.33)	(2.65)
OTHER OPERATING EXP	<u>5,621,871</u>	<u>42,198</u>
TOTAL VITAL RECORDS	9,915,366	135,381
	<u>(67.33)</u>	<u>(2.65)</u>
TOTAL HEALTH SURVEILLANCE SUPPORT		
	23,578,354	1,204,065
	<u>(144.96)</u>	<u>(28.14)</u>
TOTAL PROG AND SRVCS	512,754,505	78,044,569
	<u>(3,398.47)</u>	<u>(1,050.17)</u>
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>54,135,355</u>	<u>15,936,486</u>
TOTAL FRINGE BENEFITS	<u>54,135,355</u>	<u>15,936,486</u>
TOTAL EMPLOYEE BENEFITS	<u>54,135,355</u>	<u>15,936,486</u>
DEPT OF HEALTH AND ENVIRONMENTAL CONTROL		
TOTAL FUNDS AVAILABLE	586,663,856	99,623,924
TOTAL AUTH FTE POSITIONS	<u>(3,646.03)</u>	<u>(1,164.06)</u>

SECTION 35
J12-DEPARTMENT OF MENTAL HEALTH

	TOTAL FUNDS	GENERAL FUNDS
I. GENERAL ADMIN		
PERSONAL SERVICE		
COMMISSIONER/S	166,692	166,692
	(1.00)	(1.00)
CLASSIFIED POSITIONS	2,160,348	1,895,806
	(47.00)	(40.00)
UNCLASSIFIED POSITIONS	325,278	265,120
	(8.13)	(3.63)
OTHER PERSONAL SRVCS	10,107	5,000
TOTAL PERSONAL SRVC	2,662,425	2,332,618
	(56.13)	(44.63)
OTHER OPERATING EXP	727,273	359,536
CASE SRVCS		
CASE SRVCS	154,743	24,669
TOT CASE SRVC/PUB ASST	154,743	24,669
TOTAL GENERAL ADMIN	3,544,441	2,716,823
	(56.13)	(44.63)
II. PROGRAMS & SRVCS		
A. COMMUNITY MENTAL HLTH		
1. MENTAL HEALTH CTRS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	69,745,879	31,816,796
	(2,178.34)	(942.71)
UNCLASSIFIED POSITIONS	12,106,752	4,929,904
	(132.26)	(86.84)
OTHER PERSONAL SRVCS	3,853,951	1,034,869
TOTAL PERSONAL SRVC	85,706,582	37,781,569
	(2,310.60)	(1,029.55)
OTHER OPERATING EXP	35,824,132	5,442,380
CASE SRVCS		
CASE SRVCS	9,190,922	3,833,901
TOTAL CASE SRVC/PUB ASST	9,190,922	3,833,901

J12-DEPARTMENT OF MENTAL HEALTH

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT MENTAL HEALTH CTRS	130,721,636 (2,310.60)	47,057,850 (1,029.55)
2. PROJECTS & GRANTS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,136,753 (16.79)	321,869 (4.00)
UNCLASSIFIED POSITIONS	1,016,855 (4.30)	(2.25)
OTHER PERSONAL SRVCS	84,407	19,200
TOTAL PERSONAL SRVC	2,238,015 (21.09)	341,069 (6.25)
OTHER OPERATING EXP	7,850,016	3,109,447
CASE SRVCS		
CASE SRVCS	595,000	595,000
TOT CASE SRVC/PUB ASST	595,000	595,000
SPECIAL ITEMS:		
S.C. SHARE	250,000	
ALLIANCE FOR THE MENTALLY ILL	50,000	
TOTAL SPECIAL ITEMS	300,000	
DIST SUBDIV		
ALLOC-PRIVATE SECTOR	866,577	
TOTAL DIST SUBDIV	866,577	
TOT PROJECTS & GRANTS	11,849,608 (21.09)	4,045,516 (6.25)
TOTAL COMMUNITY MENTAL HEALTH		
	142,571,244 (2,331.69)	51,103,366 (1,035.80)
B. INPATIENT BEHAV HLTH		
1. PSYCHIATRIC REHAB		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,996,406 (50.63)	1,553,923 (33.33)

J12-DEPARTMENT OF MENTAL HEALTH

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	622,025	300,000
	(5.00)	(3.00)
OTHER PERSONAL SRVCS	<u>177,363</u>	<u>32,398</u>
TOTAL PERSONAL SRVC	2,795,794	1,886,321
	(55.63)	(36.33)
OTHER OPERATING EXP	1,308,765	97,781
CASE SRVCS		
CASE SRVCS	<u>27,793</u>	<u>3,793</u>
TOT CASE SRVC/PUB ASST	<u>27,793</u>	<u>3,793</u>
TOTAL PSYCHIATRIC REHABILITATION	4,132,352	1,987,895
	<u>(55.63)</u>	<u>(36.33)</u>
 2. BRYAN PSYCHIATRIC HOSP PERSONAL SERVICE		
CLASSIFIED POSITIONS	17,358,613	12,627,058
	(536.55)	(399.42)
UNCLASSIFIED POSITIONS	2,977,743	113,154
	(27.38)	(18.38)
OTHER PERSONAL SRVCS	<u>3,325,340</u>	<u>868,178</u>
TOTAL PERSONAL SRVC	23,661,696	13,608,390
	(563.93)	(417.80)
OTHER OPERATING EXP	17,079,754	1,160,127
CASE SRVCS		
CASE SRVCS	<u>1,582,224</u>	<u>750,000</u>
TOT CASE SRVC/PUB ASST	<u>1,582,224</u>	<u>750,000</u>
TOTAL BRYAN PSYCHIATRIC HOSPITAL	42,323,674	15,518,517
	<u>(563.93)</u>	<u>(417.80)</u>
 3. HALL PSYCHIATRIC INSTIT PERSONAL SERVICE		
CLASSIFIED POSITIONS	7,221,889	3,340,843
	(243.37)	(135.05)
UNCLASSIFIED POSITIONS	593,990	18,920
	(13.35)	(8.00)
OTHER PERSONAL SRVCS	<u>1,940,451</u>	<u>100,856</u>

J12-DEPARTMENT OF MENTAL HEALTH

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	9,756,330	3,460,619
	(256.72)	(143.05)
OTHER OPERATING EXP	5,037,554	1,141,399
CASE SRVCS		
CASE SRVCS	46,534	
TOTAL CASE SRVC/PUB ASST	46,534	
TOTAL HALL PSYCHIATRIC INSTITUTE	14,840,418	4,602,018
	(256.72)	(143.05)
4. MORRIS VILLAGE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	7,613,316	6,203,317
	(204.12)	(162.67)
UNCLASSIFIED POSITIONS	543,091	385,000
	(.75)	
OTHER PERSONAL SRVCS	590,781	310,500
TOTAL PERSONAL SRVC	8,747,188	6,898,817
	(204.87)	(162.67)
OTHER OPERATING EXP	1,504,582	110,308
CASE SRVCS		
CASE SRVCS	20,000	
TOTAL CASE SRVC/PUB ASST	20,000	
TOTAL MORRIS VILLAGE	10,271,770	7,009,125
	(204.87)	(162.67)
5. HARRIS PSYCHIATRIC HOSP		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	9,454,977	4,675,466
	(301.63)	(180.84)
UNCLASSIFIED POSITIONS	1,669,702	225,800
	(8.00)	(2.00)
OTHER PERSONAL SRVCS	835,000	375,000
TOTAL PERSONAL SRVC	11,959,679	5,276,266
	(309.63)	(182.84)
OTHER OPERATING EXP	5,273,299	1,970,592

J12-DEPARTMENT OF MENTAL HEALTH

	TOTAL FUNDS	GENERAL FUNDS
CASE SRVCS		
CASE SRVCS	353,488	
TOT CASE SRVC/PUB ASST	353,488	
TOTAL HARRIS PSYCHIATRIC HOSPITAL	17,586,466	7,246,858
	(309.63)	(182.84)
	89,154,680	36,364,413
TOTAL INPATIENT BEHAVIORAL HEALTH	(1,390.78)	(942.69)
	8,263,900	1,770,750
C. TUCKER/DOWDY- GARDNER NURSING PERSONAL SERVICE CLASSIFIED POSITIONS	(277.33)	(69.79)
UNCLASSIFIED POSITIONS	227,521	27,521
	(3.00)	(1.00)
OTHER PERSONAL SRVCS	1,759,483	121,359
TOTAL PERSONAL SRVC	10,250,904	1,919,630
	(280.33)	(70.79)
OTHER OPERATING EXP	7,524,246	1,097,155
CASE SRVCS		
CASE SRVCS	238,268	
TOTAL CASE SRVC/PUB ASST	238,268	
TOTAL TUCKER/DOWDY- GARDNER NURSING	18,013,418	3,016,785
	(280.33)	(70.79)
	11,503,310	10,942,711
D. SUPPORT SRVCS		
1. ADMINISTRATIVE SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	(329.35)	(285.85)
UNCLASSIFIED POSITIONS	292,261	275,519
	(3.00)	(3.00)
OTHER PERSONAL SRVCS	1,854,887	1,827,887

J12-DEPARTMENT OF MENTAL HEALTH

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	13,650,458	13,046,117
	(332.35)	(288.85)
OTHER OPERATING EXP	14,128,270	3,724,448
CASE SRVCS		
CASE SRVCS	55,000	
TOTAL CASE SRVC/PUB ASST	55,000	
TOT ADMINISTRATIVE SRVCS	27,833,728	16,770,565
	(332.35)	(288.85)
2. PUBLIC SAFETY DIV		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,032,897	783,938
	(41.00)	(25.00)
OTHER PERSONAL SRVCS	24,648	15,848
TOTAL PERSONAL SRVC	1,057,545	799,786
	(41.00)	(25.00)
OTHER OPERATING EXP	394,911	127,751
TOTAL PUBLIC SAFETY DIV	1,452,456	927,537
	(41.00)	(25.00)
TOTAL SUPPORT SRVCS	29,286,184	17,698,102
	(373.35)	(313.85)
E. VETERANS SRVCS		
1. STONE PAVILION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,364,940	1,884,221
	(93.22)	(45.22)
UNCLASSIFIED POSITIONS	45,466	45,466
OTHER PERSONAL SRVCS	435,703	150,274
TOTAL PERSONAL SRVC	3,846,109	2,079,961
	(93.22)	(45.22)
OTHER OPERATING EXP	4,559,187	1,719,436
CASE SRVCS		
CASE SRVCS	18,003	
TOT CASE SRVC/PUB ASST	18,003	

J12-DEPARTMENT OF MENTAL HEALTH

	TOTAL FUNDS	GENERAL FUNDS
TOTAL STONE PAVILION	8,423,299 (93.22)	3,799,397 (45.22)
<hr/>		
2. CAMPBELL VETS HOME PERSONAL SERVICE CLASSIFIED POSITIONS	196,867 (4.00)	4,404
OTHER PERSONAL SRVCS	4,518	
TOTAL PERSONAL SRVC	201,385 (4.00)	4,404
OTHER OPERATING EXP	18,047,639	5,573,076
TOT CAMPBELL VETS HOME	18,249,024 (4.00)	5,577,480
<hr/>		
3. VETS VICTORY HOUSE PERSONAL SERVICE CLASSIFIED POSITIONS	93,093 (2.00)	1,963
TOTAL PERSONAL SRVC	93,093 (2.00)	1,963
OTHER OPERATING EXP	17,152,828	6,311,412
TOT VETERANS' VICTORY HOUSE	17,245,921 (2.00)	6,313,375
<hr/>		
TOTAL VETERANS SRVCS	43,918,244 (99.22)	15,690,252 (45.22)
<hr/>		
F. SEXUAL PREDATOR TREATMENT PROGRAM PERSONAL SERVICE CLASSIFIED POSITIONS	6,749,496 (98.41)	6,749,496 (79.41)
UNCLASSIFIED POSITIONS	51,061	51,061
OTHER PERSONAL SRVCS	546,270	546,270
TOTAL PERSONAL SRVC	7,346,827 (98.41)	7,346,827 (79.41)
OTHER OPERATING EXP	3,690,921	3,690,921

J12-DEPARTMENT OF MENTAL HEALTH

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CASE SRVCS		
CASE SRVCS	728,895	728,895
TOTAL CASE SRVC/PUB ASST	<u>728,895</u>	<u>728,895</u>
TOTAL SEXUAL PREDATOR TREATMENT PROGRAM	11,766,643 (98.41)	11,766,643 (79.41)
TOTAL PROGRAM & SRVCS	<u>334,710,413</u> (4,573.78)	<u>135,639,561</u> (2,487.76)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB EMPLOYER CONTRIB	69,277,133	36,954,031
TOTAL FRINGE BENEFITS	<u>69,277,133</u>	<u>36,954,031</u>
TOTAL EMPLOYEE BENEFITS	<u>69,277,133</u>	<u>36,954,031</u>
DEPT OF MENTAL HEALTH		
TOTAL FUNDS AVAILABLE	407,531,987	175,310,415
TOTAL AUTH FTE POSITIONS	<u>(4,629.91)</u>	<u>(2,532.39)</u>

SECTION 36**J16-DEPT OF DISABILITIES AND SPECIAL NEEDS**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
COMMISSIONER/S	139,167 (1.00)	139,167 (1.00)
CLASSIFIED POSITIONS	3,861,699 (88.00)	3,695,562 (83.00)
OTHER PERSONAL SRVCS	<u>157,637</u>	<u>20,000</u>
TOTAL PERSONAL SRVC	4,158,503 (89.00)	3,854,729 (84.00)
OTHER OPERATING EXP	<u>1,981,871</u>	

J16-DEPT OF DISABILITIES AND SPECIAL NEEDS

	TOTAL FUNDS	GENERAL FUNDS
TOTAL ADMINISTRATION	6,140,374 (89.00)	3,854,729 (84.00)
II. PROGRAM & SRVCS		
A. PREVENTION PROGRAM		
OTHER OPERATING EXP	257,098	
SPECIAL ITEMS:		
GREENWOOD GENETIC CTR	9,468,376	2,934,300
TOTAL SPECIAL ITEMS	9,468,376	2,934,300
TOT PREVENTION PROG	9,725,474	2,934,300
B. INTELLECTUAL DISABIL		
FAMILY SUPPORT		
1. CHILDREN'S SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	113,148 (2.00)	113,148 (2.00)
TOTAL PERSONAL SRVC	113,148 (2.00)	113,148 (2.00)
OTHER OPERATING EXP	14,740,263	2,935,037
SPECIAL ITEM:		
BABYNET	9,312,500	3,725,000
TOTAL SPECIAL ITEMS	9,312,500	3,725,000
TOTAL CHILDREN'S SRVCS	24,165,911 (2.00)	6,773,185 (2.00)
2. IN-HOME FAMILY SUPP		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	128,120 (3.00)	128,120 (3.00)
TOTAL PERSONAL SRVC	128,120 (3.00)	128,120 (3.00)
OTHER OPERATING EXP	45,971,084	24,577,823
CASE SRVCS		
CASE SRVCS	10,000	
TOT CASE SRVC/PUB ASST	10,000	

J16-DEPT OF DISABILITIES AND SPECIAL NEEDS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL IN-HOME FAMILY SUPPORTS	46,109,204 (3.00)	24,705,943 (3.00)
<hr/>		
3. ADULT DEV & SUPPORT EMPLOYMENT PERSONAL SERVICE CLASSIFIED POSITIONS	38,314 (1.00)	38,314 (1.00)
<hr/>		
TOTAL PERSONAL SRVC	38,314 (1.00)	38,314 (1.00)
OTHER OPERATING EXP	64,355,121	15,139,344
<hr/>		
TOT ADULT DEVELOP & SUPPORTED EMPLOY	64,393,435 (1.00)	15,177,658 (1.00)
<hr/>		
4. SRVC COORDINATION PERSONAL SERVICE CLASSIFIED POSITIONS	325,749 (6.00)	325,749 (6.00)
<hr/>		
TOTAL PERSONAL SRVC	325,749 (6.00)	325,749 (6.00)
OTHER OPERATING EXP	22,329,861	6,239,098
CASE SRVCS CASE SRVCS	52,000	2,000
<hr/>		
TOT CASE SRVC/PUB ASST	52,000	2,000
<hr/>		
TOT SRVC COORDINATION	22,707,610 (6.00)	6,566,847 (6.00)
<hr/>		
TOT INTELLECTUAL DISABIL FAMILY SUPPORT	157,376,160 (12.00)	53,223,633 (12.00)
<hr/>		
C. AUTISM FAMILY SUPPORT PROGRAM 1. AUTISM FAMILY SUPPORT SRVCS PERSONAL SERVICE		

J16-DEPT OF DISABILITIES AND SPECIAL NEEDS

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	509,706	509,706
	(14.00)	(14.00)
OTHER PERSONAL SRVCS	200	200
TOTAL PERSONAL SRVC	509,906	509,906
	(14.00)	(14.00)
OTHER OPERATING EXP	10,793,403	3,272,233
CASE SRVCS		
CASE SRVCS	17,000	
TOT CASE SRVC/PUB ASST	17,000	
TOTAL AUTISM FAMILY		
SUPPORT SRVCS	11,320,309	3,782,139
	(14.00)	(14.00)
2. PERVASIVE DEVELOP		
DISORDER (PDD)		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	90,000	90,000
	(2.00)	(2.00)
TOTAL PERSONAL SRVC	90,000	90,000
	(2.00)	(2.00)
OTHER OPERATING EXP	10,185,000	6,885,000
TOTAL PERVASIVE		
DEVELOPMENTAL DISORD	10,275,000	6,975,000
	(2.00)	(2.00)
TOTAL AUTISM FAMILY		
SUPPORT PROGRAM	21,595,309	10,757,139
	(16.00)	(16.00)
D. HEAD & SPINAL CORD INJ		
FAMILY SUPP		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	140,760	140,760
	(2.00)	(2.00)
TOTAL PERSONAL SRVC	140,760	140,760
	(2.00)	(2.00)
OTHER OPERATING EXP	15,383,720	5,784,000

J16-DEPT OF DISABILITIES AND SPECIAL NEEDS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CASE SRVCS		
CASE SRVCS	12,000	12,000
TOTAL CASE SRVC/PUB ASST	<u>12,000</u>	<u>12,000</u>
TOT HEAD & SPINAL CORD INJURY FAMILY SUP	15,536,480	5,936,760
	<u>(2.00)</u>	<u>(2.00)</u>
E. INTELLECTUAL DISABIL COMM RESIDENT PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,014,493	1,829,977
	(41.00)	(37.00)
OTHER PERSONAL SRVCS	<u>210,000</u>	<u>50,000</u>
TOTAL PERSONAL SRVC	2,224,493	1,879,977
	(41.00)	(37.00)
OTHER OPERATING EXP	228,243,706	43,107,174
CASE SRVCS		
CASE SRVCS	<u>14,863,063</u>	<u>900,800</u>
TOT CASE SRVC/PUB ASST	<u>14,863,063</u>	<u>900,800</u>
TOTAL INTELLECTUAL DISABILITY COMMUNITY RE	245,331,262	45,887,951
	<u>(41.00)</u>	<u>(37.00)</u>
F. AUTISM COMMUNITY RESIDENTIAL PROGRAM PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,384,324	1,209,713
	(50.00)	(44.00)
OTHER PERSONAL SRVCS	<u>299,696</u>	<u>166,312</u>
TOTAL PERSONAL SRVC	1,684,020	1,376,025
	(50.00)	(44.00)
OTHER OPERATING EXP	21,820,184	3,927,592
CASE SRVCS		
CASE SRVCS	<u>33,025</u>	
TOT CASE SRVC/PUB ASST	<u>33,025</u>	

J16-DEPT OF DISABILITIES AND SPECIAL NEEDS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT AUTISM COMMUNITY RESIDENTIAL PROGRAM	23,537,229 (50.00)	5,303,617 (44.00)
<hr/>		
G. HEAD & SPINAL CORD INJURY COMMUNITY RES OTHER OPERATING EXP OTHER OPERATING EXP	2,540,532	958,763
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TOT HEAD & SPINAL CORD INJURY COMMUNITY	2,540,532	958,763
<hr/>		
H. REGIONAL CENTER RESIDENTIAL PROGRAM PERSONAL SERVICE CLASSIFIED POSITIONS	48,106,634 (1,981.40)	34,732,887 (1,302.85)
<hr/>		
OTHER PERSONAL SRVCS	4,458,773	1,836,989
<hr/>		
TOTAL PERSONAL SRVC	52,565,407 (1,981.40)	36,569,876 (1,302.85)
<hr/>		
OTHER OPERATING EXP CASE SRVCS CASE SRVCS	17,873,449 441,222	
<hr/>		
TOT CASE SRVC/PUB ASST	441,222	
<hr/>		
TOTAL REGIONAL CENTER RESIDENTIAL PROGRAM	70,880,078 (1,981.40)	36,569,876 (1,302.85)
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TOTAL PROGRAM & SRVCS	546,522,524 (2,102.40)	161,572,039 (1,413.85)
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III. EMPLOYEE BENEFITS PERSONAL SERVICE EMPLOYER CONTRIB	28,010,806	21,201,319
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TOTAL FRINGE BENEFITS	28,010,806	21,201,319
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TOT EMPLOYEE BENEFITS	28,010,806	21,201,319
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J16-DEPT OF DISABILITIES AND SPECIAL NEEDS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
DEPT OF DISABILITIES AND SPECIAL NEEDS		
TOTAL FUNDS AVAILABLE	580,673,704	186,628,087
TOTAL AUTH FTE POSITIONS	<u>(2,191.40)</u>	<u>(1,497.85)</u>

SECTION 37

J20-DEPT OF ALCOHOL & OTHER DRUG ABUSE SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	119,928	61,926
	(1.00)	(.50)
OTHER PERSONAL SRVCS	<u>52,500</u>	<u>13,125</u>
TOTAL PERSONAL SRVC	172,428	75,051
	(1.00)	(.50)
OTHER OPERATING EXP	<u>25,461</u>	<u>14,405</u>
TOTAL ADMINISTRATION	<u>197,889</u>	<u>89,456</u>
	<u>(1.00)</u>	<u>(.50)</u>
II. FINANCE & OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	357,602	129,218
	(15.81)	(8.36)
OTHER PERSONAL SRVCS	<u>21,420</u>	
TOTAL PERSONAL SRVC	379,022	129,218
	(15.81)	(8.36)
OTHER OPERATING EXP	4,169,727	19,157
SPECIAL ITEMS		
STATE BLOCK GRANT	174,474	174,474
LOCAL SALARY SUPPLEMENT	<u>3,317,178</u>	<u>3,317,178</u>
TOTAL SPECIAL ITEMS	3,491,652	3,491,652
DIST SUBDIV		
ALLOC OTHER ST AGENCIES	375,132	
ALCOHOL AND DRUG TREAT	15,925,680	

J20-DEPT OF ALCOHOL & OTHER DRUG ABUSE SERVICES

	TOTAL FUNDS	GENERAL FUNDS
ALCO & DRUG MATCH FUNDS	1,002,418	
ALCOHOL & DRUG PREVENT	6,270,286	
AID OTHER ST AGENCIES	1,915,902	1,915,902
ALCOHOL & DRUG TREAT	2,515,818	310,818
AID TO ENT-ALCOHOL & DRUG MATCH FUNDS	100,166	100,166
AID TO ENTITIES - ALCOHOL & DRUG PREVENTION	84,329	84,329
TOTAL DIST SUBDIV	28,189,731	2,411,215
TOT FINANCE & OPERATIONS	36,230,132	6,051,242
	(15.81)	(8.36)
 III. MGMT INFO & RESEARCH		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	271,123	41,168
	(5.00)	(.85)
DRUG ABUSE SRVCS		
OTHER PERSONAL SRVCS	51,912	
TOTAL PERSONAL SRVC	323,035	41,168
	(5.00)	(.85)
OTHER OPERATING EXP	136,621	3,934
TOT MGMT INFO & RESEARCH	459,656	45,102
	(5.00)	(.85)
 IV. SERVICES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	169,123	45,154
	(3.00)	(.65)
OTHER PERSONAL SRVCS	204,022	23,758
TOTAL PERSONAL SRVC	373,145	68,912
	(3.00)	(.65)
OTHER OPERATING EXP	39,777	3,033
TOTAL SERVICES	412,922	71,945
	(3.00)	(.65)

J20-DEPT OF ALCOHOL & OTHER DRUG ABUSE SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
V. PROGRAMS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	479,171	56,080
	(9.00)	(1.65)
OTHER PERSONAL SRVCS	422,590	9,241
TOTAL PERSONAL SRVC	901,761	65,321
	(9.00)	(1.65)
OTHER OPERATING EXP	265,949	7,754
TOTAL PROGRAMS	1,167,710	73,075
	(9.00)	(1.65)
VI. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	701,579	167,908
TOTAL FRINGE BENEFITS	701,579	167,908
TOTAL EMPLOYEE BENEFITS	701,579	167,908
DEPT OF ALCOHOL & OTHER DRUG ABUSE SRVCS		
TOTAL FUNDS AVAILABLE	39,169,888	6,498,728
TOTAL AUTH FTE POSITIONS	(33.81)	(12.01)

SECTION 38

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. STATE OFFICE		
A. AGENCY ADMIN		
PERSONAL SERVICE		
COMMISSIONER/S	154,879	154,879
	(1.00)	(1.00)
CLASSIFIED POSITIONS	6,721,863	2,442,211
	(149.75)	(57.25)
UNCLASSIFIED POSITIONS	230,372	80,378

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	534,051	186,330
TOTAL PERSONAL SRVC	7,641,165	2,863,798
	(150.75)	(58.25)
OTHER OPERATING EXP	15,074,885	1,079,147
TOTAL AGENCY ADMIN	22,716,050	3,942,945
	(150.75)	(58.25)
B. INFO RESOURCE MGMT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	4,170,572	1,198,343
	(76.00)	(24.57)
OTHER PERSONAL SRVCS	825,100	156,955
TOTAL PERSONAL SRVC	4,995,672	1,355,298
	(76.00)	(24.57)
OTHER OPERATING EXP	53,354,168	264,290
TOT INFO RESOURCE MGMT	58,349,840	1,619,588
	(76.00)	(24.57)
C. COUNTY OFFICE ADMIN		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	11,036,164	4,086,338
	(373.05)	(145.50)
UNCLASSIFIED POSITIONS	120,000	43,416
	(.99)	(.38)
OTHER PERSONAL SRVCS	51,839	18,757
TOTAL PERSONAL SRVC	11,208,003	4,148,511
	(374.04)	(145.88)
OTHER OPERATING EXP	2,130,585	770,845
PUBLIC ASSISTANCE:		
CASE SRVCS	336,001	121,565
TOT CASE SRVC/PUB ASST	336,001	121,565
TOT COUNTY OFFICE ADMIN	13,674,589	5,040,921
	(374.04)	(145.88)
D. CNTY SUPP OF LOCAL DSS		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	61,321	

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	61,321	
OTHER OPERATING EXP	390,758	
PUBLIC ASSISTANCE:		
AID TO SUBDIV:		
ALLOC CNTY-UNRESTRICT	3,900,703	
TOTAL DIST SUBDIV	3,900,703	
TOT COUNTY SUPPORT OF LOCAL DSS	4,352,782	
E. PROGRAM MGMT		
1. CHILDREN'S SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,307,785	643,824
	(57.00)	(13.68)
OTHER PERSONAL SRVCS	341,974	8,028
TOTAL PERSONAL SRVC	2,649,759	651,852
	(57.00)	(13.68)
OTHER OPERATING EXP	5,263,878	490,827
PUBLIC ASSISTANCE:		
CASE SRVCS	25,154,949	138,325
TOT CASE SRVC/PUB ASST	25,154,949	138,325
TOTAL CHILDREN'S SRVCS	33,068,586	1,281,004
	(57.00)	(13.68)
2. ADULT SERVICES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	377,169	
	(9.00)	
TOTAL PERSONAL SRVC	377,169	
	(9.00)	
OTHER OPERATING EXP	4,976,631	
TOTAL ADULT SRVCS	5,353,800	
	(9.00)	

L04-DEPARTMENT OF SOCIAL SERVICES

	TOTAL FUNDS	GENERAL FUNDS
3. FAMILY INDEPENDENCE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	312,827	
	(8.00)	
OTHER PERSONAL SRVCS	986,228	
	1,299,055	
	(8.00)	
OTHER OPERATING EXP	10,761,483	
PUBLIC ASSISTANCE:		
CASE SRVCS	73,610	
	73,610	
TOT CASE SRVC/PUB ASST	73,610	
	12,134,148	
TOT FAMILY INDEPENDENCE	(8.00)	
	12,134,148	
4. ECONOMIC SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,529,818	28,345
	(76.00)	(.78)
OTHER PERSONAL SRVCS	687,872	
	3,217,690	28,345
	(76.00)	(.78)
OTHER OPERATING EXP	5,733,347	1,653,863
	8,951,037	1,682,208
TOTAL ECONOMIC SRVCS	(76.00)	(.78)
	8,951,037	1,682,208
TOTAL PROGRAM MGMT	59,507,571	2,963,212
	(150.00)	(14.46)
	59,507,571	2,963,212
II. PROGRAMS AND SRVCS		
A. CHILD PROTECTIVE SRVCS		
1. CASE MANAGEMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	19,439,384	6,681,003
	(604.00)	(199.32)
OTHER PERSONAL SRVCS	351,533	116,386
	19,790,917	6,797,389
TOTAL PERSONAL SRVC	(604.00)	(199.32)
	19,790,917	6,797,389

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	6,024,666	498,849
PUBLIC ASSISTANCE:		
CASE SRVCS	1,500	495
TOT CASE SRVC/PUB ASST	<u>1,500</u>	<u>495</u>
TOTAL CASE MGMT	25,817,083	7,296,733
	<u>(604.00)</u>	<u>(199.32)</u>
2. LEGAL REPRESENTATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,364,433	678,304
	(85.00)	(14.45)
OTHER PERSONAL SRVCS	40,873	8,003
TOTAL PERSONAL SRVC	3,405,306	686,307
	(85.00)	(14.45)
OTHER OPERATING EXP	1,746,198	290,054
TOT LEGAL REPRESENTATION	5,151,504	976,361
	<u>(85.00)</u>	<u>(14.45)</u>
TOT CHILD PROTECTIVE SERVICES		
	30,968,587	8,273,094
	<u>(689.00)</u>	<u>(213.77)</u>
B. FOSTER CARE		
1. CASE MANAGEMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	18,368,864	5,785,490
	(558.21)	(236.56)
OTHER PERSONAL SRVCS	1,007,904	204,221
TOTAL PERSONAL SRVC	19,376,768	5,989,711
	(558.21)	(236.56)
OTHER OPERATING EXP	3,375,728	728,196
PUBLIC ASSISTANCE:		
CASE SRVCS	16,925	3,649
TOT CASE SRVC/PUB ASST	<u>16,925</u>	<u>3,649</u>
TOTAL CASE MGMT	22,769,421	6,721,556
	<u>(558.21)</u>	<u>(236.56)</u>

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
2. FOSTER CARE ASSISTANCE PAYMENTS		
PUBLIC ASSISTANCE:		
CASE SRVCS	34,507,669	6,139,203
TOT CASE SRVC/PUB ASST	34,507,669	6,139,203
TOTAL FOSTER CARE ASSISTANCE PAYMENTS	34,507,669	6,139,203
3. EMOTIONALLY DISTURBED CHILDREN SPECIAL ITEMS:		
IMD GROUP HOMES PYMTS	20,676,781	20,676,781
TOTAL SPECIAL ITEMS	20,676,781	20,676,781
PUBLIC ASSISTANCE:		
CASE SRVCS	19,483,780	13,938,471
TOT CASE SRVC/PUB ASST	19,483,780	13,938,471
TOTAL EMOTIONALLY DISTURBED CHILDREN	40,160,561	34,615,252
TOTAL FOSTER CARE	97,437,651 (558.21)	47,476,011 (236.56)
C. ADOPTIONS		
1. CASE MANAGEMENT PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,818,699	1,592,951
	(121.00)	(48.40)
OTHER PERSONAL SRVCS	43,672	17,831
TOTAL PERSONAL SRVC	3,862,371	1,610,782
	(121.00)	(48.40)
OTHER OPERATING EXP	1,786,220	403,881
PUBLIC ASSISTANCE:		
CASE SRVCS	700	240
TOT CASE SRVC/PUB ASST	700	240
TOTAL CASE MGMT	5,649,291 (121.00)	2,014,903 (48.40)

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
2. ADOPTIONS ASSISTANCE		
PUBLIC ASSISTANCE:		
CASE SRVCS	25,275,121	12,616,719
TOT CASE SRVC/PUB ASST	<u>25,275,121</u>	<u>12,616,719</u>
TOTAL ADOPTIONS ASSISTANCE PAYMENTS	<u>25,275,121</u>	<u>12,616,719</u>
TOTAL ADOPTIONS	30,924,412	14,631,622
	<u>(121.00)</u>	<u>(48.40)</u>
D. ADULT PROTECT SRVCS		
1. CASE MANAGEMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,755,883	
	(88.00)	
OTHER PERSONAL SRVCS	<u>26,821</u>	
TOTAL PERSONAL SRVC	2,782,704	
	(88.00)	
OTHER OPERATING EXP	<u>240,895</u>	
TOTAL CASE MGMT	3,023,599	
	<u>(88.00)</u>	
2. CASE SERVICES		
PUBLIC ASSISTANCE:		
CASE SRVCS	175,000	
TOT CASE SRVC/PUB ASST	<u>175,000</u>	
TOTAL CASE SRVCS	<u>175,000</u>	
TOTAL ADULT PROTECTIVE SRVCS	3,198,599	
	<u>(88.00)</u>	
E. EMPLOYMENT AND TRAINING SERVICES		
1. CASE MANAGEMENT		
PERSONAL SERVICE		

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	11,942,549	612,489
	(374.00)	(19.44)
OTHER PERSONAL SRVCS	1,816,289	
TOTAL PERSONAL SRVC	13,758,838	612,489
	(374.00)	(19.44)
OTHER OPERATING EXP	520,390	6,354
TOTAL CASE MGMT	14,279,228	618,843
	(374.00)	(19.44)
2. EMPLOYMENT & TRAINING		
CASE SRVCS		
PUBLIC ASSISTANCE:		
CASE SRVCS	7,520,582	2,500
TOT CASE SRVC/PUB ASST	7,520,582	2,500
TOT EMPLOYMENT AND TRAINING CASE SERVICES	7,520,582	2,500
3. TANF ASSIST PAYMENTS		
PUBLIC ASSISTANCE:		
CASE SRVCS	62,048,519	3,625,903
TOT CASE SRVC/PUB ASST	62,048,519	3,625,903
TOTAL TANF ASSISTANCE PAYMENTS	62,048,519	3,625,903
TOTAL EMPLOYMENT AND TRAINING SERVICES	83,848,329	4,247,246
	(374.00)	(19.44)
F. CHILD SUPPORT ENFORCE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	7,523,452	2,093,429
	(228.00)	(59.50)
OTHER PERSONAL SRVCS	489,162	
TOTAL PERSONAL SRVC	8,012,614	2,093,429
	(228.00)	(59.50)
OTHER OPERATING EXP	36,397,863	734,862

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
AID TO SUBDIV:		
ALOC OTHER ENTITIES	6,500	
TOTAL DIST SUBDIV	6,500	
TOTAL CHILD SUPPORT ENFORCEMENT	44,416,977 (228.00)	2,828,291 (59.50)
G. FOOD STAMP ASSIST PROGRAM		
1. ELIGIBILITY PERSONAL SERVICE		
CLASSIFIED POSITIONS	11,585,343 (439.00)	5,557,577 (183.00)
OTHER PERSONAL SRVCS	1,896,128	36,654
TOTAL PERSONAL SRVC	13,481,471 (439.00)	5,594,231 (183.00)
OTHER OPERATING EXP	1,507,654	51,652
TOTAL ELIGIBILITY	14,989,125 (439.00)	5,645,883 (183.00)
TOT FOOD STAMPS PROG	14,989,125 (439.00)	5,645,883 (183.00)
H. FAMILY PRESERVATION PERSONAL SERVICE		
CLASSIFIED POSITIONS	79,207 (1.00)	
OTHER PERSONAL SRVCS	879,422	7,313
TOTAL PERSONAL SRVC	958,629 (1.00)	7,313
OTHER OPERATING EXP	3,674,663	124,090
PUBLIC ASSISTANCE: CASE SRVCS	1,783,245	
TOT CASE SRVC/PUB ASST	1,783,245	
TOT FAMILY PRESERVATION	6,416,537 (1.00)	131,403

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. HOMEMAKER		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,238,099	
	(69.00)	
	1,238,099	
TOTAL PERSONAL SRVC	(69.00)	
OTHER OPERATING EXP	276,400	
	1,514,499	
TOTAL HOMEMAKER	(69.00)	
	1,514,499	
J. BATTERED SPOUSE		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	33,730	
	33,730	
TOTAL PERSONAL SRVC	23,875	
OTHER OPERATING EXP		
AID TO SUBDIV:		
ALLOC OTHER ENTITIES	3,999,554	
AID TO OTHER ENTITIES	1,648,333	1,648,333
	5,647,887	1,648,333
TOTAL DIST SUBDIV		
TOTAL BATTERED SPOUSE	5,705,492	1,648,333
	5,705,492	1,648,333
K. PREGNANCY PREVENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	91,228	
	(2.00)	
OTHER PERSONAL SRVCS	32,749	
	123,977	
TOTAL PERSONAL SRVC	(2.00)	
OTHER OPERATING EXP	26,200	
SPECIAL ITEMS		
CONTINUATION TEEN		
PREGNANCY PREVENTION	1,093,944	1,093,944
	1,093,944	1,093,944
TOTAL SPECIAL ITEMS		
TOT PREGNANCY PREVENT	1,244,121	1,093,944
	(2.00)	
	1,244,121	1,093,944

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
L. FOOD SERVICES		
PUBLIC ASSISTANCE:		
CASE SRVCS	36,036,715	
TOT CASE SRVC/PUB ASST	36,036,715	
TOTAL FOOD SRVC	<u>36,036,715</u>	
M. CHILD CARE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	4,267,761	
	(131.99)	
OTHER PERSONAL SRVCS	2,636,821	
TOTAL PERSONAL SRVC	6,904,582	
	(131.99)	
OTHER OPERATING EXP	14,662,256	16,377
PUBLIC ASSISTANCE:		
CASE SRVCS	65,471,307	7,017,437
TOT CASE SRVC/PUB ASST	65,471,307	7,017,437
AID TO SUBDIV:		
ALLOC-PRIVATE SECTOR	450,000	
TOTAL DIST SUBDIV	450,000	
TOTAL CHILD CARE	87,488,145	7,033,814
	(131.99)	
TOTAL PROG AND SRVCS	602,790,021	106,576,307
	(3,451.99)	(1,003.83)
III. EMPLOYEE BENEFITS		
A. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	42,581,628	15,244,946
TOTAL FRINGE BENEFITS	42,581,628	15,244,946
TOTAL EMPLOYEE BENEFITS	42,581,628	15,244,946
IV. NONRECURRING		
CHILD SUPPORT		
ENFORCEMENT SYSTEM	6,234,733	
CHILD SUPPORT ENFORCE	4,287,779	

L04-DEPARTMENT OF SOCIAL SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT NON-RECURRING APPRO	10,522,512	
TOTAL NON-RECURRING	10,522,512	
DEPT OF SOCIAL SERVICES		
TOTAL RECURRING BASE	645,371,649	121,821,253
TOTAL FUNDS AVAILABLE	655,894,161	121,821,253
TOTAL AUTH FTE POSITIONS	(3,451.99)	(1,003.83)

SECTION 39

L24-COMMISSION FOR THE BLIND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
COMMISSIONER/S	86,806	86,806
	(1.00)	(1.00)
CLASSIFIED POSITIONS	539,951	539,951
	(13.45)	(13.45)
OTHER PERSONAL SRVCS	38,100	38,100
TOTAL PERSONAL SRVC	664,857	664,857
	(14.45)	(14.45)
OTHER OPERATING EXP	431,363	421,512
TOTAL ADMINISTRATION	1,096,220	1,086,369
	(14.45)	(14.45)
II. REHABILITATION SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,611,915	566,394
	(84.34)	(17.69)
OTHER PERSONAL SRVCS	214,932	
TOTAL PERSONAL SRVC	2,826,847	566,394
	(84.34)	(17.69)
OTHER OPERATING EXP	1,715,476	787

OF SOUTH CAROLINA
General and Permanent Laws--2013
L24-COMMISSION FOR THE BLIND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CASE SRVCS		
PUBLIC ASSIST PAYMENTS	3,958,795	484,202
TOT CASE SRVC/PUB ASST	3,958,795	484,202
TOT REHABILITATION SRVCS	8,501,118	1,051,383
	(84.34)	(17.69)
III. PREVENT OF BLINDNESS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	227,558	
	(6.53)	
OTHER PERSONAL SRVCS	5,000	
TOTAL PERSONAL SRVC	232,558	
	(6.53)	
OTHER OPERATING EXP	90,000	
CASE SRVCS		
PUBLIC ASSIST PAYMENTS	147,188	
TOT CASE SRVC/PUB ASST	147,188	
TOT PREVENT OF BLINDNESS	469,746	
	(6.53)	
IV. COMMUNITY SRVC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	95,972	95,972
	(2.53)	(2.53)
TOTAL PERSONAL SRVC	95,972	95,972
	(2.53)	(2.53)
OTHER OPERATING EXP	30,000	30,000
CASE SRVCS	18,000	18,000
TOT CASE SRVC/PUB ASST	18,000	18,000
TOTAL COMMUNITY SRVC	143,972	143,972
	(2.53)	(2.53)
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,262,135	465,212

STATUTES AT LARGE
General and Permanent Laws--2013
L24-COMMISSION FOR THE BLIND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL FRINGE BENEFITS	1,262,135	465,212
TOTAL EMPLOYEE BENEFITS	1,262,135	465,212
COMMISSION FOR THE BLIND		
TOTAL FUNDS AVAILABLE	11,473,191	2,746,936
TOTAL AUTH FTE POSITIONS	(107.85)	(34.67)

SECTION 42

L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
A. EXECUTIVE DIVISION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	108,955	
	(1.00)	
CLASSIFIED POSITIONS	749,251	
	(15.00)	
OTHER PERSONAL SRVCS	43,110	
TOTAL PERSONAL SRVC	901,316	
	(16.00)	
OTHER OPERATING EXP	647,274	
AID TO SUBDIV		
ALLOC MUN-RESTRICTED	400,000	
ALLOC CNTY-RESTRICTED	100,000	
ALLOC OTHER ST AGENCIES	3,700,000	
ALLOC OTHER ENTITIES	2,000,000	
TOTAL DIST SUBDIV	6,200,000	
TOTAL EXECUTIVE DIV	7,748,590	
	(16.00)	

I. ADMINISTRATION
 B. FINANCE DIVISION
 PERSONAL SERVICE

L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	690,111	
	(10.00)	
OTHER PERSONAL SRVCS	38,340	
TOTAL PERSONAL SRVC	728,451	
	(10.00)	
OTHER OPERATING EXP	205,545	
TOTAL FINANCE DIV	933,996	
	(10.00)	
=====		
I. ADMINISTRATION		
C. SUPPORT SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	855,263	
	(12.00)	
OTHER PERSONAL SRVCS	13,500	
TOTAL PERSONAL SRVC	868,763	
	(12.00)	
OTHER OPERATING EXP	923,560	
TOTAL SUPPORT SRVCS	1,792,323	
	(12.00)	
=====		
TOTAL ADMINISTRATION	10,474,909	
	(38.00)	
=====		
II. HOUSING PROGRAMS		
A. CONTRACT ADMIN & COMP		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,449,597	
	(27.00)	
OTHER PERSONAL SRVCS	127,440	
TOTAL PERSONAL SRVC	1,577,037	
	(27.00)	
OTHER OPERATING EXP	643,295	
PUBLIC ASSISTANCE		
CASE SRVCS	120,937,000	
TOT CASE SRVC/PUB ASST	120,937,000	
=====		

L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY

	TOTAL FUNDS	GENERAL FUNDS
TOT CONTRACT ADMIN & COMPLIANCE	123,157,332	(27.00)
<hr style="border-top: 1px dashed black;"/>		
II. HOUSING PROGRAMS		
B. RENTAL ASSISTANCE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	855,743	(17.00)
OTHER PERSONAL SRVCS	27,000	
TOTAL PERSONAL SRVC	882,743	(17.00)
OTHER OPERATING EXP	831,060	
PUBLIC ASSISTANCE		
CASE SRVCS	11,500,000	
TOT CASE SRVC/PUB ASST	11,500,000	
TOT RENTAL ASSISTANCE	13,213,803	(17.00)
<hr style="border-top: 1px dashed black;"/>		
II. HOUSING PROGRAMS		
C. HOUSING INITIATIVES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	983,923	(19.00)
OTHER PERSONAL SRVCS	52,920	
TOTAL PERSONAL SRVC	1,036,843	(19.00)
OTHER OPERATING EXP	1,044,349	
AID TO SUBDIV		
ALLOC MUN-RESTRICTED	1,700,000	
ALLOC CNTY-RESTRICTED	600,000	
ALLOC OTHER ST AGENCIES	1,500,000	
ALLOC OTHER ENTITIES	21,787,153	
TOTAL DIST SUBDIV	25,587,153	
TOT HOUSING INITIATIVES	27,668,345	(19.00)
<hr style="border-top: 1px dashed black;"/>		

L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
II. HOUSING PROGRAMS		
D. HOUSING CREDIT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	277,096	
	(4.00)	
OTHER PERSONAL SRVCS	17,280	
TOTAL PERSONAL SRVC	294,376	
	(4.00)	
OTHER OPERATING EXP	225,485	
TOTAL HOUSING CREDIT	519,861	
	(4.00)	
TOTAL HOUSING PROG	164,559,341	
	(67.00)	
III. HOMEOWNERSHIP PROG		
A. MORTGAGE PRODUCTION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	446,575	
	(7.00)	
OTHER PERSONAL SRVCS	43,200	
TOTAL PERSONAL SRVC	489,775	
	(7.00)	
OTHER OPERATING EXP	522,338	
AID TO SUBDIV		
ALLOC OTHER ENTITIES	625,902	
TOTAL DIST SUBDIV	625,902	
TOT MORTGAGE PRODUCT	1,638,015	
	(7.00)	
III. HOMEOWNERSHIP PROG		
B. MORTGAGE SERVICING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	972,896	
	(21.00)	
OTHER PERSONAL SRVCS	118,800	

L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	1,091,696	
	(21.00)	
OTHER OPERATING EXP	872,417	
TOT MORTGAGE SERVICING	1,964,113	
	(21.00)	
TOT HOMEOWNERSHIP PROG	3,602,128	
	(28.00)	
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	2,411,155	
TOTAL FRINGE BENEFITS	2,411,155	
TOT EMPLOYEE BENEFITS	2,411,155	
HOUSING FINANCE AND DEVELOPMENT AUTHORITY		
TOTAL FUNDS AVAILABLE	181,047,533	
TOTAL AUTH FTE POSITIONS	(133.00)	

SECTION 43
P12-FORESTRY COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
STATE FORESTER	112,350	112,350
	(1.00)	(1.00)
CLASSIFIED POSITIONS	562,726	562,726
	(14.20)	(14.20)
UNCLASSIFIED POSITIONS	88,000	88,000
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	10,000	10,000
TOTAL PERSONAL SRVC	773,076	773,076
	(16.20)	(16.20)

OF SOUTH CAROLINA
General and Permanent Laws--2013
P12-FORESTRY COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
OTHER OPERATING EXP	91,520	91,520
TOTAL ADMINISTRATION	864,596 (16.20)	864,596 (16.20)
II. FOREST PROTECTION & DEVELOPMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	8,268,456 (270.55)	6,607,938 (233.25)
NEW POSITIONS:		
<i>FOREST TECH I (FIREFIGHTERS)</i>	393,600 (19.00)	393,600 (19.00)
OTHER PERSONAL SRVCS	353,000	175,000
TOTAL PERSONAL SRVC	9,015,056 (289.55)	7,176,538 (252.25)
OTHER OPERATING EXP	7,916,777	1,866,210
SPECIAL ITEMS:		
FOREST RENEWAL PROG	1,000,000	200,000
TOTAL SPECIAL ITEMS	1,000,000	200,000
AID TO SUBDIV:		
ALLOC MUNI-RESTRICTED	30,000	
ALLOC CNTY-RESTRICTED	47,000	
ALLOC OTHER ENTITIES	183,475	
ALLOC - PRIVATE SECTOR	545,000	
TOTAL DIST SUBDIV	805,475	
TOT FOREST PROTECTION & DEVELOPMENT	18,737,308 (289.55)	9,242,748 (252.25)
III. STATE FORESTS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,080,000 (21.35)	
OTHER PERSONAL SRVCS	50,000	
TOTAL PERSONAL SRVC	1,130,000 (21.35)	
OTHER OPERATING EXP	1,327,713	

STATUTES AT LARGE
General and Permanent Laws--2013
P12-FORESTRY COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
AID TO SUBDIV:		
ALOC CNTY-RESTRICTED	1,095,000	
TOTAL DIST SUBDIV	1,095,000	
TOTAL STATE FORESTS	3,552,713	
	(21.35)	
IV. EDUCATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	130,000	130,000
	(4.20)	(4.20)
OTHER PERSONAL SRVCS	5,000	5,000
TOTAL PERSONAL SRVC	135,000	135,000
	(4.20)	(4.20)
OTHER OPERATING EXP	29,925	29,925
TOTAL EDUCATION	164,925	164,925
	(4.20)	(4.20)
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	4,628,543	3,533,543
TOTAL FRINGE BENEFITS	4,628,543	3,533,543
TOTAL EMPLOYEE BENEFITS	4,628,543	3,533,543
FORESTRY COMMISSION		
TOTAL FUNDS AVAILABLE	27,948,085	13,805,812
TOT AUTH FTE POSITIONS	(331.30)	(272.65)

SECTION 44
P16-DEPARTMENT OF AGRICULTURE

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATIVE SRVCS		
PERSONAL SERVICE		
COMMSNR OF AGRICULTURE	92,007	92,007
	(1.00)	(1.00)

OF SOUTH CAROLINA
General and Permanent Laws--2013
P16-DEPARTMENT OF AGRICULTURE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	557,098	557,098
	(14.00)	(14.00)
TOTAL PERSONAL SRVC	649,105	649,105
	(15.00)	(15.00)
OTHER OPERATING EXP	193,272	103,272
TOT ADMINISTRATIVE SRVCS	842,377	752,377
	(15.00)	(15.00)
II. LABORATORY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	788,274	652,274
	(18.00)	(17.00)
TOTAL PERSONAL SRVC	788,274	652,274
	(18.00)	(17.00)
OTHER OPERATING EXP	490,326	285,726
TOT LABORATORY SRVCS	1,278,600	938,000
	(18.00)	(17.00)
III. CONSUMER SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	978,831	257,313
	(35.00)	(8.00)
NEW POSITIONS:		
**FIELD SPECIALIST I	145,000	145,000
	(2.00)	(2.00)
OTHER PERSONAL SRVCS	19,035	
TOTAL PERSONAL SRVC	1,142,866	402,313
	(37.00)	(10.00)
OTHER OPERATING EXP	839,134	409,187
TOTAL CONSUMER SRVCS	1,982,000	811,500
	(37.00)	(10.00)
IV. MARKETING SRVCS		
A. MARKETING & PROMOTIONS		
PERSONAL SERVICE		

** See note at end of Act.

STATUTES AT LARGE
General and Permanent Laws--2013
P16-DEPARTMENT OF AGRICULTURE

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	505,564	460,564
	(16.51)	(16.51)
<hr/>		
TOTAL PERSONAL SRVC	505,564	460,564
	(16.51)	(16.51)
OTHER OPERATING EXP	2,557,345	1,563,341
SPECIAL ITEMS:		
RENEWABLE ENERGY	350,000	
AGRIBUSINESS	250,000	250,000
<hr/>		
TOTAL SPECIAL ITEMS	600,000	250,000
<hr/>		
TOT MRKTING & PROMOS	3,662,909	2,273,905
	(16.51)	(16.51)
<hr/> <hr/>		
B. COMMODITY BOARDS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	39,320	
	(3.00)	
OTHER PERSONAL SRVCS	50,280	
<hr/>		
TOTAL PERSONAL SRVC	89,600	
	(3.00)	
OTHER OPERATING EXP	1,759,680	
<hr/>		
TOT COMMODITY BOARDS	1,849,280	
	(3.00)	
<hr/> <hr/>		
C. MARKET SERVICES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	252,000	
	(19.12)	
OTHER PERSONAL SRVCS	64,500	
<hr/>		
TOTAL PERSONAL SRVC	316,500	
	(19.12)	
OTHER OPERATING EXP	877,900	300,000
<hr/>		
TOTAL MARKET SRVCS	1,194,400	300,000
	(19.12)	
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P16-DEPARTMENT OF AGRICULTURE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
D. INSPECTION SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	960,000	
	(25.37)	
OTHER PERSONAL SRVCS	250,000	
TOTAL PERSONAL SRVC	1,210,000	
	(25.37)	
OTHER OPERATING EXP	621,200	
TOT INSPECTION SRVCS	1,831,200	
	(25.37)	
E. MARKET BULLETIN		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	48,000	
	(4.00)	
TOTAL PERSONAL SRVC	48,000	
	(4.00)	
OTHER OPERATING EXP	111,500	
TOT MARKET BULLETIN	159,500	
	(4.00)	
TOT MARKETING SRVCS	8,697,289	2,573,905
	(68.00)	(16.51)
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,821,882	733,536
TOTAL FRINGE BENEFITS	1,821,882	733,536
TOTAL EMPLOYEE BENEFITS	1,821,882	733,536
VI. NON-RECURRING APPRO		
MSA--MARKETING	2,000,000	
TOT NON-RECURRING APPRO	2,000,000	
TOTAL NON-RECURRING	2,000,000	

STATUTES AT LARGE
General and Permanent Laws--2013
P16-DEPARTMENT OF AGRICULTURE

	TOTAL FUNDS	GENERAL FUNDS
DEPT OF AGRICULTURE		
TOTAL RECURRING BASE	14,622,148	5,809,318
TOTAL FUNDS AVAILABLE	16,622,148	5,809,318
TOTAL AUTH FTE POSITIONS	(138.00)	(58.51)

SECTION 45

P20-CLEMSON UNIVERSITY (PUBLIC SERVICE ACTIVITIES)

	TOTAL FUNDS	GENERAL FUNDS
I. REGULATORY & PUBLIC SRVC		
A. GENERAL		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,499,198	300,771
	(56.00)	(36.00)
NEW POSITIONS:		
UNCLASSIFIED POSITIONS	731,306	193,937
	(5.42)	(5.42)
OTHER PERSONAL SRVCS	284,204	
TOTAL PERSONAL SRVC	2,514,708	494,708
	(61.42)	(41.42)
OTHER OPERATING EXP	1,348,469	
TOTAL GENERAL	3,863,177	494,708
	(61.42)	(41.42)
I. REGULATORY & PUB SRVC		
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	191,779	
	(5.00)	
OTHER PERSONAL SRVCS	387,620	
TOTAL PERSONAL SRVC	579,399	
	(5.00)	
OTHER OPERATING EXP	368,568	

OF SOUTH CAROLINA
General and Permanent Laws--2013
P20-CLEMSON UNIVERSITY
(PUBLIC SERVICE ACTIVITIES)

	TOTAL FUNDS	GENERAL FUNDS
TOTAL RESTRICTED	947,967 (5.00)	
TOT REG & PUBLIC SRVC	4,811,144 (66.42)	494,708 (41.42)
 II. LIVESTOCK-POULTRY HLTH		
A. GENERAL		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,007,854 (42.00)	912,454 (42.00)
UNCLASSIFIED POSITIONS	754,470 (5.33)	754,470 (5.33)
NEW POSITIONS:		
<i>VETERINARY PATHOLOGIST</i>	<i>150,000</i> (1.00)	<i>150,000</i> (1.00)
<i>QUALITY MANAGER</i>	<i>80,000</i> (1.00)	<i>80,000</i> (1.00)
OTHER PERSONAL SRVCS	172,403	
TOTAL PERSONAL SRVC	2,164,727 (49.33)	1,896,924 (49.33)
OTHER OPERATING EXP	948,960	273,706
TOTAL GENERAL	3,113,687 (49.33)	2,170,630 (49.33)
 II. LIVESTOCK-POULTRY HLTH		
B. RESTRICTED		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	873,371 (21.00)	
UNCLASSIFIED POSITIONS	182,358 (.50)	
TOTAL PERSONAL SRVC	1,055,729 (21.50)	
OTHER OPERATING EXP	952,053	
TOTAL RESTRICTED	2,007,782 (21.50)	

STATUTES AT LARGE
General and Permanent Laws--2013
P20-CLEMSON UNIVERSITY
(PUBLIC SERVICE ACTIVITIES)

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL LIVESTOCK- POULTRY HEALTH	5,121,469 (70.83)	2,170,630 (49.33)
<hr/>		
III. AGRI RESEARCH PERSONAL SERVICE CLASSIFIED POSITIONS	3,764,177 (136.42)	2,723,613 (108.99)
NEW POSITIONS:		
<i>RESEARCH TECHNICIAN</i>	280,000 (4.00)	280,000 (4.00)
<i>PROGRAM COORDINATOR</i>	(1.00)	
<i>FOREST FIELD OPERS SUPER</i>	(1.00)	
<i>VEHICLE MAINT SUPERVISOR</i>	(1.00)	
<i>FORESTER II</i>	(1.00)	
<i>FORESTRY TECHNICIAN II</i>	(1.00)	
<i>AG ANIMAL ASSOCIATE I</i>	(6.00)	
<i>AG ANIMAL ASSOCIATE II</i>	(3.00)	
UNCLASSIFIED POSITIONS	8,889,304 (76.14)	6,756,133 (60.61)
NEW POSITIONS:		
** <i>AGRICULTURAL ENGINEER</i>	150,000 (1.00)	150,000 (1.00)
** <i>PLANT BREEDER</i>	150,000 (1.00)	150,000 (1.00)
** <i>RESEARCH ASSOCIATE</i>	100,000 (7.00)	100,000 (1.00)
OTHER PERSONAL SRVCS	<hr/> 816,714	

** See note at end of Act.

OF SOUTH CAROLINA
General and Permanent Laws--2013
P20-CLEMSON UNIVERSITY
(PUBLIC SERVICE ACTIVITIES)

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	14,150,195	10,159,746
	(239.56)	(176.60)
OTHER OPERATING EXP	<u>4,360,287</u>	<u>200,000</u>
TOT AGRI RESEARCH	<u>18,510,482</u>	<u>10,359,746</u>
	<u>(239.56)</u>	<u>(176.60)</u>
IV. COOP EXTENSION SRVC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	5,394,493	3,123,469
	(172.04)	(92.54)
UNCLASSIFIED POSITIONS	9,422,492	6,154,226
	(176.90)	(77.64)
NEW POSITIONS:		
<i>EXTENSION ASSOCIATE</i>	<i>190,000</i>	<i>190,000</i>
	(3.00)	(3.00)
<i>EXTENSION SPECIALIST</i>	<i>130,000</i>	<i>130,000</i>
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	<u>2,897,061</u>	<u>13,100</u>
TOTAL PERSONAL SRVC	18,034,046	9,610,795
	(352.94)	(174.18)
OTHER OPERATING EXP	<u>10,237,984</u>	
TOT COOP EXTENSION SRVC	<u>28,272,030</u>	<u>9,610,795</u>
	<u>(352.94)</u>	<u>(174.18)</u>
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>13,513,884</u>	<u>8,376,755</u>
TOTAL FRINGE BENEFITS	<u>13,513,884</u>	<u>8,376,755</u>
TOTAL EMPLOYEE BENEFITS	<u>13,513,884</u>	<u>8,376,755</u>
CLEMSON UNIVERSITY		
(PUBLIC SERVICE ACTIVITIES)		
TOTAL FUNDS AVAILABLE	70,229,009	31,012,634
TOTAL AUTH FTE POSITIONS	<u>(729.75)</u>	<u>(441.53)</u>

SECTION 46

P21-SC STATE UNIVERSITY (PUBLIC SERVICE ACTIVITIES)

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	84,053	49,085
	(4.00)	(1.75)
UNCLASSIFIED POSITIONS	367,051	115,051
	(5.00)	(1.25)
OTHER PERSONAL SRVCS	73,787	
TOTAL PERSONAL SRVC	524,891	164,136
	(9.00)	(3.00)
OTHER OPERATING EXP	504,635	95,106
TOTAL ADMINISTRATION	1,029,526	259,242
	(9.00)	(3.00)
II. RESEARCH & EXTENSION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	753,721	72,996
	(17.00)	(1.00)
UNCLASSIFIED POSITIONS	812,668	307,161
	(29.00)	(5.00)
OTHER PERSONAL SRVCS	350,143	
TOTAL PERSONAL SRVC	1,916,532	380,157
	(46.00)	(6.00)
OTHER OPERATING EXP	3,283,019	1,858,644
TOT RESEARCH & EXTENSION	5,199,551	2,238,801
	(46.00)	(6.00)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	958,544	515,837
TOTAL FRINGE BENEFITS	958,544	515,837
TOTAL EMPLOYEE BENEFITS	958,544	515,837

OF SOUTH CAROLINA
General and Permanent Laws--2013
P21-SC STATE UNIVERSITY
(PUBLIC SERVICE ACTIVITIES)

	TOTAL FUNDS	GENERAL FUNDS
SC STATE UNIVERSITY (PUBLIC SERVICE ACTIVITIES)		
TOTAL FUNDS AVAILABLE	7,187,621	3,013,880
TOTAL AUTH FTE POSITIONS	(55.00)	(9.00)

SECTION 47
P24-DEPARTMENT OF NATURAL RESOURCES

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	129,877	129,877
	(1.00)	(1.00)
CLASSIFIED POSITIONS	2,416,275	1,277,613
	(41.17)	(22.50)
UNCLASSIFIED POSITIONS	89,579	89,579
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	7,450	
TOTAL PERSONAL SRVC	2,643,181	1,497,069
	(43.17)	(24.50)
OTHER OPERATING EXP	376,156	60,956
AID TO SUBDIV:		
ALLOC OTHER ENTITIES	50,000	
TOTAL DIST SUBDIV	50,000	
TOTAL ADMINISTRATION	3,069,337	1,558,025
	(43.17)	(24.50)
II. PROGRAMS & SRVCS		
A. CONSERVATION EDUC		
1. OUTREACH PROGRAM		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	505,235	412,819
	(15.10)	(9.60)

P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	92,266 (1.00)	
TOTAL PERSONAL SRVC	597,501 (16.10)	412,819 (9.60)
* OTHER OPERATING EXP	608,128	500,000
TOTAL OUTREACH PROG	1,205,629 (16.10)	912,819 (9.60)
2. MAGAZINE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	266,212 (4.15)	
TOTAL PERSONAL SRVC	266,212 (4.15)	
OTHER OPERATING EXP	645,507	
TOTAL MAGAZINE	911,719 (4.15)	
3. WEB SVCS & TECH DEV		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,090,744 (17.18)	382,119 (9.83)
NEW POSITIONS:		
<i>INFO RESOURCE CONSULT</i>	25,627 (1.00)	25,627 (1.00)
<i>RECORDS ANALYST</i>	37,945 (1.00)	37,945 (1.00)
TOTAL PERSONAL SRVC	1,154,316 (19.18)	445,691 (11.83)
OTHER OPERATING EXP	1,221,830	105,000
TOT WEB SVCS & TECH DEV	2,376,146 (19.18)	550,691 (11.83)

* See note at end of Act.

P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT CONSERVATION EDUC	4,493,494	1,463,510
	(39.43)	(21.43)
<hr/>		
B. TITLING & LICENSSRVCS		
1. BOAT TITLING & REGIS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	795,275	
	(23.00)	
OTHER PERSONAL SRVCS	60,000	
	<hr/>	
TOTAL PERSONAL SRVC	855,275	
	(23.00)	
OTHER OPERATING EXP	340,100	
	<hr/>	
TOTAL BOAT TITLING &		
REGISTRATION	1,195,375	
	(23.00)	
<hr/>		
2. FISHING & HUNTING LICEN		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	264,600	
	(7.60)	
OTHER PERSONAL SRVCS	44,450	
	<hr/>	
TOTAL PERSONAL SRVC	309,050	
	(7.60)	
OTHER OPERATING EXP	790,000	
	<hr/>	
TOTAL FISHING &		
HUNTING LICENSES	1,099,050	
	(7.60)	
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TOT TITL & LICEN SRVCS	2,294,425	
	(30.60)	
<hr/>		
C. REGIONAL PROJECTS		
1. BOATING ACCESS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	258,487	
	(4.50)	
	<hr/>	
TOTAL PERSONAL SRVC	258,487	
	(4.50)	

P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	792,026	
TOTAL BOATING ACCESS	1,050,513	
	(4.50)	
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2. CNTY WATER REC FUND		
OTHER OPERATING EXP	263,000	
AID TO SUBDIV:		
ALLOC MUNI-RESTRICTED	435,000	
ALLOC CNTY-RESTRICTED	75,000	
TOTAL DIST SUBDIV	510,000	
TOT CNTY/WATER REC FUND	773,000	
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3. CNTY GAME & FISH FUND		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	5,000	
TOTAL PERSONAL SRVC	5,000	
OTHER OPERATING EXP	325,000	
TOT CNTY GAME & FISH FUND	330,000	
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TOTAL REGIONAL PROJECTS	2,153,513	
	(4.50)	
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D. WILDLIFE/FW FISHERIES		
1. WILDLIFE-REGIONAL		
OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,112,521	
	(87.95)	
UNCLASSIFIED POSITIONS	92,700	
	(1.00)	
OTHER PERSONAL SRVCS	579,500	
TOTAL PERSONAL SRVC	3,784,721	
	(88.95)	
OTHER OPERATING EXP	6,057,568	
AID TO SUBDIV:		
ALLOC OTHER ENTITIES	20,000	
TOTAL DIST SUBDIV	20,000	

P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT WILDLIFE - REGIONAL OPERATIONS	9,862,289	(88.95)
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2. WILDLIFE-STATEWIDE OPERATIONS		
PERSONAL SERVICE CLASSIFIED POSITIONS	426,722	(14.00)
OTHER PERSONAL SRVCS	12,000	
TOTAL PERSONAL SRVC	438,722	(14.00)
OTHER OPERATING EXP	1,473,118	
TOT WILDLIFE - STATEWIDE OPERATIONS	1,911,840	(14.00)
<hr/>		
3. ENDANGERED SPECIES		
PERSONAL SERVICE CLASSIFIED POSITIONS	447,954	(5.85)
OTHER PERSONAL SRVCS	181,790	
TOTAL PERSONAL SRVC	629,744	(5.85)
OTHER OPERATING EXP	961,025	
TOT ENDANGERED SPECIES	1,590,769	(5.85)
<hr/>		
4. FISHERIES-REGIONAL OPERATIONS		
PERSONAL SERVICE CLASSIFIED POSITIONS	1,044,834	(31.32)
OTHER PERSONAL SRVCS	839,343	
TOTAL PERSONAL SRVC	1,884,177	(31.32)
OTHER OPERATING EXP	1,789,554	

P24-DEPARTMENT OF NATURAL RESOURCES

	TOTAL FUNDS	GENERAL FUNDS
TOT FISHERIES - REGIONAL OPERATIONS	3,673,731 (31.32)	
<hr style="border-top: 1px dashed black;"/>		
5. FISHERIES-HATCHERY OPERATIONS		
PERSONAL SERVICE CLASSIFIED POSITIONS	1,608,270 (25.00)	
OTHER PERSONAL SRVCS	415,400	
TOTAL PERSONAL SRVC	2,023,670 (25.00)	
OTHER OPERATING EXP	2,706,280	300,000
TOT FISHERIES - HATCHERY OPERATIONS	4,729,950 (25.00)	300,000
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TOTAL WILDLIFE & FRESHWATER FISHERIES	21,768,579 (165.12)	300,000
<hr style="border-top: 1px dashed black;"/>		
E. LAW ENFORCEMENT		
1. CONSERVATION ENFORCE		
PERSONAL SERVICE CLASSIFIED POSITIONS	9,840,494 (247.14)	6,891,544 (170.40)
NEW POSITIONS: <i>LAW ENF OFFICER I</i>	397,798 (18.00)	397,798 (18.00)
OTHER PERSONAL SRVCS	310,220	
TOTAL PERSONAL SRVC	10,548,512 (265.14)	7,289,342 (188.40)
OTHER OPERATING EXP	4,921,875	521,875
TOT CONSERV ENFORCE	15,470,387 (265.14)	7,811,217 (188.40)
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P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
2. BOATING SAFETY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	224,576	
	(18.00)	
UNCLASSIFIED POSITIONS	22,000	
	(1.00)	
OTHER PERSONAL SRVCS	73,000	
TOTAL PERSONAL SRVC	319,576	
	(19.00)	
OTHER OPERATING EXP	1,163,661	
TOTAL BOATING SAFETY	1,483,237	
	(19.00)	
3. HUNTER SAFETY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	387,225	
	(9.00)	
OTHER PERSONAL SRVCS	63,209	
TOTAL PERSONAL SRVC	450,434	
	(9.00)	
OTHER OPERATING EXP	1,660,298	
TOTAL HUNTER SAFETY	2,110,732	
	(9.00)	
TOT LAW ENFORCEMENT	19,064,356	7,811,217
	(293.14)	(188.40)
F. MARINE RESOURCES		
1. CONSERVATION & MGMT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,729,933	616,417
	(65.44)	(11.52)
UNCLASSIFIED POSITIONS	142,638	64,581
	(1.55)	(.60)
OTHER PERSONAL SRVCS	911,020	
TOTAL PERSONAL SRVC	3,783,591	680,998
	(66.99)	(12.12)

P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	4,078,883	
SPECIAL ITEMS:		
ATLANTIC MARINE		
FISHERIES COMMISSION	34,980	
TOTAL SPECIAL ITEMS	34,980	
TOT MARINE		
CONSERVATION & MGMT	7,897,454	680,998
	(66.99)	(12.12)
<hr/>		
2. MARINE RESEARCH & MONITORING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	866,099	185,175
	(28.04)	(4.00)
UNCLASSIFIED POSITIONS	337,634	319,563
	(6.45)	(3.90)
OTHER PERSONAL SRVCS	1,248,940	
TOTAL PERSONAL SRVC	2,452,673	504,738
	(34.49)	(7.90)
OTHER OPERATING EXP	2,261,809	
SPECIAL ITEMS:		
** <i>WADDELL MARICULTURE CTR</i>	<u>353,202</u>	<u>353,202</u>
TOTAL SPECIAL ITEMS	353,202	353,202
TOTAL MARINE RESEARCH & MONITORING	5,067,684	857,940
	(34.49)	(7.90)
<hr/>		
TOTAL MARINE RESOURCES	12,965,138	1,538,938
	(101.48)	(20.02)
<hr/>		
G. LAND, WATER & CONSERV		
1. EARTH SCIENCE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,178,872	859,792
	(24.66)	(14.32)

** See note at end of Act.

P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
NEW POSITIONS:		
<i>HYDROLOGIST II</i>	48,723	48,723
	(1.00)	(1.00)
<i>HYDROLOGIST I</i>	31,183	31,183
	(1.00)	(1.00)
UNCLASSIFIED POSITIONS	99,910	99,910
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	107,300	
TOTAL PERSONAL SRVC	1,465,988	1,039,608
	(27.66)	(17.32)
OTHER OPERATING EXP	1,099,019	415,357
TOTAL EARTH SCIENCE	2,565,007	1,454,965
	(27.66)	(17.32)
2. CONSERVATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	256,962	156,725
	(11.39)	(4.89)
NEW POSITIONS:		
*PROGRAM COORDINATOR II	37,945	37,945
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	85,000	
TOTAL PERSONAL SRVC	379,907	194,670
	(12.39)	(5.89)
OTHER OPERATING EXP	2,039,252	80,200
AID TO SUBDIV:		
AID TO CONSERVATION		
DISTRICTS	1,147,702	629,004
TOTAL DIST SUBDIV	1,147,702	629,004
TOTAL CONSERVATION	3,566,861	903,874
	(12.39)	(5.89)
3. HERITAGE TRUST		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	401,446	
	(7.71)	

* See note at end of Act.

P24-DEPARTMENT OF NATURAL RESOURCES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	57,850	
TOTAL PERSONAL SRVC	459,296	
	(7.71)	
OTHER OPERATING EXP	925,000	
TOTAL HERITAGE TRUST	1,384,296	
	(7.71)	
<hr/>		
TOTAL LAND, WATER & CONSERVATION	7,516,164	2,358,839
	(47.76)	(23.21)
<hr/>		
TOTAL PROG AND SRVCS	70,255,669	13,472,504
	(682.03)	(253.06)
<hr/>		
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	11,651,611	4,306,725
TOTAL FRINGE BENEFITS	11,651,611	4,306,725
TOTAL EMPLOYEE BENEFITS	11,651,611	4,306,725
<hr/>		
DEPT OF NATURAL RESOURCES		
TOTAL FUNDS AVAILABLE	84,976,617	19,337,254
TOTAL AUTH FTE POSITIONS	(725.20)	(277.56)

SECTION 48
P26-SEA GRANT CONSORTIUM

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
** <i>DIRECTOR</i>	89,247	89,247
	(1.00)	(1.00)

** See ntoe at end of Act.

OF SOUTH CAROLINA
General and Permanent Laws--2013
P26-SEA GRANT CONSORTIUM

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	539,191	181,191
	(13.00)	(6.44)
OTHER PERSONAL SRVCS	544,674	
TOTAL PERSONAL SRVC	1,173,112	270,438
	(14.00)	(7.44)
OTHER OPERATING EXP	564,074	90,473
AID TO SUBDIV:		
ALLOC OTHER ST AGENCIES	1,955,875	
ALLOC OTHER ENTITIES	1,756,480	
ALLOC - PRIVATE SECTOR	300,000	
TOTAL DIST SUBDIV	4,012,355	
TOTAL ADMINISTRATION	5,749,541	360,911
	(14.00)	(7.44)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	315,239	84,083
TOTAL FRINGE BENEFITS	315,239	84,083
TOTAL EMPLOYEE BENEFITS	315,239	84,083
SEA GRANT CONSORTIUM		
TOTAL FUNDS AVAILABLE	6,064,780	444,994
TOTAL AUTH FTE POSITIONS	(14.00)	(7.44)

SECTION 49

P28-DEPT OF PARKS, RECREATION & TOURISM

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
A. EXECUTIVE OFFICES		
PERSONAL SERVICE		
DIRECTOR	120,379	120,379
	(1.00)	(1.00)

P28-DEPT OF PARKS, RECREATION & TOURISM

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	288,008	288,008
	(7.00)	(7.00)
UNCLASSIFIED POSITIONS	115,287	115,287
	(2.00)	(2.00)
OTHER PERSONAL SRVCS	200,000	200,000
TOTAL PERSONAL SRVC	723,674	723,674
	(10.00)	(10.00)
OTHER OPERATING EXP	64,414	64,414
TOTAL EXEC OFFICES	788,088	788,088
	(10.00)	(10.00)
 B. ADMIN SERVICES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,454,915	1,429,915
	(28.00)	(27.75)
TOTAL PERSONAL SRVC	1,454,915	1,429,915
	(28.00)	(27.75)
OTHER OPERATING EXP	1,229,023	1,089,543
SPECIAL ITEMS:		
FIRST IN GOLF	75,000	
SPORTS DEVELOP FUND	50,000	
TOTAL SPECIAL ITEMS	125,000	
AID TO SUBDIV:		
ALLOC MUN-RESTRICTED	1,056,000	
ALLOC CNTY-RESTRICTED	764,500	
ALLOC OTHER ST AGENCIES	532,600	
ALLOC OTHER ENTITIES	395,000	
TOTAL DIST SUBDIV	2,748,100	
TOT ADMINISTRAT SRVCS	5,557,038	2,519,458
	(28.00)	(27.75)
TOTAL ADMINISTRATION	6,345,126	3,307,546
	(38.00)	(37.75)

II. PROGRAMS AND SRVCS

A. TOURISM SALES & MRKTING

PERSONAL SERVICE

P28-DEPT OF PARKS, RECREATION & TOURISM

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	1,702,019	1,479,797
	(47.00)	(47.00)
OTHER PERSONAL SRVCS	196,389	175,000
TOTAL PERSONAL SRVC	1,898,408	1,654,797
	(47.00)	(47.00)
OTHER OPERATING EXP	251,997	230,608
SPECIAL ITEMS:		
REGIONAL PROMOTIONS	2,255,000	2,255,000
ADVERTISING	13,264,793	11,464,793
DESTINATION-SPECIFIC		
ADVERTISING	12,000,000	12,000,000
TOTAL SPECIAL ITEMS	27,519,793	25,719,793
TOT TOUR SALES & MRKTG	29,670,198	27,605,198
	(47.00)	(47.00)
B. HERITAGE CORRIDOR		
AID TO SUBDIV:		
ALLOC MUN - RESTRICTED	50,000	
ALLOC CNTY-RESTRICTED	50,000	
ALLOC OTHER ST AGENCIES	20,000	
ALLOC OTHER ENTITIES	573,530	
TOTAL DIST SUBDIV	693,530	
TOT SC HERITAGE CORRIDOR	693,530	
D. STATE PARKS SRVC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	9,710,412	2,782,408
	(285.00)	(96.25)
OTHER PERSONAL SRVCS	3,250,000	
TOTAL PERSONAL SRVC	12,960,412	2,782,408
	(285.00)	(96.25)
OTHER OPERATING EXP	11,553,875	
TOTAL STATE PARKS SRVC	24,514,287	2,782,408
	(285.00)	(96.25)

P28-DEPT OF PARKS, RECREATION & TOURISM

	TOTAL FUNDS	GENERAL FUNDS
E. COMMUNICATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	206,844	206,844
	(2.00)	(2.00)
	206,844	206,844
TOTAL PERSONAL SRVC	(2.00)	(2.00)
OTHER OPERATING EXP	18,000	18,000
	224,844	224,844
TOTAL COMMUNICATIONS	(2.00)	(2.00)
	224,844	224,844
F. RESEARCH & POLICY DEVELOPMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	107,383	107,383
	(2.00)	(2.00)
	107,383	107,383
TOTAL PERSONAL SRVC	(2.00)	(2.00)
OTHER OPERATING EXP	15,000	15,000
	122,383	122,383
TOT RESEARCH & POLICY DEVELOPMENT	(2.00)	(2.00)
	122,383	122,383
G. STATE FILM OFFICE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	127,872	
	(2.00)	
OTHER PERSONAL SRVCS	50,000	
	177,872	
TOTAL PERSONAL SRVC	(2.00)	
OTHER OPERATING EXP	200,000	
SPECIAL ITEMS:		
AID TO SUBDIV:		
ALLOC-PRIVATE SECTOR	10,793,767	
	10,793,767	
TOTAL DIST SUBDIV	10,793,767	
TOTAL FILM OFFICE	(2.00)	
	10,793,767	

P28-DEPT OF PARKS, RECREATION & TOURISM

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
H. PRODUCT SRVCS & DEVELOPMENT		
<i>*OTHER OPERATING EXP</i>	<u>500,000</u>	<u>500,000</u>
TOTAL PRODUCT SRVCS & DEVELOPMENT	<u>500,000</u>	<u>500,000</u>
TOTAL PROG AND SRVCS	66,896,881 <u>(338.00)</u>	31,234,833 <u>(147.25)</u>
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>6,278,837</u>	<u>2,866,492</u>
TOTAL FRINGE BENEFITS	<u>6,278,837</u>	<u>2,866,492</u>
TOTAL EMPLOYEE BENEFITS	<u>6,278,837</u>	<u>2,866,492</u>
DEPT OF PARKS, RECREATION & TOURISM		
TOTAL FUNDS AVAILABLE	79,520,844	37,408,871
TOTAL AUTH FTE POSITIONS	<u>(376.00)</u>	<u>(185.00)</u>

SECTION 50

P32-DEPARTMENT OF COMMERCE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMIN & SUPPORT		
A. OFFICE OF SEC'Y		
PERSONAL SERVICE		
DIRECTOR	162,640	162,640
	(1.00)	(1.00)
CLASSIFIED POSITIONS	314,360	314,360
	(4.00)	(4.00)
UNCLASSIFIED POSITIONS	130,000	130,000
	<u>(1.00)</u>	<u>(1.00)</u>

* See note at end of Act.

STATUTES AT LARGE
General and Permanent Laws--2013
P32-DEPARTMENT OF COMMERCE

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	607,000	607,000
	(6.00)	(6.00)
OTHER OPERATING EXP	153,000	153,000
TOTAL OFF OF SECRETARY	760,000	760,000
	(6.00)	(6.00)
 B. FINANCIAL SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	420,000	420,000
	(7.21)	(7.21)
OTHER PERSONAL SRVCS	5,000	5,000
TOTAL PERSONAL SRVC	425,000	425,000
	(7.21)	(7.21)
OTHER OPERATING EXP	440,000	190,000
TOTAL FINANCIAL SRVCS	865,000	615,000
	(7.21)	(7.21)
 C. INFO TECHNOLOGY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	245,000	170,000
	(4.00)	(2.50)
TOTAL PERSONAL SRVC	245,000	170,000
	(4.00)	(2.50)
OTHER OPERATING EXP	180,000	126,000
TOTAL INFO TECHNOLOGY	425,000	296,000
	(4.00)	(2.50)
TOTAL ADMIN & SUPPORT	2,050,000	1,671,000
	(17.21)	(15.71)
 II. PROGRAMS AND SRVCS		
A. GLOBAL BUSINESS DEV		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	835,000	752,500
	(17.00)	(16.00)
UNCLASSIFIED POSITIONS	115,000	115,000
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	100,000	100,000

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General and Permanent Laws--2013
P32-DEPARTMENT OF COMMERCE

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	1,050,000	967,500
	(18.00)	(17.00)
OTHER OPERATING EXP	1,592,000	1,567,000
SPECIAL ITEMS:		
PUBLIC-PRIVATE PARTNER	101,065	101,065
LOCAL ECO DEV ALLIANCES	5,000,000	5,000,000
TOTAL SPECIAL ITEMS	5,101,065	5,101,065
TOTAL GLOBAL BUSINESS DEVELOPMENT	7,743,065	7,635,565
	(18.00)	(17.00)
B. SMALL BUSINESS/ EXISTING INDUSTRY PERSONAL SERVICE CLASSIFIED POSITIONS	554,500	346,000
	(10.00)	(7.80)
OTHER PERSONAL SRVCS	71,500	10,000
TOTAL PERSONAL SRVC	626,000	356,000
	(10.00)	(7.80)
OTHER OPERATING EXP	425,000	185,000
AID TO SUBDIV:		
ALLOC-PRIVATE SECTOR	116,000	
TOTAL DIST SUBDIV	116,000	
TOTAL SMALL BUSINESS /EXISTING INDUSTRY	1,167,000	541,000
	(10.00)	(7.80)
C. COMMUNITY & RURAL DEVELOPMENT PERSONAL SERVICE CLASSIFIED POSITIONS	350,000	
	(4.00)	
OTHER PERSONAL SRVCS	50,000	
TOTAL PERSONAL SRVC	400,000	
	(4.00)	
OTHER OPERATING EXP	145,000	

STATUTES AT LARGE
General and Permanent Laws--2013
P32-DEPARTMENT OF COMMERCE

	TOTAL FUNDS	GENERAL FUNDS
TOTAL COMMUNITY & RURAL DEVELOPMENT	545,000 (4.00)	
<hr style="border-top: 1px dashed black;"/>		
D. MRKTG, COMMUNIC & RESEARCH		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	665,000 (14.00)	665,000 (14.00)
OTHER PERSONAL SRVCS	25,000	25,000
TOTAL PERSONAL SRVC	690,000 (14.00)	690,000 (14.00)
OTHER OPERATING EXP	215,000	215,000
SPECIAL ITEMS:		
BUS. DEVEL. & MKTG.	750,000	750,000
MFG EXTENSION PARTNER	682,049	682,049
TOTAL SPECIAL ITEMS	1,432,049	1,432,049
TOTAL MRKTG, COMMUNIC, & RESEARCH	2,337,049 (14.00)	2,337,049 (14.00)
E. GRANT PROGRAMS		
1. COORD COUNCIL ECO DEVELOPMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	325,000 (6.00)	
UNCLASSIFIED POSITIONS	115,000 (1.00)	
OTHER PERSONAL SRVCS	35,000	
TOTAL PERSONAL SRVC	475,000 (7.00)	
OTHER OPERATING EXP	137,000	
SPECIAL ITEMS:		
CLOSING FUND	8,000,000	8,000,000
TOTAL SPECIAL ITEMS	8,000,000	8,000,000
AID TO SUBDIV:		
ALLOC MUNI-RESTRICTED	4,000,000	

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P32-DEPARTMENT OF COMMERCE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
ALLOC CNTY-RESTRICTED	34,366,000	
TOTAL DIST SUBDIV	<u>38,366,000</u>	
TOT COORDINATING COUNCIL	46,978,000	8,000,000
	(7.00)	
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2. COMMUNITY GRANTS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	578,036	188,036
	(10.89)	(3.00)
OTHER PERSONAL SRVCS	<u>50,000</u>	<u>25,000</u>
TOTAL PERSONAL SRVC	628,036	213,036
	(10.89)	(3.00)
OTHER OPERATING EXP	250,000	
AID TO SUBDIV:		
ALLOC MUNI-RESTRICTED	14,850,000	
ALLOC CNTY-RESTRICTED	<u>4,469,015</u>	
TOTAL DIST SUBDIV	<u>19,319,015</u>	
TOT COMMUNITY GRANTS	20,197,051	213,036
	(10.89)	(3.00)
<hr/>		
TOTAL GRANT PROG	67,175,051	8,213,036
	(17.89)	(3.00)
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TOTAL PROG AND SRVCS	78,967,165	18,726,650
	(63.89)	(41.80)
<hr/>		
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>1,553,980</u>	<u>1,032,980</u>
TOTAL FRINGE BENEFITS	<u>1,553,980</u>	<u>1,032,980</u>
TOTAL EMPLOYEE BENEFITS	<u>1,553,980</u>	<u>1,032,980</u>

STATUTES AT LARGE
General and Permanent Laws--2013
P32-DEPARTMENT OF COMMERCE

	TOTAL FUNDS	GENERAL FUNDS
DEPT OF COMMERCE		
TOTAL FUNDS AVAILABLE	82,571,145	21,430,630
TOTAL AUTH FTE POSITIONS	(81.10)	(57.51)

SECTION 51
P34-JOBS-ECONOMIC DEVELOPMENT AUTHORITY

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	110,000	
	(1.00)	
OTHER PERSONAL SRVCS	60,000	
TOTAL PERSONAL SRVC	170,000	
	(1.00)	
OTHER OPERATING EXP	200,500	
TOTAL ADMINISTRATION	370,500	
	(1.00)	
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	52,650	
TOTAL FRINGE BENEFITS	52,650	
TOTAL EMPLOYEE BENEFITS	52,650	
JOBS-ECONOMIC DEVELOPMENT AUTHORITY		
TOTAL FUNDS AVAILABLE	423,150	
TOTAL AUTH FTE POSITIONS	(1.00)	

SECTION 52

P36-PATRIOTS POINT DEVELOPMENT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. NAVAL & MARITIME MUSEUM		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	107,000	
	(1.00)	
CLASSIFIED POSITIONS	2,923,375	
	(77.00)	
NEW POSITIONS ADDED BY THE BUDGET & CONTROL BOARD		
<i>TRADES SPECIALIST IV</i>	(1.00)	
OTHER PERSONAL SRVCS	490,000	
TOTAL PERSONAL SRVC	3,520,375	
	(79.00)	
OTHER OPERATING EXP	5,407,387	
TOTAL NAVAL & MARITIME MUSEUM	8,927,762	
	(79.00)	
II. EMPLOYEE BENEFITS:		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,197,000	
TOTAL FRINGE BENEFITS	1,197,000	
TOTAL EMPLOYEE BENEFITS	1,197,000	
Patriots Point Development Authority		
TOTAL FUNDS AVAILABLE	10,124,762	
TOTAL AUTH FTE POSITIONS	(79.00)	

SECTION 53
P40-S C CONSERVATION BANK

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	148,093	
	(2.00)	
TOTAL PERSONAL SRVC	148,093	
	(2.00)	
OTHER OPERATING EXP	434,828	
SPECIAL ITEMS:		
CONSERVATION BANK TRUST	9,240,289	
TOTAL SPECIAL ITEMS	9,240,289	
TOTAL ADMINISTRATION	9,823,210	
	(2.00)	
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	37,023	
TOTAL FRINGE BENEFITS	37,023	
TOTAL EMPLOYEE BENEFITS	37,023	
S C CONSERVATION BANK		
TOTAL FUNDS AVAILABLE	9,860,233	
TOTAL AUTH FTE POSITIONS	(2.00)	

SECTION 54
P45-RURAL INFRASTRUCTURE AUTHORITY

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
DIRECTOR		
	115,000	
	(1.00)	
CLASSIFIED POSITIONS	165,000	
	(3.00)	

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P45-RURAL INFRASTRUCTURE AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	5,000	
TOTAL PERSONAL SRVC	285,000	
	(4.00)	
OTHER OPERATING EXP	100,000	
TOTAL ADMINISTRATION	385,000	
	(4.00)	
II. RURAL INFRA FUND		
SPECIAL ITEMS:		
RURAL INFRA FUND	21,375,000	1,375,000
TOTAL SPECIAL ITEMS	21,375,000	1,375,000
TOT RURAL INFRA FUND	21,375,000	1,375,000
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	85,000	
TOTAL FRINGE BENEFITS	85,000	
TOTAL EMPLOYEE BENEFITS	85,000	
RURAL INFRASTRUCTURE AUTHORITY		
TOTAL FUNDS AVAILABLE	21,845,000	1,375,000
TOTAL AUTH FTE POSITIONS	(4.00)	

SECTION 57
B04-JUDICIAL DEPARTMENT

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. THE COURT:		
A. SUPREME COURT:		
PERSONAL SERVICE		
CHIEF JUSTICE	148,350	148,350
	(1.00)	(1.00)

STATUTES AT LARGE
General and Permanent Laws--2013
B04-JUDICIAL DEPARTMENT

	TOTAL FUNDS	GENERAL FUNDS
ASSOCIATE JUSTICE	565,144	565,144
	(4.00)	(4.00)
TAXABLE SUBSISTENCE	2,500	2,500
UNCLASSIFIED POSITIONS	2,266,000	2,266,000
	(44.47)	(44.47)
OTHER PERSONAL SRVCS	1,000	1,000
TOTAL PERSONAL SRVC	2,982,994	2,982,994
	(49.47)	(49.47)
OTHER OPERATING EXP	1,324,000	424,000
TOT THE SUPREME COURT	4,306,994	3,406,994
	(49.47)	(49.47)
 B. BD OF LAW EXAMINERS:		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	92,700	
	(1.00)	
OTHER PERSONAL SRVCS	150,000	
TOTAL PERSONAL SRVC	242,700	
	(1.00)	
OTHER OPERATING EXP	447,300	
TOT BD OF LAW EXAMINERS	690,000	
	(1.00)	
 C. OFF OF DISCIPLINARY COUNSEL		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	917,730	
	(14.00)	
OTHER PERSONAL SRVCS	5,000	
TOTAL PERSONAL SRVC	922,730	
	(14.00)	
OTHER OPERATING EXP	93,270	
TOTAL OFFICE OF DISCIPLINARY COUNSEL	1,016,000	
	(14.00)	

	TOTAL FUNDS	GENERAL FUNDS
D. COMMISSION ON CONDUCT		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	226,600	
	(4.00)	
OTHER PERSONAL SRVCS	15,000	
	241,600	
TOTAL PERSONAL SRVC	(4.00)	
OTHER OPERATING EXP	33,400	
	275,000	
TOT COMMISS ON CONDUCT	(4.00)	
	6,287,994	3,406,994
TOTAL THE COURT	(68.47)	(49.47)
II. COURT OF APPEALS:		
PERSONAL SERVICE		
CHIEF APPEALS COURT JUDGE	139,873	139,873
	(1.00)	(1.00)
ASSOC APPEALS COURT JUDGE	1,102,024	1,102,024
	(8.00)	(8.00)
TAXABLE SUBSISTENCE	20,000	20,000
UNCLASSIFIED POSITIONS	2,286,600	2,286,600
	(53.00)	(53.00)
OTHER PERSONAL SRVCS	1,000	1,000
	3,549,497	3,549,497
TOTAL PERSONAL SRVC	(62.00)	(62.00)
OTHER OPERATING EXP	580,000	310,000
	4,129,497	3,859,497
TOTAL COURT OF APPEALS	(62.00)	(62.00)
III. CIRCUIT COURT:		
PERSONAL SERVICE		
CIRCUIT COURT JUDGE	6,185,893	6,185,893
	(49.00)	(49.00)
TAXABLE SUBSISTENCE	140,000	140,000
UNCLASSIFIED POSITIONS	6,980,668	3,062,548
	(171.00)	(101.00)
OTHER PERSONAL SRVCS	51,000	1,000

STATUTES AT LARGE
General and Permanent Laws--2013
B04-JUDICIAL DEPARTMENT

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	13,357,561	9,389,441
	(220.00)	(150.00)
OTHER OPERATING EXP	1,710,938	1,465,058
SPECIAL ITEMS:		
REACTIVATED JUDGES		
DIFFERENTIAL	500,000	
TOTAL SPECIAL ITEMS	500,000	
TOTAL CIRCUIT COURT	15,568,499	10,854,499
	(220.00)	(150.00)
IV. FAMILY COURT:		
PERSONAL SERVICE		
FAMILY COURT JUDGE	6,818,663	6,818,663
	(58.00)	(58.00)
TAXABLE SUBSISTENCE	160,000	160,000
UNCLASSIFIED POSITIONS	4,377,254	4,377,254
	(128.00)	(128.00)
OTHER PERSONAL SRVCS	1,000	1,000
TOTAL PERSONAL SRVC	11,356,917	11,356,917
	(186.00)	(186.00)
OTHER OPERATING EXP	818,058	447,058
TOTAL FAMILY COURT	12,174,975	11,803,975
	(186.00)	(186.00)
V. ADMINISTRATION:		
A. COURT ADMINISTRATION:		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	1,133,000	
	(23.00)	
OTHER PERSONAL SRVCS	5,000	
TOTAL PERSONAL SRVC	1,138,000	
	(23.00)	
OTHER OPERATING EXP	192,000	
SPECIAL ITEMS:		
STATE COURT IMPROVE XI		
TRAINING	165,558	

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General and Permanent Laws--2013
B04-JUDICIAL DEPARTMENT

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
STATE COURT IMPROVE XI DATA SHARING	169,835	
TOTAL SPECIAL ITEMS	335,393	
TOTAL COURT ADMIN	1,665,393 (23.00)	
<hr style="border-top: 3px double #000;"/>		
B. FINANCE AND PERSONNEL:		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	824,000 (15.00)	
OTHER PERSONAL SRVCS	30,000	
TOTAL PERSONAL SRVC	854,000 (15.00)	
OTHER OPERATING EXP	81,000	
TOT FINANCE & PERSONNEL	935,000 (15.00)	
<hr style="border-top: 3px double #000;"/>		
C. INFO TECHNOLOGY		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	2,678,000 (41.00)	
OTHER PERSONAL SRVCS	100,000	
TOTAL PERSONAL SRVC	2,778,000 (41.00)	
OTHER OPERATING EXP	2,722,000	1,500,000
SPECIAL ITEMS:		
COMPUTER AUTOMATION	698,000	
CASE MANAGEMENT	1,700,000	
FY05 CONGRESSIONALLY MANDATED AWARDS	3,500,000	
ELECTRONIC FILING	1,000	
TOTAL SPECIAL ITEMS	5,899,000	
TOTAL INFO TECHNOLOGY	11,399,000 (41.00)	1,500,000
<hr style="border-top: 3px double #000;"/>		

STATUTES AT LARGE
General and Permanent Laws--2013
B04-JUDICIAL DEPARTMENT

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL ADMINISTRATION	13,999,393 (79.00)	1,500,000
<hr/>		
VI. JUDICIAL COMMITMENT:		
SPECIAL ITEM:		
JUDICIAL COMMITMENT	375,000	
TOTAL SPECIAL ITEMS	375,000	
<hr/>		
TOT JUDICIAL COMMITMENT	375,000	
<hr/>		
VII. LANGUAGE INTERPRET		
OTHER OPERATING EXP		
OTHER OPERATING EXP	160,000	90,000
<hr/>		
TOT LANGUAGE INTERPRET	160,000	90,000
<hr/>		
VIII. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	16,648,859	13,495,859
<hr/>		
TOTAL FRINGE BENEFITS	16,648,859	13,495,859
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TOTAL EMPLOYEE BENEFITS	16,648,859	13,495,859
<hr/>		
IX. NON-RECURRING APPRO		
** <i>BARNWELL COUNTY</i>		
<i>COURTHOUSE REPAIRS</i>	<i>100,000</i>	<i>100,000</i>
<hr/>		
TOT NON-RECURRING APPRO	100,000	100,000
<hr/>		
JUDICIAL DEPARTMENT		
TOTAL RECURRING BASE	69,344,217	45,010,824
<hr/>		
TOTAL FUNDS AVAILABLE	69,444,217	45,110,824
TOTAL AUTH FTE POSITIONS	(615.47)	(447.47)
<hr/>		

** See note at end of Act.

SECTION 58
C05-ADMINISTRATIVE LAW COURT

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
CHIEF JUDGE	120,799	120,799
	(1.00)	(1.00)
ASSOCIATE JUDGE	536,886	536,886
	(5.00)	(5.00)
UNCLASSIFIED POSITIONS	1,394,623	643,623
	(38.00)	(24.00)
TOTAL PERSONAL SRVC	2,052,308	1,301,308
	(44.00)	(30.00)
OTHER OPERATING EXP	708,163	222,640
TOTAL ADMINISTRATION	2,760,471	1,523,948
	(44.00)	(30.00)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	660,462	426,745
TOTAL FRINGE BENEFITS	660,462	426,745
TOTAL EMPLOYEE BENEFITS	660,462	426,745
ADMINISTRATIVE LAW COURT		
TOTAL FUNDS AVAILABLE	3,420,933	1,950,693
TOTAL AUTH FTE POSITIONS	(44.00)	(30.00)

SECTION 59
E20-ATTORNEY GENERAL'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. STATE LITIGATION		
PERSONAL SERVICE		
ATTORNEY GENERAL	92,007	92,007
	(1.00)	(1.00)

STATUTES AT LARGE
General and Permanent Laws--2013
E20-ATTORNEY GENERAL'S OFFICE

	TOTAL FUNDS	GENERAL FUNDS
CLASSIFIED POSITIONS	5,784,106	3,563,748
	(177.25)	(76.05)
NEW POSITIONS		
<i>ADMINISTRATIVE COORD I</i>	34,000	34,000
	(1.00)	(1.00)
<i>ATTORNEY II</i>	46,000	46,000
	(1.00)	(1.00)
<i>ADMINISTRATIVE COORD II</i>	36,000	36,000
	(1.00)	(1.00)
<i>INVESTIGATOR II</i>	43,305	43,305
	(1.00)	(1.00)
<i>ADMINISTRATIVE ASSISTANT</i>	32,175	32,175
	(1.00)	(1.00)
<i>INVESTIGATOR II</i>	43,305	43,305
	(1.00)	(1.00)
NEW POSITIONS ADDED BY THE BUDGET & CONTROL BOARD		
UNCLASSIFIED POSITIONS	125,000	
	(1.00)	
OTHER PERSONAL SRVCS	765,010	25,000
TOTAL PERSONAL SRVC	7,000,908	3,915,540
	(185.25)	(83.05)
OTHER OPERATING EXP	13,392,461	77,378
TOTAL STATE LITIGATION	20,393,369	3,992,918
	(185.25)	(83.05)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,769,847	875,004
TOTAL FRINGE BENEFITS	1,769,847	875,004
TOTAL EMPLOYEE BENEFITS	1,769,847	875,004
ATTORNEY GENERAL'S OFF		
TOTAL FUNDS AVAILABLE	22,163,216	4,867,922
TOTAL AUTH FTE POSITIONS	(185.25)	(83.05)

SECTION 60

E21-PROSECUTION COORDINATION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	95,174	95,174
	(1.00)	(1.00)
UNCLASSIFIED POSITIONS	327,097	327,097
	(5.00)	(5.00)
OTHER PERSONAL SRVCS	99,550	2,400
TOTAL PERSONAL SRVC	521,821	424,671
	(6.00)	(6.00)
OTHER OPERATING EXP	332,050	110,609
TOTAL ADMINISTRATION	853,871	535,280
	(6.00)	(6.00)
II. OFFICES OF CIRCUIT SOLICITORS		
PERSONAL SERVICE		
CIRCUIT SOLICITOR	2,147,542	2,147,542
	(16.00)	(16.00)
UNCLASSIFIED POSITIONS	565,951	565,951
	(16.00)	(16.00)
TOTAL PERSONAL SRVC	2,713,493	2,713,493
	(32.00)	(32.00)
OTHER OPERATING EXP	96,000	96,000
SPECIAL ITEMS		
JUD CIRCUIT STATE SUPPORT	5,872,002	5,872,002
RICHLAND CNTY DRUG COURT	56,436	56,436
KERSHAW CNTY DRUG COURT	52,965	52,965
SALUDA CNTY DRUG COURT	38,000	38,000
DRUG COURT FUNDING	2,800,000	
FEE FOR MOTIONS	450,000	
LAW ENFORCEMENT FUNDING	4,000,000	
COURT FEES	300,000	
CRIMINAL DOMESTIC VIOLENCE PROSECUTION		
	1,600,000	1,600,000
DUI PROSECUTION		
	1,179,041	1,179,041

E21-PROSECUTION COORDINATION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
12TH JUDICIAL CIRCUIT		
DRUG COURT	150,000	150,000
TRAFFIC EDUC PROG (MAGISTRATE)	50,000	
TRAFFIC EDUC PROG (MUNICIPAL)	50,000	
CONDITIONAL DISCHARGE - GENERAL SESSIONS	225,000	
CONDITIONAL DISCHARGE - MAGISTRATE	175,000	
CONDITIONAL DISCHARGE - MUNICIPAL	100,000	
VICTIM'S ASSIST PROG	132,703	132,703
TOTAL SPECIAL ITEMS	<u>17,231,147</u>	<u>9,081,147</u>
TOTAL OFFICES OF CIRCUIT SOLICITORS	20,040,640 (32.00)	11,890,640 (32.00)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>1,695,732</u>	<u>1,658,740</u>
TOTAL FRINGE BENEFITS	<u>1,695,732</u>	<u>1,658,740</u>
TOT EMPLOYEE BENEFITS	<u>1,695,732</u>	<u>1,658,740</u>
PROSECUTION COORDINATION COMMISSION		
TOTAL FUNDS AVAILABLE	22,590,243	14,084,660
TOTAL AUTH FTE POSITIONS	<u>(38.00)</u>	<u>(38.00)</u>

SECTION 61**E23-COMMISSION ON INDIGENT DEFENSE**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		

E23-COMMISSION ON INDIGENT DEFENSE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
EXECUTIVE DIRECTOR	125,220	125,220
	(1.00)	(1.00)
CLASSIFIED POSITIONS	420,357	305,746
	(9.50)	(9.50)
OTHER PERSONAL SRVCS	1,234	1,234
TOTAL PERSONAL SRVC	546,811	432,200
	(10.50)	(10.50)
OTHER OPERATING EXP	300,000	
SPECIAL ITEMS:		
DEATH PENALTY TRIAL FUNDS	2,500,000	
CONFLICT FUND	2,500,000	
LEGAL AID FUNDING	1,700,000	
RULE 608 APPOINTMENT FUND	6,300,000	6,300,000
COURT FINE ASSESSMENT	1,335,766	
TOTAL SPECIAL ITEMS	<u>14,335,766</u>	<u>6,300,000</u>
TOTAL ADMINISTRATION	15,182,577	6,732,200
	<u>(10.50)</u>	<u>(10.50)</u>
II. DIVISION OF		
APPELLATE DEFENSE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	888,817	644,974
	(19.50)	(19.50)
TOTAL PERSONAL SRVC	888,817	644,974
	(19.50)	(19.50)
OTHER OPERATING EXP	302,600	
TOTAL DIVISION OF		
APPELLATE DEFENSE	1,191,417	644,974
	<u>(19.50)</u>	<u>(19.50)</u>
III. OFFICE OF CIRCUIT		
PUBLIC DEFENDERS		
PERSONAL SERVICE		
CIRCUIT PUBLIC DEFENDERS	2,147,542	2,147,542
	(16.00)	(16.00)
UNCLASSIFIED POSITIONS	405,985	405,985
	<u>(16.00)</u>	<u>(16.00)</u>

E23-COMMISSION ON INDIGENT DEFENSE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	2,553,527	2,553,527
	(32.00)	(32.00)
OTHER OPERATING EXP	96,000	96,000
SPECIAL ITEMS:		
DEFENSE OF INDIGENTS		
PER CAPITA	9,712,602	5,539,550
DUI DEFENSE OF INDIGENTS	976,593	976,593
CRIM DOMESTIC VIOLENCE	1,377,185	1,377,185
TOTAL SPECIAL ITEMS	<u>12,066,380</u>	<u>7,893,328</u>
TOTAL OFF OF CIRCUIT		
PUBLIC DEFENDERS	14,715,907	10,542,855
	(32.00)	(32.00)
IV. DEATH PEN TRIAL DIV		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	296,000	
	(5.00)	
TOTAL PERSONAL SRVC	296,000	
	(5.00)	
OTHER OPERATING EXP	115,200	
TOTAL DEATH PENALTY		
TRIAL DIVISION	411,200	
	(5.00)	
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,945,578	1,856,778
TOTAL FRINGE BENEFITS	<u>1,945,578</u>	<u>1,856,778</u>
TOT EMPLOYEE BENEFITS	<u>1,945,578</u>	<u>1,856,778</u>
COMM ON INDIGENT DEFENSE		
TOTAL FUNDS AVAILABLE	33,446,679	19,776,807
TOTAL AUTH FTE POSITIONS	(67.00)	(62.00)

SECTION 62

D10-GOV'S OFF-STATE LAW ENFORCEMENT DIVISION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE:		
CHIEF	155,150	155,150
	(1.00)	(1.00)
CLASSIFIED POSITIONS	1,840,203	1,840,203
	(31.00)	(31.00)
OTHER PERSONAL SRVCS	132,472	
	<hr/>	
TOTAL PERSONAL SRVC	2,127,825	1,995,353
	(32.00)	(32.00)
OTHER OPERATING EXP	864,212	
	<hr/>	
TOTAL ADMINISTRATION	2,992,037	1,995,353
	(32.00)	(32.00)
	<hr/>	
II. PROGRAMS & SRVCS		
A. INVESTIGATIVE SRVCS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	9,033,425	8,865,825
	(180.74)	(177.74)
NEW POSITIONS:		
<i>LAW ENFORCE OFFICER II</i>	135,000	135,000
	(3.00)	(3.00)
OTHER PERSONAL SRVCS	306,857	253,462
	<hr/>	
TOTAL PERSONAL SRVC	9,475,282	9,254,287
	(183.74)	(180.74)
OTHER OPERATING EXP	3,053,201	503,951
SPECIAL ITEMS:		
AGENT OPERATIONS	92,625	92,625
METH LAB CLEAN UP	1,000,000	1,000,000
	<hr/>	
TOTAL SPECIAL ITEMS	1,092,625	1,092,625
	<hr/>	
TOT INVESTIGATIVE SRVCS	13,621,108	10,850,863
	(183.74)	(180.74)
	<hr/>	
B. FORENSIC SRVCS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	4,721,748	4,200,535
	(102.00)	(82.00)

D10-GOV'S OFF-STATE LAW ENFORCEMENT DIVISION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
NEW POSITIONS:		
<i>CRIMINALIST II</i>	203,333	203,333
	(4.00)	(4.00)
OTHER PERSONAL SRVCS	1,088,236	165,302
TOTAL PERSONAL SRVC	6,013,317	4,569,170
	(106.00)	(86.00)
OTHER OPERATING EXP	5,783,070	406,313
SPECIAL ITEMS:		
DNA DATABASE PROGRAM	370,000	
BREATHTESTING SITE		
VIDEOTAPING	250,000	
IMPLIED CONSENT	89,855	89,855
TOTAL SPECIAL ITEMS	709,855	89,855
CASE SVC/PUBLIC ASSIST		
HOSPITAL SRVCS	3,174	3,174
TOT CASE SRVC/PUB ASST	3,174	3,174
TOTAL FORENSIC SRVCS	12,509,416	5,068,512
	(106.00)	(86.00)
 C. DATA CENTER		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,863,923	1,863,923
	(50.59)	(50.59)
NEW POSITIONS:		
<i>INFO RESOURCE CONSULT II</i>	90,000	90,000
	(2.00)	(2.00)
<i>PROGRAM COORDINATOR I</i>	45,000	45,000
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	243,070	96,601
TOTAL PERSONAL SRVC	2,241,993	2,095,524
	(53.59)	(53.59)
OTHER OPERATING EXP	5,486,954	76,801
TOTAL DATA CENTER	7,728,947	2,172,325
	(53.59)	(53.59)

D10-GOV'S OFF-STATE LAW ENFORCEMENT DIVISION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
D. REGULATORY		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,877,591	672,685
	(50.00)	(11.00)
<i>LAW ENFORCE OFFICER II</i>	<i>180,000</i>	<i>180,000</i>
	(4.00)	(4.00)
OTHER PERSONAL SRVCS	248,365	52,350
TOTAL PERSONAL SRVC	2,305,956	905,035
	(54.00)	(15.00)
OTHER OPERATING EXP	3,217,156	1,116,832
SPECIAL ITEMS:		
TOTAL REGULATORY	5,523,112	2,021,867
	(54.00)	(15.00)
E. HOMELAND SECURITY PROGRAMS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	260,373	73,010
	(4.65)	(1.85)
OTHER PERSONAL SRVCS	365,318	8,841
TOTAL PERSONAL SRVC	625,691	81,851
	(4.65)	(1.85)
OTHER OPERATING EXP	265,686	
DISTRIBUTION TO SUBDIV:		
ALLOC MUNICIPALITIES	3,640,450	
ALLOC CNTY-RESTRICTED	8,988,493	
ALLOC OTHER ST AGENCIES	10,145,313	
ALLOC OTHER ENTITIES	4,440,968	
TOTAL DIST SUBDIV	27,215,224	
TOT HOMELAND SECURITY	28,106,601	81,851
	(4.65)	(1.85)
G. CJIS/FUSION CENTER		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	3,497,137	2,582,000
	(80.60)	(40.60)

D10-GOV'S OFF-STATE LAW ENFORCEMENT DIVISION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
NEW POSITIONS:		
<i>LAW ENFORCE OFFICER II</i>	90,000	90,000
	(2.00)	(2.00)
<i>INFO SECURITY OFFICER</i>	65,000	65,000
	(1.00)	(1.00)
<i>INTELLIGENCE ANALYST</i>	58,000	58,000
	(1.00)	(1.00)
<i>ADMINISTRATIVE ASSISTANT</i>	30,000	30,000
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	995,702	47,629
TOTAL PERSONAL SRVC	4,735,839	2,872,629
	(85.60)	(45.60)
OTHER OPERATING EXP	3,346,183	323,966
SPECIAL ITEM:		
AMBER ALERT	48,753	48,753
TOTAL SPECIAL ITEMS	48,753	48,753
TOTAL CJIS/FUSION CENTER	8,130,775	3,245,348
	(85.60)	(45.60)
H. COUNTER-TERRORISM		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	2,482,066	2,406,264
	(47.40)	(46.40)
OTHER PERSONAL SRVCS	181,391	161,391
TOTAL PERSONAL SRVC	2,663,457	2,567,655
	(47.40)	(46.40)
OTHER OPERATING EXP	4,530,725	96,916
TOT COUNTER-TERRORISM	7,194,182	2,664,571
	(47.40)	(46.40)
TOTAL PROG AND SRVCS	82,814,141	26,105,337
	(534.98)	(429.18)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	10,959,081	8,848,070
TOTAL FRINGE BENEFITS	10,959,081	8,848,070

D10-GOV'S OFF-STATE LAW ENFORCEMENT DIVISION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT EMPLOYEE BENEFITS	10,959,081	8,848,070
GOVERNOR'S OFF-STATE LAW ENFORCEMENT DIVISION		
TOTAL FUNDS AVAILABLE	96,765,259	36,948,760
TOTAL AUTH FTE POSITIONS	<u>(566.98)</u>	<u>(461.18)</u>
TOTAL GOVERNOR'S OFF	<u>96,765,259</u>	<u>36,948,760</u>
TOTAL AUTH FTE POSITIONS	<u>(566.98)</u>	<u>(461.18)</u>

SECTION 63**K05-DEPARTMENT OF PUBLIC SAFETY**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATIVE SRVCS		
PERSONAL SERVICE		
DIRECTOR	153,010	122,408
	(1.00)	(.80)
CLASSIFIED POSITIONS	3,789,825	3,597,163
	(97.71)	(86.40)
OTHER PERSONAL SRVCS	<u>272,401</u>	<u>164,700</u>
TOTAL PERSONAL SRVC	4,215,236	3,884,271
	(98.71)	(87.20)
OTHER OPERATING EXP	2,154,004	37,481
DEBT SERVICE		
DEBT SERVICE	<u>2,338,500</u>	
TOTAL DEBT SERVICE	<u>2,338,500</u>	
TOT ADMINISTRATIVE SRVCS	<u>8,707,740</u>	<u>3,921,752</u>
	<u>(98.71)</u>	<u>(87.20)</u>
II. PROGRAMS AND SRVCS		
A. 1. HIGHWAYWY PATROL		
PERSONAL SERVICE		

K05-DEPARTMENT OF PUBLIC SAFETY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	43,607,128	39,776,053
	(1,062.70)	(968.30)
NEW POSITIONS		
<i>TROOPER/OFFICER JC10</i>	<i>1,260,000</i>	<i>1,260,000</i>
	(40.00)	(40.00)
UNCLASSIFIED POSITIONS	114,798	114,798
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	2,708,363	906,160
TOTAL PERSONAL SRVC	47,690,289	42,057,011
	(1,103.70)	(1,009.30)
OTHER OPERATING EXP	27,504,478	652,700
TOTAL HIGHWAY PATROL	75,194,767	42,709,711
	(1,103.70)	(1,009.30)
A. 2. ILLEGAL IMMIGRATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	418,180	418,180
	(12.00)	(12.00)
TOTAL PERSONAL SRVC	418,180	418,180
	(12.00)	(12.00)
OTHER OPERATING EXP	118,525	118,525
TOT ILLEGAL IMMIGRATION	536,705	536,705
	(12.00)	(12.00)
TOTAL HIGHWAY PATROL	75,731,472	43,246,416
	(1,115.70)	(1,021.30)
B. STATE TRANSPORT POLICE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	6,182,004	1,908,074
	(144.01)	(45.90)
NEW POSITIONS		
<i>LAW ENFORCEMENT OFFICER II</i>	<i>142,087</i>	
	(3.00)	
UNCLASSIFIED POSITIONS	99,910	99,910
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	463,589	25,000

K05-DEPARTMENT OF PUBLIC SAFETY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	6,887,590	2,032,984
	(148.01)	(46.90)
OTHER OPERATING EXP	4,760,759	
TOT ST TRANSPORT POLICE	11,648,349	2,032,984
	(148.01)	(46.90)
C. BUR OF PROTECT SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,659,231	1,639,231
	(91.00)	(55.00)
OTHER PERSONAL SRVCS	62,402	
TOTAL PERSONAL SRVC	2,721,633	1,639,231
	(91.00)	(55.00)
OTHER OPERATING EXP	21,805	
TOTAL BUREAU OF PROTECTIVE SERVICES	2,743,438	1,639,231
	(91.00)	(55.00)
D. HALL OF FAME		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	137,000	
	(3.00)	
TOTAL PERSONAL SRVC	137,000	
	(3.00)	
OTHER OPERATING EXP	126,000	
TOTAL HALL OF FAME	263,000	
	(3.00)	
E. SAFETY AND GRANTS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,298,120	498,520
	(38.58)	(6.40)
OTHER PERSONAL SRVCS	618,000	3,000
TOTAL PERSONAL SRVC	2,916,120	501,520
	(38.58)	(6.40)
OTHER OPERATING EXP	8,068,949	31,819

K05-DEPARTMENT OF PUBLIC SAFETY

	TOTAL FUNDS	GENERAL FUNDS
DISTRIBUTION TO SUBDIV		
ALLOC MUN - RESTRICTED	5,250,000	
ALLOC CNTY-RESTRICTED	5,675,000	
ALLOC OTHER ST AGENCIES	6,875,000	
ALLOC OTHER ENTITIES	7,650,000	
	25,450,000	
TOT SAFETY AND GRANTS	36,435,069	533,339
	(38.58)	(6.40)
	126,821,328	47,451,970
	(1,396.29)	(1,129.60)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	26,213,319	20,386,116
	26,213,319	20,386,116
TOTAL FRINGE BENEFITS	26,213,319	20,386,116
TOT EMPLOYEE BENEFITS	26,213,319	20,386,116
DEPT OF PUBLIC SAFETY		
TOTAL FUNDS AVAILABLE	161,742,387	71,759,838
TOTAL AUTH FTE POSITIONS	(1,495.00)	(1,216.80)

SECTION 64

N20-LAW ENFORCEMENT TRAINING COUNCIL

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	96,300	
	(1.00)	
CLASSIFIED POSITIONS	2,381,631	
	(59.00)	
OTHER PERSONAL SRVCS	47,000	
	2,524,931	
TOTAL PERSONAL SRVC	2,524,931	(60.00)

N20-LAW ENFORCEMENT TRAINING COUNCIL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	1,917,646	327,336
SPECIAL ITEM		
ETV-STATE & LOCAL TRAIN		
OF LAW ENFORCEMENT	<u>140,000</u>	<u>140,000</u>
TOTAL SPECIAL ITEMS	<u>140,000</u>	<u>140,000</u>
TOTAL ADMINISTRATION	<u>4,582,577</u>	<u>467,336</u>
	(60.00)	
II. TRAINING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,734,522	
	(64.25)	
OTHER PERSONAL SRVCS	<u>212,988</u>	
TOTAL PERSONAL SRVC	2,947,510	
	(64.25)	
OTHER OPERATING EXP	<u>3,742,505</u>	<u>300,000</u>
TOTAL TRAINING	<u>6,690,015</u>	<u>300,000</u>
	(64.25)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>1,595,150</u>	<u>406</u>
TOTAL FRINGE BENEFITS	<u>1,595,150</u>	<u>406</u>
TOT EMPLOYEE BENEFITS	<u>1,595,150</u>	<u>406</u>
LAW ENFORCEMENT		
TRAINING COUNCIL		
TOTAL FUNDS AVAILABLE	12,867,742	767,742
TOTAL AUTH FTE POSITIONS	<u>(124.25)</u>	

SECTION 65
N04-DEPARTMENT OF CORRECTIONS

	TOTAL FUNDS	GENERAL FUNDS
I. INTERNAL ADMIN & SUPPORT		
PERSONAL SERVICE		
COMMISSIONER/S	154,879	154,879
	(1.00)	(1.00)
CLASSIFIED POSITIONS	7,150,884	6,735,593
	(146.00)	(132.40)
UNCLASSIFIED POSITIONS	453,741	453,741
	(3.00)	(3.00)
TEMP GRANTS EMPLOYEE	55,000	
OTHER PERSONAL SRVCS	370,102	337,893
TOTAL PERSONAL SRVC	8,184,606	7,682,106
	(150.00)	(136.40)
OTHER OPERATING EXP	4,953,500	4,000,000
CASE SRVCS/PUBLIC ASSIST		
	=====	
TOT INTERNAL ADMIN & SUPP	13,138,106	11,682,106
	(150.00)	(136.40)
II. PROGRAMS & SRVCS		
A. HOUSING, CARE, SECURITY & SUPERVISION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	180,623,605	178,146,874
	(5,762.13)	(5,628.32)
UNCLASSIFIED POSITIONS	526,271	526,271
	(3.00)	(3.00)
OTHER PERSONAL SRVCS	4,533,392	3,829,903
TOTAL PERSONAL SRVC	185,683,268	182,503,048
	(5,765.13)	(5,631.32)
OTHER OPERATING EXP	85,002,309	70,723,759
CASE SERVICES	18,989,233	15,939,233
PROSTHETICS	100,000	100,000
TOT CASE SRVC/PUB ASST	19,089,233	16,039,233

N04-DEPARTMENT OF CORRECTIONS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL HOUSING, CARE, SECURITY & SUPERVISION	289,774,810 <u>(5,765.13)</u>	269,266,040 <u>(5,631.32)</u>
II. PROGRAMS AND SRVCS		
B. QUOTA ELIMINATION		
SPECIAL ITEMS		
QUOTA ELIMINATION	<u>1,967,720</u>	<u>1,967,720</u>
TOTAL SPECIAL ITEMS	<u>1,967,720</u>	<u>1,967,720</u>
TOTAL QUOTA ELIMINATION	<u>1,967,720</u>	<u>1,967,720</u>
II. PROGRAMS AND SRVCS		
C. WORK AND VOCATIONAL ACTIVITIES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	6,637,158 (142.52)	534,915 (25.00)
OTHER PERSONAL SRVCS	<u>9,902,681</u>	<u>351,131</u>
TOTAL PERSONAL SRVC	16,539,839 (142.52)	886,046 (25.00)
OTHER OPERATING EXP	<u>15,018,845</u>	<u>357,638</u>
TOTAL WORK AND VOCATIONAL ACTIVITIES	31,558,684 <u>(142.52)</u>	1,243,684 <u>(25.00)</u>
II. PROGRAMS AND SRVCS		
D. PALMETTO UNIFIED SCHOOL DISTRICT #1		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	773,681 (21.85)	672,181 (14.00)
UNCLASSIFIED POSITIONS	3,355,860 (55.49)	1,666,160 (25.16)
OTHER PERSONAL SRVCS	<u>1,545,000</u>	<u>740,000</u>
TOTAL PERSONAL SRVC	5,674,541 (77.34)	3,078,341 (39.16)
OTHER OPERATING EXP	<u>1,747,572</u>	

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	TOTAL FUNDS	GENERAL FUNDS
TOTAL PALMETTO UNIFIED SCHOOL DISTRICT #1	7,422,113 (77.34)	3,078,341 (39.16)
<hr/>		
II. PROGRAMS AND SRVCS		
E. INDIVIDUAL GROWTH AND MOTIVATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,931,237 (76.00)	2,746,237 (76.00)
OTHER PERSONAL SRVCS	692,157	545,907
TOTAL PERSONAL SRVC	3,623,394 (76.00)	3,292,144 (76.00)
OTHER OPERATING EXP CASE SRVCS/PUBLIC ASSIST	248,497	84,747
TOT INDIVIDUAL GROWTH & MOTIVATION	3,871,891 (76.00)	3,376,891 (76.00)
<hr/>		
II. PROGRAMS AND SRVCS		
F. PENAL FACILITY		
INSPECTION SERVICES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	105,468 (2.00)	105,468 (2.00)
TOTAL PERSONAL SRVC	105,468 (2.00)	105,468 (2.00)
OTHER OPERATING EXP	6,000	6,000
TOTAL PENAL FACILITIES INSPECTION SERVICE	111,468 (2.00)	111,468 (2.00)
TOTAL PROG AND SRVCS	334,706,686 (6,062.99)	279,044,144 (5,773.48)
<hr/>		
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	83,604,659	79,319,465

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N04-DEPARTMENT OF CORRECTIONS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL FRINGE BENEFITS	<u>83,604,659</u>	<u>79,319,465</u>
TOT EMPLOYEE BENEFITS	<u>83,604,659</u>	<u>79,319,465</u>
DEPT OF CORRECTIONS		
TOTAL FUNDS AVAILABLE	431,449,451	370,045,715
TOTAL AUTH FTE POSITIONS	<u>(6,212.99)</u>	<u>(5,909.88)</u>

SECTION 66

N08-DEPT OF PROBATION, PAROLE & PARDON SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	99,421	99,421
	(1.00)	(1.00)
CLASSIFIED POSITIONS	1,477,665	859,834
	(32.00)	(18.00)
UNCLASSIFIED POSITIONS	89,008	89,008
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	<u>117,596</u>	<u>85,000</u>
TOTAL PERSONAL SRVC	1,783,690	1,133,263
	(34.00)	(20.00)
OTHER OPERATING EXP	<u>158,182</u>	
TOTAL ADMINISTRATION	<u>1,941,872</u>	<u>1,133,263</u>
	<u>(34.00)</u>	<u>(20.00)</u>
II. PROGRAMS AND SRVCS		
A. OFFENDER PROGRAM		
1. OFFENDER SUPERVISION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	22,735,525	8,781,265
	(540.00)	(252.00)
NEW POSITIONS		
UNCLASSIFIED POSITIONS	185,255	185,255
	(2.00)	(2.00)

N08-DEPT OF PROBATION, PAROLE & PARDON SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	581,422	38,370
TOTAL PERSONAL SRVC	23,502,202	9,004,890
	(542.00)	(254.00)
OTHER OPERATING EXP PUBLIC ASSIST PAYMENTS CASE SERVICES	9,769,096	
	42,425	
TOT CASE SRVC/PUB ASST	42,425	
TOT OFFENDER SUPERVISION	33,313,723	9,004,890
	(542.00)	(254.00)
2. SEX OFFENDER MONITORING PROGRAM PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,190,000	2,190,000
	(54.00)	(54.00)
OTHER PERSONAL SRVCS	10,000	10,000
TOTAL PERSONAL SRVC	2,200,000	2,200,000
	(54.00)	(54.00)
OTHER OPERATING EXP EMPLOYER CONTRIB	595,001	295,001
	663,476	663,476
TOTAL FRINGE BENEFITS	663,476	663,476
TOT SEX OFFENDER MONITORING & SUPERVISION	3,458,477	3,158,477
	(54.00)	(54.00)
3. SENTENCING REFORM PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,722,000	1,722,000
	(52.00)	(52.00)
NEW POSITIONS OTHER PERSONAL SRVCS	20,000	20,000
TOTAL PERSONAL SRVC	1,742,000	1,742,000
	(52.00)	(52.00)
OTHER OPERATING EXP PUBLIC ASSIST PAYMENTS CASE SERVICES	1,206,784	1,206,784
	340,000	340,000

N08-DEPT OF PROBATION, PAROLE & PARDON SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT CASE SRVC/PUB ASST	340,000	340,000
TOT SENTENCING REFORM	3,288,784 (52.00)	3,288,784 (52.00)
TOT OFFEND PROGRAMMING	40,060,984 (648.00)	15,452,151 (360.00)
II. PROGRAMS AND SRVCS		
B. RESIDENTIAL PROGRAMS		
1. SPARTANBURG RESID CTR		
OTHER OPERATING EXP		
OTHER OPERATING EXP	75,000	
TOTAL SPARTANBURG RESIDENTIAL CENTER	75,000	
II. PROGRAMS AND SRVCS		
B. RESIDENTIAL PROGRAMS		
2. CHARLESTON RESTIT CTR		
OTHER OPERATING EXP		
OTHER OPERATING EXP	75,000	
TOTAL CHARLESTON RESTITUTION CENTER	75,000	
II. PROGRAMS AND SRVCS		
B. RESIDENTIAL PROGRAMS		
3. COLUMBIA RESIDENT CTR		
OTHER OPERATING EXP		
OTHER OPERATING EXP	75,000	
TOTAL COLUMBIA RESIDENTIAL CENTER	75,000	
TOTAL RESIDENTIAL PROG	225,000	
II. PROGRAMS AND SRVCS		
C. PAROLE BD OPERATIONS		
PERSONAL SERVICE		
PROBATION, PARDON & PAROLE BOARD	155,230	155,230

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N08-DEPT OF PROBATION, PAROLE & PARDON SERVICES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	747,900	373,311
	(18.00)	(11.00)
OTHER PERSONAL SRVCS	59,853	
TOTAL PERSONAL SRVC	962,983	528,541
	(18.00)	(11.00)
OTHER OPERATING EXP	67,132	
CASE SERVICES		
CASE SERVICES	45,000	
TOT CASE SRVC/PUB ASST	45,000	
TOTAL PAROLE BOARD OPERATIONS	1,075,115	528,541
	(18.00)	(11.00)
TOTAL PROG AND SRVCS	41,361,099	15,980,692
	(666.00)	(371.00)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	9,662,837	4,628,361
TOTAL FRINGE BENEFITS	9,662,837	4,628,361
TOTAL EMPLOYEE BENEFITS	9,662,837	4,628,361
DEPT OF PROBATION, PAROLE & PARDON SERVICES		
TOTAL FUNDS AVAILABLE	52,965,808	21,742,316
TOTAL AUTH FTE POSITIONS	(700.00)	(391.00)

SECTION 67**N12-DEPARTMENT OF JUVENILE JUSTICE**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. PAROLE DIVISION		
PERSONAL SERVICE		
PROBATION, PARDON & PAROLE BOARD	12,272	12,272

N12-DEPARTMENT OF JUVENILE JUSTICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	304,956	304,956
	(5.00)	(5.00)
UNCLASSIFIED POSITIONS	68,929	68,929
	(1.00)	(1.00)
TOTAL PERSONAL SRVC	386,157	386,157
	(6.00)	(6.00)
OTHER OPERATING EXP	51,869	51,869
TOTAL PAROLE DIVISION	438,026	438,026
	(6.00)	(6.00)
II. ADMINISTRATION DIV		
PERSONAL SERVICE		
COMMISSIONER/S	122,988	122,988
	(1.00)	(1.00)
CLASSIFIED POSITIONS	3,239,154	3,197,154
	(66.00)	(65.00)
UNCLASSIFIED POSITIONS	103,731	103,731
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	105,146	105,146
TOTAL PERSONAL SRVC	3,571,019	3,529,019
	(68.00)	(67.00)
OTHER OPERATING EXP	1,575,983	1,455,983
TOTAL ADMINISTRATION	5,147,002	4,985,002
	(68.00)	(67.00)
III. PROGRAMS AND SRVCS		
A. COMMUNITY SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	11,624,970	11,624,970
	(375.66)	(375.66)
UNCLASSIFIED POSITIONS	97,782	97,782
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	156,084	118,000
TOTAL PERSONAL SRVC	11,878,836	11,840,752
	(376.66)	(376.66)
OTHER OPERATING EXP	2,566,796	2,228,661

N12-DEPARTMENT OF JUVENILE JUSTICE

	TOTAL FUNDS	GENERAL FUNDS
PUBLIC ASSIST PAYMENTS		
CASE SERVICES	2,640,895	1,680,895
TOT CASE SRVC/PUB ASST	2,640,895	1,680,895
SPECIAL ITEMS		
COMMUNITY ADVOC PROG	250,000	250,000
SEX OFFENDER MONITORING	27,410	27,410
TOTAL SPECIAL ITEMS	277,410	277,410
TOTAL COMMUNITY SRVCS	17,363,937	16,027,718
	(376.66)	(376.66)
B. LONGTERM FACILITIES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	16,337,531	16,092,160
	(542.00)	(530.00)
UNCLASSIFIED POSITIONS	103,731	103,731
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	708,812	708,812
TOTAL PERSONAL SRVC	17,150,074	16,904,703
	(543.00)	(531.00)
OTHER OPERATING EXP	5,148,920	3,491,170
CASE SRVCS/PUBLIC ASST		
CASE SERVICES	9,000	9,000
TOT CASE SRVC/PUB ASST	9,000	9,000
TOT LONGTERM FACILITIES	22,307,994	20,404,873
	(543.00)	(531.00)
C. RECEPTION & EVAL CTR		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	6,714,295	5,565,133
	(223.00)	(173.00)
OTHER PERSONAL SRVCS	520,801	360,640
TOTAL PERSONAL SRVC	7,235,096	5,925,773
	(223.00)	(173.00)
OTHER OPERATING EXP	1,432,385	36,746
CASE SRVCS/PUBLIC ASSIST		
CASE SERVICES	5,000	

N12-DEPARTMENT OF JUVENILE JUSTICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT CASE SRVC/PUB ASST	5,000	
TOT RECEPTION AND EVAL	8,672,481	5,962,519
	(223.00)	(173.00)
<hr/>		
D. CNTY SERV-DETENT CTR		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,726,167	776,818
	(93.00)	(20.00)
OTHER PERSONAL SRVCS	162,307	
TOTAL PERSONAL SRVC	1,888,474	776,818
	(93.00)	(20.00)
OTHER OPERATING EXP		
OTHER OPERATING EXP	362,200	
CASE SRVCS/PUBLIC ASSIST		
CASE SRVCS/PUBLIC ASSIST	18,000	
TOT CASE SRVC/PUB ASST	18,000	
TOTAL COUNTY SRVCS - DETENTION CENTER	2,268,674	776,818
	(93.00)	(20.00)
<hr/>		
E. RESIDENTIAL OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	464,536	464,536
	(10.00)	(10.00)
OTHER PERSONAL SRVCS	14,536	14,536
TOTAL PERSONAL SRVC	479,072	479,072
	(10.00)	(10.00)
OTHER OPERATING EXP	47,552	47,552
CASE SRVCS/PUBLIC ASST		
CASE SERVICES	26,916,836	24,966,669
TOT CASE SRVC/PUB ASST	26,916,836	24,966,669
SPECIAL ITEM		
TARGETED CASE MGMT	1,700,000	1,700,000
TOTAL SPECIAL ITEMS	1,700,000	1,700,000
TOT RESIDENT OPERATIONS	29,143,460	27,193,293
	(10.00)	(10.00)

N12-DEPARTMENT OF JUVENILE JUSTICE

	TOTAL FUNDS	GENERAL FUNDS
F. JUVENILE HLTH & SAFETY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,130,440	1,881,207
	(47.00)	(40.50)
OTHER PERSONAL SRVCS	320,916	297,675
TOTAL PERSONAL SRVC	2,451,356	2,178,882
	(47.00)	(40.50)
OTHER OPERATING EXP	1,575,073	1,257,473
CASE SERVICES		
CASE SERVICES	2,532,358	2,141,158
TOT CASE SRVC/PUB ASST	2,532,358	2,141,158
TOTAL JUVENILE HEALTH	6,558,787	5,577,513
	(47.00)	(40.50)
G. PROG ANALYSIS/STAFF DEVELOPMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	949,906	949,906
	(22.00)	(22.00)
OTHER PERSONAL SRVCS	134,160	79,000
TOTAL PERSONAL SRVC	1,084,066	1,028,906
	(22.00)	(22.00)
OTHER OPERATING EXP	496,929	143,742
CASE SERVICES		
CASE SERVICES	25,932	25,932
TOT CASE SRVC/PUB ASST	25,932	25,932
TOT PROG ANALYSIS/STAFF DEVEL & QUALITY	1,606,927	1,198,580
	(22.00)	(22.00)
H. EDUCATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	499,482	250,425
	(47.45)	(8.00)
UNCLASSIFIED POSITIONS	3,552,949	159,283
	(59.00)	(1.00)
OTHER PERSONAL SRVCS	208,601	4,136

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N12-DEPARTMENT OF JUVENILE JUSTICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	4,261,032	413,844
	(106.45)	(9.00)
OTHER OPERATING EXP	988,061	244,506
TOTAL EDUCATION	5,249,093	658,350
	(106.45)	(9.00)
TOTAL PROG AND SRVCS	93,171,353	77,799,664
	(1,421.11)	(1,182.16)
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	21,572,947	18,994,685
TOTAL FRINGE BENEFITS	21,572,947	18,994,685
TOT EMPLOYEE BENEFITS	21,572,947	18,994,685
DEPT OF JUVENILE JUSTICE		
TOTAL FUNDS AVAILABLE	120,329,328	102,217,377
TOTAL AUTH FTE POSITIONS	(1,495.11)	(1,255.16)

SECTION 70
L36-HUMAN AFFAIRS COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
COMMISSIONER/S	95,174	95,174
	(1.00)	(1.00)
CLASSIFIED POSITIONS	302,234	302,234
	(7.00)	(7.00)
OTHER PERSONAL SRVCS	3,500	3,500
TOTAL PERSONAL SRVC	400,908	400,908
	(8.00)	(8.00)
OTHER OPERATING EXP	68,502	65,002

STATUTES AT LARGE
General and Permanent Laws--2013
L36-HUMAN AFFAIRS COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL ADMINISTRATION	469,410	465,910
	(8.00)	(8.00)
<hr/>		
II. CONSULTIVE SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	93,624	93,624
	(5.00)	(4.00)
<hr/>		
TOTAL PERSONAL SRVC	93,624	93,624
	(5.00)	(4.00)
OTHER OPERATING EXP	69,051	51,051
<hr/>		
TOTAL CONSULTIVE SRVCS	162,675	144,675
	(5.00)	(4.00)
<hr/>		
III. COMPLIANCE PROG		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	672,299	354,411
	(20.00)	(8.50)
NEW POSITIONS		
<i>*ATTORNEY II</i>	54,074	54,074
	(1.00)	(1.00)
<i>PROGRAM COORDINATOR I</i>	70,741	70,741
	(2.00)	(2.00)
<hr/>		
TOTAL PERSONAL SRVC	797,114	479,226
	(23.00)	(11.50)
OTHER OPERATING EXP	266,422	92,008
<hr/>		
TOTAL COMPLIANCE PROG	1,063,536	571,234
	(23.00)	(11.50)
<hr/>		
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	496,863	382,562
<hr/>		
TOTAL FRINGE BENEFITS	496,863	382,562
<hr/>		
TOT EMPLOYEE BENEFITS	496,863	382,562
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* See note at end of Act.

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General and Permanent Laws--2013
L36-HUMAN AFFAIRS COMMISSION

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HUMAN AFFAIRS COMMISSION

TOTAL FUNDS AVAILABLE	2,192,484	1,564,381
TOTAL AUTH FTE POSITIONS	<u>(36.00)</u>	<u>(23.50)</u>

SECTION 71

L46-STATE COMMISSION FOR MINORITY AFFAIRS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	69,152	69,152
	(1.00)	(1.00)
CLASSIFIED POSITIONS	457,418	367,418
	<u>(9.00)</u>	<u>(7.00)</u>
TOTAL PERSONAL SRVC	526,570	436,570
	(10.00)	(8.00)
OTHER OPERATING EXP	<u>330,514</u>	<u>182,700</u>
TOTAL ADMINISTRATION	857,084	619,270
	<u>(10.00)</u>	<u>(8.00)</u>
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>125,307</u>	<u>101,307</u>
TOTAL FRINGE BENEFITS	<u>125,307</u>	<u>101,307</u>
TOT EMPLOYEE BENEFITS	<u>125,307</u>	<u>101,307</u>
STATE COMMISSION FOR MINORITY AFFAIRS		
TOTAL FUNDS AVAILABLE	982,391	720,577
TOTAL AUTH FTE POSITIONS	<u>(10.00)</u>	<u>(8.00)</u>

SECTION 72
R04-PUBLIC SERVICE COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	110,000	
	(1.00)	
CHAIRMAN	101,304	
	(1.00)	
COMMISSIONER/S	596,394	
	(6.00)	
CLASSIFIED POSITIONS	2,088,197	
	(30.00)	
<hr/>		
TOTAL PERSONAL SRVC	2,895,895	
	(38.00)	
OTHER OPERATING EXP	855,017	
<hr/> <hr/>		
TOTAL ADMINISTRATION	3,750,912	
	(38.00)	
<hr/> <hr/>		
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	868,396	
<hr/>		
TOTAL FRINGE BENEFITS	868,396	
<hr/> <hr/>		
TOTAL EMPLOYEE BENEFITS	868,396	
<hr/> <hr/>		
PUBLIC SRVC COMMISSION		
TOTAL FUNDS AVAILABLE	4,619,308	
TOTAL AUTH FTE POSITIONS	(38.00)	
<hr/> <hr/>		

SECTION 73
R06-OFFICE OF REGULATORY STAFF

	TOTAL FUNDS	GENERAL FUNDS
I. OFF OF THE EXEC DIRECTOR		
PERSONAL SERVICE		
DIRECTOR	165,080	
	(1.00)	

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R06-OFFICE OF REGULATORY STAFF

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	979,237	
	(11.00)	
TOTAL PERSONAL SRVC	1,144,317	
	(12.00)	
OTHER OPERATING EXP	1,058,681	
SPECIAL ITEMS		
DUAL PARTY RELAY FUND	4,165,696	
TOTAL SPECIAL ITEMS	4,165,696	
TOTAL OFFICE OF EXECUTIVE DIRECTOR	6,368,694	
	(12.00)	
II. SUPPORT SERVICES		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	1,471,801	
	(28.00)	
TOTAL PERSONAL SRVC	1,471,801	
	(28.00)	
TOTAL SUPPORT SRVCS	1,471,801	
	(28.00)	
III. TELECOM, TRANS		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	1,100,779	
	(18.00)	
TOTAL PERSONAL SRVC	1,100,779	
	(18.00)	
TOTAL TELECOM, TRANS, WATER/WASTEWATER	1,100,779	
	(18.00)	
IV. ELECTRIC & GAS		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	1,013,961	
	(16.00)	

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STATUTES AT LARGE
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R06-OFFICE OF REGULATORY STAFF

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	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	1,013,961	
	(16.00)	
<hr/>		
TOTAL ELECTRIC AND GAS	1,013,961	
	(16.00)	
<hr/>		
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,419,257	
TOTAL FRINGE BENEFITS	1,419,257	
<hr/>		
TOT EMPLOYEE BENEFITS	1,419,257	
<hr/>		
OFF OF REGULATORY STAFF		
TOTAL FUNDS AVAILABLE	11,374,492	
TOTAL AUTH FTE POSITIONS	(74.00)	
<hr/>		

SECTION 74
R08-WORKERS' COMPENSATION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	96,976	96,976
	(1.00)	(1.00)
CLASSIFIED POSITIONS	362,379	46,169
	(19.00)	(8.00)
OTHER PERSONAL SRVCS	12,614	
TOTAL PERSONAL SRVC	471,969	143,145
	(20.00)	(9.00)
OTHER OPERATING EXP	510,623	
<hr/>		
TOTAL ADMINISTRATION	982,592	143,145
	(20.00)	(9.00)
<hr/>		

R08-WORKERS' COMPENSATION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
II. JUDICIAL		
A. COMMISSIONERS		
PERSONAL SERVICE		
CHAIRMAN	118,890	118,890
	(1.00)	(1.00)
COMMISSIONER/S	684,540	684,540
	(6.00)	(6.00)
TAXABLE SUBSISTENCE	72,350	
CLASSIFIED POSITIONS	299,804	299,804
	(7.00)	(7.00)
TOTAL PERSONAL SRVC	1,175,584	1,103,234
	(14.00)	(14.00)
OTHER OPERATING EXP	424,894	
TOTAL COMMISSIONERS	1,600,478	1,103,234
	(14.00)	(14.00)
B. MANAGEMENT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	390,995	28,693
	(10.00)	(2.00)
TOTAL PERSONAL SRVC	390,995	28,693
	(10.00)	(2.00)
OTHER OPERATING EXP	140,782	
TOTAL MANAGEMENT	531,777	28,693
	(10.00)	(2.00)
TOTAL JUDICIAL	2,132,255	1,131,927
	(24.00)	(16.00)
III. INSURANCE & MED SRVC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	456,650	26,110
	(11.00)	(2.00)
OTHER PERSONAL SRVCS	15,469	
TOTAL PERSONAL SRVC	472,119	26,110
	(11.00)	(2.00)
OTHER OPERATING EXP	154,138	

R08-WORKERS' COMPENSATION COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
TOTAL INSURANCE & MEDICAL SERVICES	626,257 (11.00)	26,110 (2.00)
<hr style="border-top: 1px dashed black;"/>		
IV. CLAIMS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	379,013 (9.00)	77,223 (1.00)
OTHER PERSONAL SRVCS	15,450	
TOTAL PERSONAL SRVC	394,463 (9.00)	77,223 (1.00)
OTHER OPERATING EXP	149,504	
TOTAL CLAIMS	543,967 (9.00)	77,223 (1.00)
<hr style="border-top: 1px dashed black;"/>		
V. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	930,371	464,971
TOTAL FRINGE BENEFITS	930,371	464,971
TOT EMPLOYEE BENEFITS	930,371	464,971
<hr style="border-top: 1px dashed black;"/>		
WORKERS' COMPENSATION COMMISSION		
TOTAL FUNDS AVAILABLE	5,215,442	1,843,376
TOTAL AUTH FTE POSITIONS	(64.00)	(28.00)

SECTION 75
R12-STATE ACCIDENT FUND

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	99,890 (1.00)	

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R12-STATE ACCIDENT FUND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	3,047,119	
	(80.00)	
TOTAL PERSONAL SRVC	3,147,009	
	(81.00)	
OTHER OPERATING EXP	4,485,309	
SPECIAL ITEMS:		
EDUCATIONAL TRAINING	5,000	
TOTAL SPECIAL ITEMS	5,000	
TOTAL ADMINISTRATION	7,637,318	
	(81.00)	
II. UNINSURED EMPLOY FUND		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	656,574	
	(11.00)	
TOTAL PERSONAL SRVC	656,574	
	(11.00)	
OTHER OPERATING EXP	296,675	
TOTAL UNINSURED EMPLOYERS FUND	953,249	
	(11.00)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,370,973	
TOTAL FRINGE BENEFITS	1,370,973	
TOT EMPLOYEE BENEFITS	1,370,973	
STATE ACCIDENT FUND		
TOTAL FUNDS AVAILABLE	9,961,540	
TOTAL AUTH FTE POSITIONS	(92.00)	

SECTION 76
R14-PATIENTS' COMPENSATION FUND

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	94,084	
	(1.00)	
CLASSIFIED POSITIONS	211,796	
	(4.00)	
OTHER PERSONAL SRVCS	15,000	
TOTAL PERSONAL SRVC	320,880	
	(5.00)	
OTHER OPERATING EXP	581,623	
TOTAL ADMINISTRATION	902,503	
	(5.00)	
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	93,498	
TOTAL FRINGE BENEFITS	93,498	
TOT EMPLOYEE BENEFITS	93,498	
PATIENTS' COMPENSATION FUND		
TOTAL FUNDS AVAILABLE	996,001	
TOTAL AUTH FTE POSITIONS	(5.00)	

SECTION 78
R20-DEPARTMENT OF INSURANCE

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR OF INSURANCE	107,645	107,645
	(1.00)	(1.00)
CLASSIFIED POSITIONS	1,931,681	866,681
	(28.25)	(22.30)

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General and Permanent Laws--2013
R20-DEPARTMENT OF INSURANCE

	TOTAL FUNDS	GENERAL FUNDS
UNCLASSIFIED POSITIONS	218,462	133,462
	(1.50)	(1.50)
OTHER PERSONAL SRVCS	63,698	39,698
TOTAL PERSONAL SRVC	2,321,486	1,147,486
	(30.75)	(24.80)
OTHER OPERATING EXP	490,330	208,330
TOTAL ADMINISTRATION	2,811,816	1,355,816
	(30.75)	(24.80)
II. PROGRAMS & SRVCS		
A. SOLVENCY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	684,673	128,998
	(15.00)	(1.00)
UNCLASSIFIED POSITIONS	123,067	63,067
	(.50)	
OTHER PERSONAL SRVCS	204,143	
TOTAL PERSONAL SRVC	1,011,883	192,065
	(15.50)	(1.00)
OTHER OPERATING EXP	568,307	13,307
TOTAL SOLVENCY	1,580,190	205,372
	(15.50)	(1.00)
B. LICENSING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	342,895	94,020
	(9.00)	(2.00)
UNCLASSIFIED POSITIONS	54,000	
	(.50)	
OTHER PERSONAL SRVCS	15,000	
TOTAL PERSONAL SRVC	411,895	94,020
	(9.50)	(2.00)
OTHER OPERATING EXP	643,340	5,011
TOTAL LICENSING	1,055,235	99,031
	(9.50)	(2.00)

STATUTES AT LARGE
General and Permanent Laws--2013
R20-DEPARTMENT OF INSURANCE

	TOTAL FUNDS	GENERAL FUNDS
C. TAXATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	131,836	38,836
	(3.00)	(.50)
OTHER PERSONAL SRVCS	98,647	98,647
TOTAL PERSONAL SRVC	230,483	137,483
	(3.00)	(.50)
OTHER OPERATING EXP	14,778	8,778
TOTAL TAXATION	245,261	146,261
	(3.00)	(.50)
D. CONSUMER SRVCS/ COMPLAINTS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	399,855	247,855
	(9.00)	(2.00)
UNCLASSIFIED POSITIONS	79,777	51,777
	(.50)	(.50)
OTHER PERSONAL SRVCS	47,747	19,747
TOTAL PERSONAL SRVC	527,379	319,379
	(9.50)	(2.50)
OTHER OPERATING EXP	79,000	29,000
TOTAL CONSUMER SERVICES/COMPLAINTS	606,379	348,379
	(9.50)	(2.50)
E. POLICY FORMS & RATES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	989,215	579,215
	(14.00)	(6.00)
UNCLASSIFIED POSITIONS	107,496	76,496
	(.50)	(.50)
OTHER PERSONAL SRVCS	49,700	49,700
TOTAL PERSONAL SRVC	1,146,411	705,411
	(14.50)	(6.50)
OTHER OPERATING EXP	187,960	137,960

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General and Permanent Laws--2013
R20-DEPARTMENT OF INSURANCE

	TOTAL FUNDS	GENERAL FUNDS
TOT POLICY FORMS & RATES	1,334,371	843,371
	(14.50)	(6.50)
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F. LOSS MITIGATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	135,000	
	(2.75)	
OTHER PERSONAL SRVCS	67,000	
	<hr/>	
TOTAL PERSONAL SRVC	202,000	
	(2.75)	
OTHER OPERATING EXP	4,087,254	
	<hr/>	
TOTAL LOSS MITIGATION	4,289,254	
	(2.75)	
<hr/>		
G. UNINSURED MOTORIST		
OTHER OPERATING EXP		
OTHER OPERATING EXP	200,000	
AID TO SUBDIV:		
ALLOC-PRIVATE SECTOR	2,155,000	
	<hr/>	
TOTAL DIST SUBDIV	2,155,000	
	<hr/>	
TOT UNINSURED MOTORISTS	2,355,000	
<hr/>		
H. CAPTIVES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	660,000	
	(8.00)	
UNCLASSIFIED POSITIONS	60,000	
	(.50)	
OTHER PERSONAL SRVCS	230,000	
	<hr/>	
TOTAL PERSONAL SRVC	950,000	
	(8.50)	
OTHER OPERATING EXP	1,580,053	
	<hr/>	
TOTAL CAPTIVES	2,530,053	
	(8.50)	
<hr/>		
TOTAL PROG AND SRVCS	13,995,743	1,642,414
	(63.25)	(12.50)
<hr/>		

STATUTES AT LARGE
General and Permanent Laws--2013
R20-DEPARTMENT OF INSURANCE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,765,469	694,044
TOTAL FRINGE BENEFITS	<u>1,765,469</u>	<u>694,044</u>
TOT EMPLOYEE BENEFITS	<u>1,765,469</u>	<u>694,044</u>
DEPT OF INSURANCE		
TOTAL FUNDS AVAILABLE	18,573,028	3,692,274
TOTAL AUTH FTE POSITIONS	<u>(94.00)</u>	<u>(37.30)</u>

SECTION 79
R23-BOARD OF FINANCIAL INSTITUTIONS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
OTHER PERSONAL SRVCS	3,465	
TOTAL PERSONAL SRVC	3,465	
OTHER OPERATING EXP	<u>24,212</u>	
TOTAL ADMINISTRATION	<u>27,677</u>	
II. BANKING EXAMINERS		
PERSONAL SERVICE		
COMMISS'R OF BANKING	83,489	
	(1.00)	
CLASSIFIED POSITIONS	1,238,219	
	<u>(23.00)</u>	
TOTAL PERSONAL SRVC	1,321,708	
	(24.00)	
OTHER OPERATING EXP	<u>338,733</u>	
TOT BANKING EXAMINERS	1,660,441	
	<u>(24.00)</u>	

R23-BOARD OF FINANCIAL INSTITUTIONS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
III. CONSUMER FINANCE		
PERSONAL SERVICE		
DIRECTOR	70,836	
	(1.00)	
CLASSIFIED POSITIONS	1,071,430	
	(20.00)	
OTHER PERSONAL SRVCS	2,600	
TOTAL PERSONAL SRVC	1,144,866	
	(21.00)	
OTHER OPERATING EXP	432,423	
TOT CONSUMER FINANCE	1,577,289	
	(21.00)	
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	810,808	
TOTAL FRINGE BENEFITS	810,808	
TOTAL EMPLOYEE BENEFITS	810,808	
BD OF FINANCIAL INSTITUTIONS		
TOTAL FUNDS AVAILABLE	4,076,215	
TOTAL AUTH FTE POSITIONS	(45.00)	

SECTION 80**R28-DEPARTMENT OF CONSUMER AFFAIRS**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
ADMINISTRATOR	106,762	106,762
	(1.00)	(1.00)
CLASSIFIED POSITIONS	309,364	
	(6.00)	

R28-DEPARTMENT OF CONSUMER AFFAIRS

	TOTAL FUNDS	GENERAL FUNDS
NEW POSITION		
<i>PROGRAM MANAGER</i>	75,000	75,000
	(1.00)	(1.00)
UNCLASSIFIED POSITIONS		
	(1.00)	
OTHER PERSONAL SRVCS	10,000	
TOTAL PERSONAL SRVC	501,126	181,762
	(9.00)	(2.00)
OTHER OPERATING EXP	80,175	10,000
TOTAL ADMINISTRATION	581,301	191,762
	(9.00)	(2.00)
 II. LEGAL		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	575,174	81,499
	(11.00)	(2.00)
NEW POSITION		
<i>INVESTIGATOR</i>	37,288	37,288
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	20,000	
TOTAL PERSONAL SRVC	632,462	118,787
	(12.00)	(3.00)
OTHER OPERATING EXP	438,905	56,000
TOTAL LEGAL	1,071,367	174,787
	(12.00)	(3.00)
 III. CONSUMER SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	325,130	32,269
	(8.00)	(1.00)
OTHER PERSONAL SRVCS	25,000	
TOTAL PERSONAL SRVC	350,130	32,269
	(8.00)	(1.00)
OTHER OPERATING EXP	17,036	7,036
TOTAL CONSUMER SRVCS	367,166	39,305
	(8.00)	(1.00)

R28-DEPARTMENT OF CONSUMER AFFAIRS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
IV. CONSUMER ADVOCACY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	225,162	130,731
	(4.00)	(2.00)
TOTAL PERSONAL SRVC	225,162	130,731
	(4.00)	(2.00)
OTHER OPERATING EXP	155,000	155,000
TOT CONSUMER ADVOCACY	380,162	285,731
	(4.00)	(2.00)
V. PUBLIC INFO & EDUC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	36,000	36,000
	(2.00)	(2.00)
TOTAL PERSONAL SRVC	36,000	36,000
	(2.00)	(2.00)
OTHER OPERATING EXP	15,000	15,000
TOT PUBLIC INFO & EDUC	51,000	51,000
	(2.00)	(2.00)
VI. ID THEFT UNIT		
PERSONAL SERVICE		
NEW POSITIONS		
<i>ATTORNEY</i>	75,000	75,000
	(1.00)	(1.00)
<i>PROGRAM COORDINATOR</i>	38,000	38,000
	(1.00)	(1.00)
<i>PROGRAM ASSISTANT</i>	35,000	35,000
	(1.00)	(1.00)
<i>ADMINISTRATIVE ASSISTANT</i>	32,000	32,000
	(1.00)	(1.00)
TOTAL PERSONAL SRVC	180,000	180,000
	(4.00)	(4.00)
OTHER OPERATING EXP	53,250	53,250
TOTAL ID THEFT UNIT	233,250	233,250
	(4.00)	(4.00)

R28-DEPARTMENT OF CONSUMER AFFAIRS

	TOTAL FUNDS	GENERAL FUNDS
VI. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	539,663	188,408
	539,663	188,408
TOTAL FRINGE BENEFITS	539,663	188,408
	539,663	188,408
TOTAL EMPLOYEE BENEFITS	539,663	188,408
DEPT OF CONSUMER AFFAIRS		
TOTAL FUNDS AVAILABLE	3,223,909	1,164,243
TOTAL AUTH FTE POSITIONS	(39.00)	(14.00)

SECTION 81

R36-DEPT OF LABOR, LICENSING AND REGULATION

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR	124,973	
	(1.00)	
CLASSIFIED POSITIONS	3,081,824	
	(60.09)	
OTHER PERSONAL SRVCS	500,000	
	500,000	
TOTAL PERSONAL SRVC	3,706,797	
	(61.09)	
OTHER OPERATING EXP	1,282,996	
	1,282,996	
TOTAL ADMINISTRATION	4,989,793	
	(61.09)	
II. PROGRAMS & SRVCS		
A. OSHA VOLUNTARY PROG		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	592,564	36,313
	(19.98)	(6.26)
	592,564	36,313
TOTAL PERSONAL SRVC	592,564	36,313
	(19.98)	(6.26)

R36-DEPT OF LABOR, LICENSING AND REGULATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	243,371	40,000
TOT OSHA VOLUNT PROG	835,935	76,313
	<u>(19.98)</u>	<u>(6.26)</u>
B. OCCUP SAFETY & HLTH		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,747,991	816,428
	(47.44)	(25.56)
OTHER PERSONAL SRVCS	8,313	4,218
TOTAL PERSONAL SRVC	1,756,304	820,646
	(47.44)	(25.56)
OTHER OPERATING EXP	793,288	191,562
TOTAL OCCUPATIONAL SAFETY & HEALTH	2,549,592	1,012,208
	<u>(47.44)</u>	<u>(25.56)</u>
C. FIRE ACADEMY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,708,000	
	(40.00)	
UNCLASSIFIED POSITIONS	72,100	
	(1.00)	
OTHER PERSONAL SRVCS	1,184,500	
TOTAL PERSONAL SRVC	2,964,600	
	(41.00)	
OTHER OPERATING EXP	3,970,020	
TOTAL FIRE ACADEMY	6,934,620	
	<u>(41.00)</u>	
D. STATE FIRE MARSHAL		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,595,500	
	(32.00)	
OTHER PERSONAL SRVCS	204,500	
TOTAL PERSONAL SRVC	1,800,000	
	(32.00)	
OTHER OPERATING EXP	1,025,000	

R36-DEPT OF LABOR, LICENSING AND REGULATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL OFF OF STATE		
FIRE MARSHAL	2,825,000	
	(32.00)	
=====		
E. ELEVAT & AMUSE RIDES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	700,000	
	(7.00)	

TOTAL PERSONAL SRVC	700,000	
	(7.00)	
OTHER OPERATING EXP	215,000	

TOTAL ELEVATORS & AMUSEMENT RIDES	915,000	
	(7.00)	
=====		
F. PROF & OCCUPATIONAL LICENSING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	7,250,000	
	(169.90)	
OTHER PERSONAL SRVCS	900,000	

TOTAL PERSONAL SRVC	8,150,000	
	(169.90)	
OTHER OPERATING EXP	6,883,069	
SPECIAL ITEMS		
RESEARCH & EDUC	200,000	

TOTAL SPECIAL ITEMS	200,000	

TOTAL PROFESSIONAL & OCCUPATIONAL LICENSING	15,233,069	
	(169.90)	
=====		
G. LABOR SERVICES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	70,000	

TOTAL PERSONAL SRVC	70,000	
OTHER OPERATING EXP	15,000	

R36-DEPT OF LABOR, LICENSING AND REGULATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL LABOR SRVCS	85,000	
H. BUILDING CODES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	430,000	
	(12.56)	
TOTAL PERSONAL SRVC	430,000	
	(12.56)	
OTHER OPERATING EXP	350,000	
TOTAL BUILDING CODES	780,000	
	(12.56)	
TOTAL PROG AND SRVCS	30,158,216	1,088,521
	(329.88)	(31.82)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	5,852,378	209,994
TOTAL FRINGE BENEFITS	5,852,378	209,994
TOTAL EMPLOYEE BENEFITS	5,852,378	209,994
DEPT OF LABOR, LICENSING AND REGULATION		
TOTAL FUNDS AVAILABLE	41,000,387	1,298,515
TOTAL AUTH FTE POSITIONS	(390.97)	(31.82)

SECTION 82**R40-DEPARTMENT OF MOTOR VEHICLES**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	118,239	
	(1.00)	
CLASSIFIED POSITIONS	4,103,882	
	(115.00)	

R40-DEPARTMENT OF MOTOR VEHICLES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	199,488	
	(1.00)	
OTHER PERSONAL SRVCS	56,000	
TOTAL PERSONAL SRVC	4,477,609	
	(117.00)	
OTHER OPERATING EXP	3,642,583	
TOTAL ADMINISTRATION	8,120,192	
	(117.00)	
II. PROGRAMS AND SRVCS		
A. CUSTOMER SERVICE		
1. CUSTOMER SRVC CTRS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	20,719,516	
	(817.00)	
OTHER PERSONAL SRVCS	1,305,323	
TOTAL PERSONAL SRVC	22,024,839	
	(817.00)	
OTHER OPERATING EXP	12,671,340	
TOT CUSTOMER SRVC CTRS	34,696,179	
	(817.00)	
2. CUSTOMER SRVC DELIV		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,341,203	
	(125.00)	
UNCLASSIFIED POSITIONS	96,449	
	(1.00)	
OTHER PERSONAL SRVCS	107,037	
TOTAL PERSONAL SRVC	3,544,689	
	(126.00)	
OTHER OPERATING EXP	3,658,724	
PLATE REPLACEMENT	3,350,000	
TOTAL SPECIAL ITEMS	3,350,000	

R40-DEPARTMENT OF MOTOR VEHICLES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT CUSTOMER SRVC DELIV	10,553,413	
	(126.00)	
<hr/>		
TOTAL CUSTOMER SRVC	45,249,592	
	(943.00)	
<hr/>		
II. PROGRAMS AND SRVCS		
B. PROCEDURES & COMPLIANCE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,610,999	
	(130.00)	
UNCLASSIFIED POSITIONS	96,187	
	(1.00)	
OTHER PERSONAL SRVCS	56,106	
<hr/>		
TOTAL PERSONAL SRVC	3,763,292	
	(131.00)	
OTHER OPERATING EXP	3,224,333	
<hr/>		
TOTAL PROCEDURES AND COMPLIANCE	6,987,625	
	(131.00)	
<hr/>		
II. PROGRAMS AND SRVCS		
D. INSPECTOR GENERAL		
CLASSIFIED POSITIONS	1,708,472	
	(52.00)	
OTHER PERSONAL SRVCS	23,000	
<hr/>		
TOTAL PERSONAL SRVC	1,731,472	
	(52.00)	
OTHER OPERATING EXP	218,557	
SPECIAL ITEM:		
FACIAL RECOGNITION PROG	245,000	
<hr/>		
TOTAL SPECIAL ITEMS	245,000	
<hr/>		
TOTAL INSPECTOR GENERAL	2,195,029	
	(52.00)	
<hr/>		
II. PROGRAMS AND SRVCS		
E. TECHNOLOGY AND PROG DEVELOPMENT		

R40-DEPARTMENT OF MOTOR VEHICLES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,735,137	
	(49.00)	
	<hr/>	
TOTAL PERSONAL SRVC	2,735,137	
	(49.00)	
OTHER OPERATING EXP	5,931,130	
	<hr/>	
TOTAL TECH AND PROGRAM DEVELOPMENT	8,666,267	
	(49.00)	
	<hr/> <hr/>	
TOTAL PROG AND SRVCS	63,098,513	
	(1,175.00)	
	<hr/> <hr/>	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	13,726,295	
	<hr/>	
TOTAL FRINGE BENEFITS	13,726,295	
	<hr/> <hr/>	
TOTAL EMPLOYEE BENEFITS	13,726,295	
	<hr/> <hr/>	
DEPT OF MOTOR VEHICLES		
TOTAL FUNDS AVAILABLE	84,945,000	
TOTAL AUTH FTE POSITIONS	(1,292.00)	
	<hr/> <hr/>	

SECTION 83

R60-DEPARTMENT OF EMPLOYMENT AND WORKFORCE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	143,623	
	(1.00)	
CLASSIFIED POSITIONS	5,788,276	
	(159.85)	
UNCLASSIFIED POSITIONS	124,859	
	(1.00)	
	<hr/>	

R60-DEPARTMENT OF EMPLOYMENT AND WORKFORCE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	6,056,758	
	(161.85)	
OTHER OPERATING EXP	8,280,977	
	<hr/>	
TOTAL ADMINISTRATION	14,337,735	
	(161.85)	
	<hr/>	
II. EMPLOYMENT SRVC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	17,939,912	
	(263.11)	
UNCLASSIFIED POSITIONS	31,928	
	(.33)	
OTHER PERSONAL SRVCS	1,912,188	
	<hr/>	
TOTAL PERSONAL SRVC	19,884,028	
	(263.44)	
OTHER OPERATING EXP	8,522,542	
DIST SUBDIVISIONS		
ALLOC OTHER ST AGENCIES	192,830	
	<hr/>	
TOTAL DIST SUBDIV	192,830	
	<hr/>	
TOTAL EMPLOYMENT SRVC	28,599,400	
	(263.44)	
	<hr/>	
III. UNEMPLOY INSURANCE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	17,299,422	
	(465.05)	
UNCLASSIFIED POSITIONS	142,972	
	(1.34)	
OTHER PERSONAL SRVCS	5,148,781	
	<hr/>	
TOTAL PERSONAL SRVC	22,591,175	
	(466.39)	
OTHER OPERATING EXP	13,393,769	
CASE SERVICES		
	<hr/>	
TOTAL UNEMPLOYMENT INSURANCE	35,984,944	
	(466.39)	
	<hr/>	

R60-DEPARTMENT OF EMPLOYMENT AND WORKFORCE

	TOTAL FUNDS	GENERAL FUNDS
IV. SCOICC		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	244,895	244,895
	(4.00)	(4.00)
OTHER PERSONAL SRVCS	44,882	44,882
TOTAL PERSONAL SRVC	289,777	289,777
	(4.00)	(4.00)
OTHER OPERATING EXP	32,973	32,973
TOTAL SCOICC	322,750	322,750
	(4.00)	(4.00)
V. WORKFORCE INVEST ACT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	986,882	
	(22.76)	
UNCLASSIFIED POSITIONS	26,097	
	(.33)	
OTHER PERSONAL SRVCS	66,372	
TOTAL PERSONAL SRVC	1,079,351	
	(23.09)	
OTHER OPERATING EXP	730,632	
DIST SUBDIVISIONS		
ALLOC CNTY-RESTRICTED	14,999,364	
ALLOC SCHOOL DIST	1,425,963	
ALLOC OTHER ST AGENCIES	661,356	
ALLOC OTHER ENTITIES	1,517,051	
ALLOC-PRIVATE SECTOR	30,917,302	
ALLOC PLANNING DIST	1,322,108	
TOTAL DIST SUBDIV	50,843,144	
TOTAL WORKFORCE INVESTMENT ACT	52,653,127	
	(23.09)	
VI. TRADE ADJUST ASSIST		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,245,089	
	(77.00)	

R60-DEPARTMENT OF EMPLOYMENT AND WORKFORCE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	26,098	
OTHER PERSONAL SRVCS	59,941	
	<hr/>	
TOTAL PERSONAL SRVC	1,331,128	
	(77.00)	
OTHER OPERATING EXP	346,093	
ALLOC-PRIVATE SECTOR	14,020,022	
	<hr/>	
TOTAL DIST SUBDIV	14,020,022	
	<hr/> <hr/>	
TOTAL TRADE ADJUSTMENT ASSISTANCE	15,697,243	
	(77.00)	
	<hr/> <hr/>	
VII. APPEALS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,262,271	
	(37.50)	
UNCLASSIFIED POSITIONS	373,065	
	(1.00)	
OTHER PERSONAL SRVCS	372,584	
	<hr/>	
TOTAL PERSONAL SRVC	2,007,920	
	(38.50)	
OTHER OPERATING EXP	608,515	
	<hr/> <hr/>	
TOTAL APPEALS	2,616,435	
	(38.50)	
	<hr/> <hr/>	
VIII. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	16,398,972	40,036
	<hr/>	<hr/>
TOTAL FRINGE BENEFITS	16,398,972	40,036
	<hr/> <hr/>	<hr/> <hr/>
TOT EMPLOYEE BENEFITS	16,398,972	40,036
	<hr/> <hr/>	<hr/> <hr/>
DEPT OF EMPLOYMENT AND WORKFORCE		
TOTAL FUNDS AVAILABLE	166,610,606	362,786
TOTAL AUTH FTE POSITIONS	(1,034.27)	(4.00)
	<hr/> <hr/>	<hr/> <hr/>

SECTION 84
U12-DEPARTMENT OF TRANSPORTATION

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
A. GENERAL		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	156,220	
	(1.00)	
CLASSIFIED POSITIONS	14,585,497	
	(282.00)	
UNCLASSIFIED POSITIONS	250,000	
	(2.00)	
OTHER PERSONAL SRVCS	250,000	
TOTAL PERSONAL SRVC	15,241,717	
	(285.00)	
OTHER OPERATING EXP	32,500,000	
DEBT SERVICE		
DEBT SERVICE	263,000	
TOTAL DEBT SRVC	263,000	
TOTAL GENERAL	48,004,717	
	(285.00)	
=====		
B. LAND AND BUILDINGS		
OTHER OPERATING EXP	500,000	
PERM IMPROVEMENTS:		
TOT LAND AND BUILDINGS	500,000	
=====		
TOTAL ADMINISTRATION	48,504,717	
	(285.00)	
=====		
II. HWY ENGINEERING		
A. ENGR-ADMIN & PROJ MGMT		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	76,286,966	
	(1,556.00)	
UNCLASSIFIED POSITIONS	140,000	
	(1.00)	
OTHER PERSONAL SRVCS	3,000,000	
=====		

U12-DEPARTMENT OF TRANSPORTATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	79,426,966	
	(1,557.00)	
OTHER OPERATING EXP	7,500,000	
TOT ENG-ADM & PROJ MGMT	86,926,966	
	(1,557.00)	
B. ENGINEER & CONSTRUCT:		
OTHER OPERATING EXP		
OTHER OPERATING EXP	155,000,000	
PERM IMPROVEMENTS:		
PERM IMPROVEMENTS	821,675,248	50,000,000
TOTAL PERM IMPROVE	821,675,248	50,000,000
DEBT SERVICE	52,705,000	
DEBT SERVICE		
PRINCIPAL - LOAN NOTE	1,754,424	
INTEREST - LOAN NOTE	3,225,328	
TOTAL DEBT SRVC	57,684,752	
AID TO SUBDIV		
ALLOC MUN-RESTRICTED	1,000,000	
ALLOC CNTY-RESTRICTED	250,000	
ALLOC OTHER ENTITIES	100,000	
TOTAL DIST SUBDIV	1,350,000	
TOTAL ENGINEERING - CONSTRUCTION	<u>1,035,710,000</u>	<u>50,000,000</u>
C. HWY MAINTENANCE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	90,463,644	
	(3,324.96)	
OTHER PERSONAL SRVCS	3,000,000	
TOTAL PERSONAL SRVC	93,463,644	
	(3,324.96)	
OTHER OPERATING EXP	110,000,000	
PERM IMPROVEMENTS:		
PERM IMPROVEMENTS	150,000	
TOTAL PERM IMPROVE	150,000	

U12-DEPARTMENT OF TRANSPORTATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL HWY MAINTENANCE	203,613,644 (3,324.96)	
TOTAL HWY ENGINEERING	1,326,250,610 (4,881.96)	50,000,000
III. TOLL OPERATIONS		
PERSONAL SERVICE CLASSIFIED POSITIONS	97,850 (2.00)	
TOTAL PERSONAL SRVC	97,850 (2.00)	
DEBT SERVICE	3,700,000	
TOTAL DEBT SRVC	3,700,000	
OTHER OPERATING EXP	3,825,082	
TOTAL TOLL OPERATIONS	7,622,932 (2.00)	
IV. NON-FED AID-HWY FUND		
OTHER OPERATING EXP	38,800,000	
TOTAL NON-FEDERAL AID - HWY FUND	38,800,000	
V. MASS TRANSIT		
PERSONAL SERVICE CLASSIFIED POSITIONS	1,125,000 (21.00)	
UNCLASSIFIED POSITIONS	97,850 (1.00)	
TOTAL PERSONAL SRVC	1,222,850 (22.00)	
OTHER OPERATING EXP	600,000	
AID TO SUBDIV		
ALLOC MUN-RESTRICTED	100,000	
ALLOC OTHER ENTITIES	28,137,150	
AID TO OTHER ENTITIES	57,270	57,270

U12-DEPARTMENT OF TRANSPORTATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL DIST SUBDIV	28,294,420	57,270
TOTAL MASS TRANSIT	30,117,270 (22.00)	57,270
VI. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	78,241,625	
TOTAL FRINGE BENEFITS	78,241,625	
TOT EMPLOYEE BENEFITS	78,241,625	
VIII. NON-RECURRING		
APPROPRIATIONS		
PORT ACCESS ROAD	52,500,000	
TOT NON-RECURRING APPRO	52,500,000	
TOTAL NON-RECURRING	52,500,000	
DEPT OF TRANSPORTATION		
TOTAL RECURRING BASE	1,529,537,154	50,057,270
TOTAL FUNDS AVAILABLE	1,582,037,154	50,057,270
TOTAL AUTH FTE POSITIONS	(5,190.96)	

SECTION 85

U15-INFRASTRUCTURE BANK BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	128,240 (2.00)	
OTHER PERSONAL SRVCS	25,000	
TOTAL PERSONAL SRVC	153,240 (2.00)	

STATUTES AT LARGE
General and Permanent Laws--2013
U15-INFRASTRUCTURE BANK BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP		
OTHER OPERATING EXP	220,780	
DEBT SERVICE		
SPECIAL ITEMS:		
TRANSPORTATION INFRA	50,000,000	
TOTAL SPECIAL ITEMS	<u>50,000,000</u>	
TOTAL ADMINISTRATION	50,374,020	
	(2.00)	
II. EMPLOYEE BENEFITS		
EMPLOYER CONTRIB	55,780	
TOTAL FRINGE BENEFITS	<u>55,780</u>	
TOT EMPLOYEE BENEFITS	<u>55,780</u>	
INFRASTRUCTURE BANK BD		
TOTAL FUNDS AVAILABLE	50,429,800	
TOTAL AUTH FTE POSITIONS	<u>(2.00)</u>	

SECTION 86
U20-COUNTY TRANSPORTATION FUNDS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. COUNTY TRANSP FUNDS		
OTHER OPERATING EXP		
OTHER OPERATING EXP	4,000,000	
PERM IMPROVEMENTS		
PERM IMPROVEMENTS	21,000,000	
TOTAL PERM IMPROVE	21,000,000	
DISTRIBUTION TO SUBDIV		
ALLOC MUNICIPAL	5,000,000	
ALLOC CNTY-RESTRICTED	62,000,000	
TOTAL DIST SUBDIV	<u>67,000,000</u>	
TOTAL COUNTY TRANSP	<u>92,000,000</u>	

U20-COUNTY TRANSPORTATION FUNDS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
COUNTY TRANSP FUNDS		
TOTAL FUNDS AVAILABLE	92,000,000	

SECTION 87
U30-DIVISION OF AERONAUTICS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SREVICE		
CLASSIFIED POSITIONS	612,868	559,222
	(13.00)	(8.80)
UNCLASSIFIED POSITIONS	87,550	87,550
	(1.00)	(1.00)
NEW POSITION:		
OTHER PERSONAL SRVCS	140,563	
TOTAL PERSONAL SRVC	840,981	646,772
	(14.00)	(9.80)
OTHER OPERATING EXP	2,603,126	386,106
SPECIAL ITEMS		
ALLOC MUN-RESTRICTED	893,274	
ALLOC CNTY-RESTRICTED	2,918,573	
ALLOC OTHER ENTITIES	250,000	
TOTAL DIST SUBDIV	4,061,847	
TOTAL ADMINISTRATION	7,505,954	1,032,878
	(14.00)	(9.80)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	253,144	194,881
TOTAL FRINGE BENEFITS	253,144	194,881
TOTAL EMPLOYEE BENEFITS	253,144	194,881

STATUTES AT LARGE
General and Permanent Laws--2013
U30-DIVISION OF AERONAUTICS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
DIVISION OF AERONAUTICS		
TOTAL FUNDS AVAILABLE	7,759,098	1,227,759
TOTAL AUTH FTE POSITIONS	<u>(14.00)</u>	<u>(9.80)</u>

SECTION 91A
A01-LEG DEPT-THE SENATE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATIONS		
PERSONAL SERVICE		
SENATORS @ \$10,400	478,400	478,400
	(46.00)	(46.00)
PRESIDENT OF THE SENATE	1,575	1,575
PRESIDENT PRO TEMPORE	11,000	11,000
UNCLASSIFIED POSITIONS	7,143,437	7,143,437
	<u>(142.00)</u>	<u>(142.00)</u>
TOTAL PERSONAL SRVC	7,634,412	7,634,412
	(188.00)	(188.00)
OTHER OPERATING EXP	1,885,609	1,885,609
SPECIAL ITEMS		
JOINT CITIZENS & LEG		
COMM ON CHILDREN	300,000	
TOTAL SPECIAL ITEMS	<u>300,000</u>	
TOTAL ADMINISTRATION	9,820,021	9,520,021
	<u>(188.00)</u>	<u>(188.00)</u>
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	3,467,252	3,467,252
TOTAL FRINGE BENEFITS	<u>3,467,252</u>	<u>3,467,252</u>
TOT EMPLOYEE BENEFITS	<u>3,467,252</u>	<u>3,467,252</u>

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
LEG DEPT-THE SENATE		
TOTAL FUNDS AVAILABLE	13,287,273	12,987,273
TOTAL AUTH FTE POSITIONS	<u>(188.00)</u>	<u>(188.00)</u>

SECTION 91B
A05-LEG DEPT-HOUSE OF REPRESENTATIVES

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
REPRESENTATIVES @ \$10,400	1,289,600	1,289,600
	(124.00)	(124.00)
THE SPEAKER	11,000	11,000
SPEAKER PRO TEMPORE	3,600	3,600
UNCLASSIFIED POSITIONS	5,012,511	5,012,511
	<u>(127.00)</u>	<u>(127.00)</u>
TOTAL PERSONAL SRVC	6,316,711	6,316,711
	(251.00)	(251.00)
OTHER OPERATING EXP	<u>10,502,627</u>	<u>10,502,627</u>
TOTAL ADMINISTRATION	16,819,338	16,819,338
	<u>(251.00)</u>	<u>(251.00)</u>
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	4,768,225	4,768,225
TOTAL FRINGE BENEFITS	<u>4,768,225</u>	<u>4,768,225</u>
TOTAL EMPLOYEE BENEFITS	<u>4,768,225</u>	<u>4,768,225</u>
LEG DEPT-HOUSE OF REPRESENTATIVES		
TOTAL FUNDS AVAILABLE	21,587,563	21,587,563
TOTAL AUTH FTE POSITIONS	<u>(251.00)</u>	<u>(251.00)</u>

SECTION 91C

A15-LEG DEPT-CODIFICATION OF LAWS & LEG COUNCIL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
CODE COMMNSR & DIR (P)	143,558	143,558
	(1.00)	(1.00)
UNCLASS. LEG MISC (P)	1,834,398	1,834,398
	(36.00)	(36.00)
TOTAL PERSONAL SRVC	1,977,956	1,977,956
	(37.00)	(37.00)
OTHER OPERATING EXP	700,000	700,000
SPECIAL ITEMS		
CODE SUPPLEMENTS	400,000	100,000
PHOTOCOPYING EQUIPMENT	1,000	1,000
APPROVED ACCOUNTS	45,121	45,121
COMM ON UNIFORM STATE L	1,000	1,000
TOTAL SPECIAL ITEMS	447,121	147,121
TOTAL ADMINISTRATION	3,125,077	2,825,077
	(37.00)	(37.00)
II. DEV/PRINT ST REGISTER		
PERSONAL SERVICE		
UNCLASS LEG MISC (P)	127,135	127,135
	(2.00)	(2.00)
TOTAL PERSONAL SRVC	127,135	127,135
	(2.00)	(2.00)
TOTAL DEVELOP/PRINT STATE REGISTER	127,135	127,135
	(2.00)	(2.00)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	667,494	667,494
TOTAL FRINGE BENEFITS	667,494	667,494
TOTAL EMPLOYEE BENEFITS	667,494	667,494

A15-LEG DEPT-CODIFICATION OF LAWS & LEG COUNCIL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
LEG DEPT-CODIFICATION OF LAWS & LEG COUNCIL		
TOTAL FUNDS AVAILABLE	3,919,706	3,619,706
TOTAL AUTH FTE POSITIONS	<u>(39.00)</u>	<u>(39.00)</u>

SECTION 91D

A17-LEG DEPT-LEGISLATIVE SERVICES AGENCY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR (P)	128,750	128,750
	(1.00)	(1.00)
UNCLASS LEGIS SRVCS		
AGENCY (P)	1,444,818	1,444,818
	(32.00)	(32.00)
UNCLASS-TEMP-LEGIS SRVCS	<u>80,000</u>	<u>80,000</u>
TOTAL PERSONAL SRVC	1,653,568	1,653,568
	(33.00)	(33.00)
OTHER OPERATING EXP	<u>3,235,711</u>	<u>3,235,711</u>
TOTAL ADMINISTRATION	4,889,279	4,889,279
	<u>(33.00)</u>	<u>(33.00)</u>
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>497,605</u>	<u>497,605</u>
TOTAL FRINGE BENEFITS	<u>497,605</u>	<u>497,605</u>
TOT EMPLOYEE BENEFITS	<u>497,605</u>	<u>497,605</u>
LEGISLATIVE SRVCS AGENCY		
TOTAL FUNDS AVAILABLE	5,386,884	5,386,884
TOTAL AUTH FTE POSITIONS	<u>(33.00)</u>	<u>(33.00)</u>

SECTION 91E
A20-LEG DEPT-LEG AUDIT COUNCIL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
DIRECTOR (P)	101,361	101,361
	(1.00)	(1.00)
UNCLASS LEG MISC - LAC (P)	971,464	851,464
	(25.00)	(25.00)
OTHER PERSONAL SRVCS	1,225	1,225
TOTAL PERSONAL SRVC	1,074,050	954,050
	(26.00)	(26.00)
OTHER OPERATING EXP	95,000	95,000
TOTAL ADMINISTRATION	1,169,050	1,049,050
	(26.00)	(26.00)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	284,740	204,740
TOTAL FRINGE BENEFITS	284,740	204,740
TOTAL EMPLOYEE BENEFITS	284,740	204,740
LEG DEPT-LEG AUDIT COUNC		
TOTAL FUNDS AVAILABLE	1,453,790	1,253,790
TOTAL AUTH FTE POSITIONS	(26.00)	(26.00)
TOTAL LEGISLATIVE DEPT	45,635,216	44,835,216
TOTAL AUTH FTE POSITIONS	(537.00)	(537.00)
REPRESENTATIVES	(124.00)	(124.00)
SENATORS	(46.00)	(46.00)

SECTION 92A

D05-GOV'S OFF-EXECUTIVE CONTROL OF STATE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE:		
GOVERNOR	106,078	106,078
	(1.00)	(1.00)
UNCLASSIFIED POSITIONS	1,245,652	1,245,652
	(23.00)	(23.00)
TOTAL PERSONAL SRVC	1,351,730	1,351,730
	(24.00)	(24.00)
OTHER OPERATING EXP	101,213	101,213
TOTAL ADMINISTRATION	1,452,943	1,452,943
	(24.00)	(24.00)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	458,819	458,819
TOTAL FRINGE BENEFITS	458,819	458,819
TOT EMPLOYEE BENEFITS	458,819	458,819
GOVERNOR'S OFF-EXEC CONTROL OF STATE		
TOTAL FUNDS AVAILABLE	1,911,762	1,911,762
TOTAL AUTH FTE POSITIONS	(24.00)	(24.00)

SECTION 92B

D17-GOV'S OFF-EXECUTIVE POLICY & PROGRAMS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATIVE SRVCS		
A. DIVISION DIRECTOR		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	19,162	19,162
	(.50)	(.50)

D17-GOV'S OFF-EXECUTIVE POLICY & PROGRAMS

	TOTAL FUNDS	GENERAL FUNDS
UNCLASSIFIED POSITIONS	45,369	45,369
	(.50)	(.50)
<hr/>		
TOTAL PERSONAL SRVC	64,531	64,531
	(1.00)	(1.00)
OTHER OPERATING EXP	9,597	9,597
<hr/>		
TOTAL DIVISION DIRECTOR	74,128	74,128
	(1.00)	(1.00)
<hr/> <hr/>		
I. SUPPORT SERVICES		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	434,794	434,794
	(19.00)	(19.00)
UNCLASSIFIED POSITIONS	42,031	42,031
	(1.50)	(1.50)
<hr/>		
TOTAL PERSONAL SRVC	476,825	476,825
	(20.50)	(20.50)
OTHER OPERATING EXP	168,038	168,038
DISTRIBUTION TO SUBDIV:		
<hr/>		
TOTAL SUPPORT SRVCS	644,863	644,863
	(20.50)	(20.50)
<hr/> <hr/>		
TOTAL DIVISION DIRECTOR	644,863	644,863
	(20.50)	(20.50)
<hr/> <hr/>		
TOT ADMINISTRATIVE SRVCS	718,991	718,991
	(21.50)	(21.50)
<hr/> <hr/>		
II. CHILDREN'S SERVICES		
A. CHILDREN'S SERVICES		
1. GUARDIAN AD LITEM		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,144,913	840,889
	(23.00)	(11.50)
UNCLASSIFIED POSITIONS	23,323	23,323
	(1.00)	(.50)
OTHER PERSONAL SRVCS	1,569,337	199,540
<hr/>		
TOTAL PERSONAL SRVC	2,737,573	1,063,752
	(24.00)	(12.00)

D17-GOV'S OFF-EXECUTIVE POLICY & PROGRAMS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	1,320,170	805,170
TOT GUARDIAN AD LITEM	4,057,743	1,868,922
	(24.00)	(12.00)
<hr/>		
2. CHILDREN'S AFFAIRS		
PERSONAL SERVICE:		
UNCLASSIFIED POSITIONS	37,619	37,619
	(1.00)	(1.00)
TOTAL PERSONAL SRVC	37,619	37,619
	(1.00)	(1.00)
OTHER OPERATING EXP	90	90
SPECIAL ITEMS:		
CHILDREN'S CASE RESO	4,054	4,054
CHILDREN'S TRUST FUND	100,000	100,000
TOTAL SPECIAL ITEMS	104,054	104,054
TOT CHILDREN'S AFFAIRS	141,763	141,763
	(1.00)	(1.00)
<hr/>		
3. FOSTER CARE		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	779,348	215,910
	(14.00)	(6.15)
UNCLASSIFIED POSITIONS	70,010	33,680
	(1.00)	(.50)
OTHER PERSONAL SRVCS	70,667	8,702
TOTAL PERSONAL SRVC	920,025	258,292
	(15.00)	(6.65)
OTHER OPERATING EXP	317,766	49,924
TOTAL FOSTER CARE	1,237,791	308,216
	(15.00)	(6.65)
<hr/>		
4. CONTINUUM OF CARE		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	2,676,039	1,286,039
	(53.56)	(24.31)
UNCLASSIFIED POSITIONS	72,222	72,222
	(1.00)	(1.00)

D17-GOV'S OFF-EXECUTIVE POLICY & PROGRAMS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	580,000	
TOTAL PERSONAL SRVC	3,328,261	1,358,261
	(54.56)	(25.31)
OTHER OPERATING EXP	1,346,786	144,890
CASE SERVICES:		
CASE SERVICES	1,465,666	992,885
TOT CASE SRVC/PUB ASST	1,465,666	992,885
TOT CONTINUUM OF CARE	6,140,713	2,496,036
	(54.56)	(25.31)
TOTAL CHILDREN'S SRVCS	11,578,010	4,814,937
	(94.56)	(44.96)
TOTAL CHILDREN'S SRVCS	11,578,010	4,814,937
	(94.56)	(44.96)
III. CONSTITUENT SRVCS		
A. CONSTITUENT SRVCS		
1. VICTIMS' ASSISTANCE		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,342,130	
	(27.68)	
UNCLASSIFIED POSITIONS	76,042	
	(1.00)	
OTHER PERSONAL SRVCS	563,674	
TOTAL PERSONAL SRVC	1,981,846	
	(28.68)	
OTHER OPERATING EXP	13,133,376	
SPECIAL ITEMS:		
VICTIMS RIGHTS	44,022	44,022
TOTAL SPECIAL ITEMS	44,022	44,022
DISTRIBUTION TO SUBDIV:		
ALLOC CNTY-RESTRICTED	650,000	
ALLOC OTHER ST AGENCIES	367,479	
ALLOC OTHER ENTITIES	158,000	
TOTAL DIST SUBDIV	1,175,479	

D17-GOV'S OFF-EXECUTIVE POLICY & PROGRAMS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT VICTIMS' ASSISTANCE	16,334,723 (28.68)	44,022
<hr/>		
2. VETERANS' AFFAIRS		
A. VETERANS' AFFAIRS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	378,745 (12.95)	378,745 (12.95)
UNCLASSIFIED POSITIONS	51,500	51,500
<hr/>		
TOTAL PERSONAL SRVC	430,245 (12.95)	430,245 (12.95)
OTHER OPERATING EXP	15,090	15,090
SPECIAL ITEMS:		
POW COMMISSION	2,080	2,080
VETERANS COUNSELING	65,279	65,279
<hr/>		
TOTAL SPECIAL ITEMS	67,359	67,359
CASE SERVICES:		
CASE SERVICES	550,000	
<hr/>		
TOT CASE SRVC/PUB ASST	550,000	
<hr/>		
TOT VETERANS' AFFAIRS	1,062,694 (12.95)	512,694 (12.95)
B. VETERANS' CEMETERY		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	231,194 (8.13)	231,194 (8.13)
<hr/>		
TOTAL PERSONAL SRVC	231,194 (8.13)	231,194 (8.13)
OTHER OPERATING EXP	245,500	500
<hr/>		
TOT VETERANS' CEMETERY	476,694 (8.13)	231,694 (8.13)
<hr/>		
TOTAL VETERANS' AFFAIRS	1,539,388 (21.08)	744,388 (21.08)
<hr/>		
4. OMBUDSMAN		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	202,956 (6.26)	63,333 (2.76)

D17-GOV'S OFF-EXECUTIVE POLICY & PROGRAMS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	93,343	25,749
	(2.50)	(1.50)
OTHER PERSONAL SRVCS	18,720	
TOTAL PERSONAL SRVC	315,019	89,082
	(8.76)	(4.26)
OTHER OPERATING EXP	74,560	1,629
TOTAL OMBUDSMAN	389,579	90,711
	(8.76)	(4.26)
5. DEVELOPMENTAL DISABIL		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	223,647	35,698
	(5.75)	(1.26)
UNCLASSIFIED POSITIONS	67,053	
	(1.00)	
OTHER PERSONAL SRVCS	4,500	
TOTAL PERSONAL SRVC	295,200	35,698
	(6.75)	(1.26)
OTHER OPERATING EXP	92,342	15,342
DISTRIBUTION TO SUBDIV:		
ALLOC MUN-RESTRICTED	60,000	
ALLOC SCHOOL DIST	300,000	
ALLOC OTHER ST AGENCIES	400,000	
ALLOC OTHER ENTITIES	890,000	
TOTAL DIST SUBDIV	1,650,000	
TOTAL DEVELOPMENTAL DISABILITIES	2,037,542	51,040
	(6.75)	(1.26)
6. SMALL & MINORITY BUSIN		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	44,631	44,631
	(1.50)	(1.50)
UNCLASSIFIED POSITIONS	42,611	42,611
	(.50)	(.50)
TOTAL PERSONAL SRVC	87,242	87,242
	(2.00)	(2.00)

D17-GOV'S OFF-EXECUTIVE POLICY & PROGRAMS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	13,061	13,061
TOTAL SMALL AND MINORITY BUSINESS	100,303 (2.00)	100,303 (2.00)
7. ECONOMIC OPPORTUNITY		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	674,718 (15.30)	
UNCLASSIFIED POSITIONS	44,423 (2.00)	
OTHER PERSONAL SRVCS	476,088	
TOTAL PERSONAL SRVC	1,195,229 (17.30)	
OTHER OPERATING EXP DISTRIBUTION TO SUBDIV: ALLOC OTHER ENTITIES	3,459,528 64,777,661	
TOTAL DIST SUBDIV	64,777,661	
TOT ECONOMIC OPPOR	69,432,418 (17.30)	
TOT CONSTITUENT SRVCS	89,833,953 (84.57)	1,030,464 (28.60)
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	4,671,931	1,498,068
TOTAL FRINGE BENEFITS	4,671,931	1,498,068
TOTAL EMPLOYEE BENEFITS	4,671,931	1,498,068
GOVERNOR'S OFF-EXECUTIVE POLICY & PROGRAMS		
TOTAL FUNDS AVAILABLE	106,802,885	8,062,460
TOTAL AUTH FTE POSITIONS	(200.63)	(95.06)

SECTION 92C
D20-GOV'S OFF-MANSION AND GROUNDS

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	60,696	60,696
	(5.00)	(5.00)
UNCLASSIFIED POSITIONS	146,570	96,570
	(4.00)	(3.50)
OTHER PERSONAL SRVCS	23,260	23,260
TOTAL PERSONAL SRVC	230,526	180,526
	(9.00)	(8.50)
OTHER OPERATING EXP	203,284	60,867
TOTAL ADMINISTRATION	433,810	241,393
	(9.00)	(8.50)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	69,540	61,957
TOTAL FRINGE BENEFITS	69,540	61,957
TOT EMPLOYEE BENEFITS	69,540	61,957
GOVERNOR'S OFF-MANSION AND GROUNDS		
TOTAL FUNDS AVAILABLE	503,350	303,350
TOTAL AUTH FTE POSITIONS	(9.00)	(8.50)

SECTION 93
D25-OFFICE OF INSPECTOR GENERAL

	TOTAL FUNDS	GENERAL FUNDS
I. OFF OF INSPECTOR GENERAL		
PERSONAL SERVICE		
INSPECTOR GENERAL	111,076	111,076
	(1.00)	(1.00)

D25-OFFICE OF INSPECTOR GENERAL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	104,633	104,633
	(3.00)	(3.00)
NEW POSITIONS:		
<i>AUDITOR/INVESTIGATOR IV</i>	<i>304,671</i>	<i>304,671</i>
	(3.00)	(3.00)
TOTAL PERSONAL SRVC	520,380	520,380
	(7.00)	(7.00)
OTHER OPERATING EXP	725,073	25,073
SPECIAL ITEMS		
FRAUD HOTLINE	3,000	3,000
TOTAL SPECIAL ITEMS	<u>3,000</u>	<u>3,000</u>
TOTAL OFFICE OF INSPECTOR GENERAL	1,248,453	548,453
	<u>(7.00)</u>	<u>(7.00)</u>
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	67,701	67,701
TOTAL FRINGE BENEFITS	<u>67,701</u>	<u>67,701</u>
TOTAL EMPLOYEE BENEFITS	<u>67,701</u>	<u>67,701</u>
OFF OF INSPECTOR GENERAL		
TOTAL FUNDS AVAILABLE	1,316,154	616,154
TOTAL AUTH FTE POSITIONS	<u>(7.00)</u>	<u>(7.00)</u>
TOTAL GOVERNOR'S OFF	<u>110,534,151</u>	<u>10,893,726</u>
TOTAL AUTH FTE POSITIONS	<u>(240.63)</u>	<u>(134.56)</u>

SECTION 94
E04-LIEUTENANT GOVERNOR'S OFFICE

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE:		
LIEUTENANT GOVERNOR	46,545	46,545
	(1.00)	(1.00)
UNCLASSIFIED POSITIONS	291,896	291,896
	(5.00)	(5.00)
OTHER PERSONAL SRVCS	15,749	15,749
TOTAL PERSONAL SRVC	354,190	354,190
	(6.00)	(6.00)
OTHER OPERATING EXP	68,125	68,125
TOTAL ADMINISTRATION	422,315	422,315
	(6.00)	(6.00)
II. OFFICE ON AGING		
A. SENIOR SERVICES		
ADMINISTRATION		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,860,150	780,150
	(40.00)	(21.40)
UNCLASSIFIED POSITIONS	156,169	64,325
	(1.00)	(.25)
OTHER PERSONAL SRVCS	27,765	2,765
TOTAL PERSONAL SRVC	2,044,084	847,240
	(41.00)	(21.65)
OTHER OPERATING EXP	1,121,824	127,477
SPECIAL ITEMS:		
SILVER HAIRED LEGIS	15,000	15,000
HOME AND COMMUNITY		
BASED SERVICES	6,472,000	6,472,000
TOTAL SPECIAL ITEMS	6,487,000	6,487,000
TOTAL SENIOR SRVCS		
ADMINISTRATION	9,652,908	7,461,717
	(41.00)	(21.65)

E04-LIEUTENANT GOVERNOR'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
B. OFFICE ON AGING ASSIST		
SPECIAL ITEMS:		
ALZHEIMERS	150,000	150,000
GERIATRIC PHYSICIAN LOAN PROGRAM	35,000	35,000
<i>*FAMILY CAREGIVERS</i>	<i>1</i>	<i>1</i>
TOTAL SPECIAL ITEMS	185,001	185,001
CASE SERVICES:		
CASE SERVICES	1,000,000	
TOT CASE SRVC/PUB ASST	1,000,000	
DISTRIBUTION TO SUBDIV:		
ALLOC OTHER ST AGENCIES	100,000	
ALLOC OTHER ENTITIES	25,744,184	
AID TO OTHER ENTITIES	1,135,245	1,135,245
TOTAL DIST SUBDIV	26,979,429	1,135,245
TOTAL OFFICE ON AGING ASSISTANCE	28,164,430	1,320,246
TOTAL OFFICE ON AGING	37,817,338 (41.00)	8,781,963 (21.65)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	829,637	458,615
TOTAL FRINGE BENEFITS	829,637	458,615
TOT EMPLOYEE BENEFITS	829,637	458,615
LIEUTENANT GOVERNOR'S OFF		
TOTAL FUNDS AVAILABLE	39,069,290	9,662,893
TOTAL AUTH FTE POSITIONS	(47.00)	(27.65)

* See note at end of Act.

SECTION 95
E08-SECRETARY OF STATE

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
SECRETARY OF STATE	92,007	92,007
	(1.00)	(1.00)
CLASSIFIED POSITIONS	1,199,799	567,760
	(28.00)	(16.00)
OTHER PERSONAL SRVCS	65,000	
TOTAL PERSONAL SRVC	1,356,806	659,767
	(29.00)	(17.00)
OTHER OPERATING EXP	636,711	
TOTAL ADMINISTRATION	1,993,517	659,767
	(29.00)	(17.00)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	429,245	292,907
TOTAL FRINGE BENEFITS	429,245	292,907
TOT EMPLOYEE BENEFITS	429,245	292,907
SECRETARY OF STATE		
TOTAL FUNDS AVAILABLE	2,422,762	952,674
TOTAL AUTH FTE POSITIONS	(29.00)	(17.00)

SECTION 96
E12-COMPTROLLER GENERAL'S OFFICE

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATIVE SRVCS		
PERSONAL SERVICE		
COMPTROLLER GENERAL	92,007	92,007
	(1.00)	(1.00)
CLASSIFIED POSITIONS	134,060	134,060
	(2.00)	(2.00)

E12-COMPTROLLER GENERAL'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	149,350	149,350
	(3.00)	(3.00)
OTHER PERSONAL SRVCS	17,000	2,000
TOTAL PERSONAL SRVC	392,417	377,417
	(6.00)	(6.00)
OTHER OPERATING EXP	59,301	1,500
TOT ADMINISTRATIVE SRVCS	451,718	378,917
	(6.00)	(6.00)
II. STATEWIDE PAYROLL/ ACCTS PAYABLE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	733,911	623,430
	(19.00)	(13.50)
UNCLASSIFIED POSITIONS	35,500	35,500
TOTAL PERSONAL SRVC	769,411	658,930
	(19.00)	(13.50)
OTHER OPERATING EXP	75,779	2,000
TOTAL STATEWIDE PAYROLL/ACCTS PAYABLE	845,190	660,930
	(19.00)	(13.50)
III. STATEWIDE FINANCIAL REPORTING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	242,650	242,650
	(6.00)	(6.00)
UNCLASSIFIED POSITIONS	35,556	35,556
OTHER PERSONAL SRVCS	40,773	5,773
TOTAL PERSONAL SRVC	318,979	283,979
	(6.00)	(6.00)
OTHER OPERATING EXP	139,390	1,748
TOTAL STATEWIDE FINANCIAL REPORTING	458,369	285,727
	(6.00)	(6.00)

E12-COMPTROLLER GENERAL'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
IV. INFO TECHNOLOGY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	138,492	30,000
	(2.00)	(1.00)
OTHER PERSONAL SRVCS	15,070	70
TOTAL PERSONAL SRVC	153,562	30,070
	(2.00)	(1.00)
OTHER OPERATING EXP	119,811	1,065
TOTAL INFO TECHNOLOGY	273,373	31,135
	(2.00)	(1.00)
V. STATEWIDE ACCTING SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	314,680	314,680
	(6.00)	(4.00)
UNCLASSIFIED POSITIONS	35,556	35,556
OTHER PERSONAL SRVCS	3,000	3,000
TOTAL PERSONAL SRVC	353,236	353,236
	(6.00)	(4.00)
OTHER OPERATING EXP	32,023	1,351
TOTAL STATEWIDE ACCOUNTING SRVCS	385,259	354,587
	(6.00)	(4.00)
VI. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	535,360	457,973
TOTAL FRINGE BENEFITS	535,360	457,973
TOT EMPLOYEE BENEFITS	535,360	457,973
COMPTROLLER GEN'S OFF		
TOTAL FUNDS AVAILABLE	2,949,269	2,169,269
TOTAL AUTH FTE POSITIONS	(39.00)	(30.50)

SECTION 97
E16-STATE TREASURER'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
STATE TREASURER	92,007	92,007
	(1.00)	(1.00)
CLASSIFIED POSITIONS	64,825	64,825
	(2.00)	(2.00)
TOTAL PERSONAL SRVC	156,832	156,832
	(3.00)	(3.00)
OTHER OPERATING EXP	14,115	14,115
TOTAL ADMINISTRATION	170,947	170,947
	(3.00)	(3.00)
II. PROGRAMS AND SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	3,286,271	978,052
	(64.00)	(34.00)
UNCLASSIFIED POSITIONS	317,000	
	(3.00)	
OTHER PERSONAL SRVCS	10,000	
TOTAL PERSONAL SRVC	3,613,271	978,052
	(67.00)	(34.00)
OTHER OPERATING EXP	2,762,680	52,641
SPECIAL ITEM:		
DEPT OF REVENUE		
IDENTITY THEFT REIMBU	200,000	200,000
TOTAL SPECIAL ITEMS	200,000	200,000
TOTAL PROG AND SRVCS	6,575,951	1,230,693
	(67.00)	(34.00)
IV. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,207,904	396,696
TOTAL FRINGE BENEFITS	1,207,904	396,696

STATUTES AT LARGE
General and Permanent Laws--2013
E16-STATE TREASURER'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT EMPLOYEE BENEFITS	1,207,904	396,696
STATE TREASURER'S OFF		
TOTAL FUNDS AVAILABLE	7,954,802	1,798,336
TOTAL AUTH FTE POSITIONS	(70.00)	(37.00)

SECTION 98

E19-RETIREMENT SYSTEM INVESTMENT COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
UNCLASSIFIED POSITIONS	6,776,813	
	(35.00)	
NEW POSITIONS:		
<i>INVESTMENT OFFICER</i>		
	(3.00)	
<i>INVESTMENT ANALYST</i>		
	(2.00)	
<i>REPORTING OFFICER</i>		
	(2.00)	
OTHER PERSONAL SRVCS	200,000	
TOTAL PERSONAL SRVC	6,976,813	
	(42.00)	
OTHER OPERATING EXP	4,447,726	
TOTAL ADMINISTRATION	11,424,539	
	(42.00)	
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	1,596,835	
TOTAL FRINGE BENEFITS	1,596,835	
TOT EMPLOYEE BENEFITS	1,596,835	

E19-RETIREMENT SYSTEM INVESTMENT COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
RETIREMENT SYSTEM INVESTMENT COMMISSION		
TOTAL FUNDS AVAILABLE	13,021,374	
TOTAL AUTH FTE POSITIONS	(42.00)	

SECTION 99
E24-ADJUTANT GENERAL'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
ADJUTANT GENERAL	92,007	92,007
	(1.00)	(1.00)
CLASSIFIED POSITIONS	929,004	570,004
	(18.70)	(11.83)
OTHER PERSONAL SRVCS	129,911	114,911
TOTAL PERSONAL SRVC	1,150,922	776,922
	(19.70)	(12.83)
OTHER OPERATING EXP	169,389	168,389
SPECIAL ITEMS		
BURIAL FLAGS	1,871	1,871
FUNERAL CAISSON	100,205	100,205
CIVIL AIR PATROL	55,000	55,000
TOTAL SPECIAL ITEMS	157,076	157,076
TOTAL ADMINISTRATION	1,477,387	1,102,387
	(19.70)	(12.83)
II. ARMORY OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	21,424	
	(.55)	
OTHER PERSONAL SRVCS	74,000	
TOTAL PERSONAL SRVC	95,424	
	(.55)	

STATUTES AT LARGE
General and Permanent Laws--2013
E24-ADJUTANT GENERAL'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER OPERATING EXP	4,137,990	1,633,414
TOT ARMORY OPERATIONS	4,233,414 (.55)	1,633,414
III. MILITARY PERSONNEL		
PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	(.50)	(.50)
TOTAL PERSONAL SRVC		
	(.50)	(.50)
OTHER OPERATING EXP	1	1
TOT MILITARY PERSONNEL	1 (.50)	1 (.50)
V. BUILDINGS AND GROUNDS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	253,255	111,760
	(13.75)	(8.25)
OTHER PERSONAL SRVCS	7,244	3,344
TOTAL PERSONAL SRVC	260,499	115,104
	(13.75)	(8.25)
OTHER OPERATING EXP	69,931	27,793
TOT BUILDINGS & GROUNDS	330,430 (13.75)	142,897 (8.25)
VI. ARMY CONTRACT SUPP		
PERSONAL SERVICE		
CLASSIFIED POSITIONS		
	1,088,975	12,226
	(10.75)	(.25)
OTHER PERSONAL SRVCS	3,925,954	
TOTAL PERSONAL SRVC	5,014,929	12,226
	(10.75)	(.25)
OTHER OPERATING EXP	11,464,985	73,300
TOT ARMY CONTRACT SUPP	16,479,914 (10.75)	85,526 (.25)

	TOTAL FUNDS	GENERAL FUNDS
VII. ENTERPRISE OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	98,857	
	(2.00)	
OTHER PERSONAL SRVCS	839,436	
	938,293	
	(2.00)	
OTHER OPERATING EXP	3,500,000	
	4,438,293	
	(2.00)	
VIII. MCENTIRE ANG BASE		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	937,311	57,644
	(23.75)	(2.81)
OTHER PERSONAL SRVCS	1,245,685	58,668
	2,182,996	116,312
	(23.75)	(2.81)
OTHER OPERATING EXP	3,006,805	322,951
	5,189,801	439,263
	(23.75)	(2.81)
IX. EMERG PREPAREDNESS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,355,529	726,665
	(58.00)	(21.25)
OTHER PERSONAL SRVCS	330,448	10,326
	2,685,977	736,991
	(58.00)	(21.25)
OTHER OPERATING EXP	4,047,452	615,999
AID TO SUBDIV		
ALLOC-MUNICIPALITIES	4,500,000	
ALLOC CNTY-RESTRICTED	7,990,342	36,410
ALLOC OTHER ST AGENCIES	693,766	
ALLOC OTHER ENTITIES	60,000	
	13,244,108	36,410

STATUTES AT LARGE
General and Permanent Laws--2013
E24-ADJUTANT GENERAL'S OFFICE

	TOTAL FUNDS	GENERAL FUNDS
TOT EMERG PREPAREDNESS	19,977,537	1,389,400
	(58.00)	(21.25)
<hr/>		
X. STATE GUARD		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	70,617	70,617
	(2.50)	(2.50)
OTHER PERSONAL SRVCS	11,935	11,935
	<hr/>	
TOTAL PERSONAL SRVC	82,552	82,552
	(2.50)	(2.50)
OTHER OPERATING EXP	43,064	43,064
	<hr/>	
TOTAL STATE GUARD	125,616	125,616
	(2.50)	(2.50)
<hr/>		
XI. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	5,332,080	825,096
	<hr/>	
TOTAL FRINGE BENEFITS	5,332,080	825,096
	<hr/>	
TOT EMPLOYEE BENEFITS	5,332,080	825,096
	<hr/>	
ADJUTANT GENERAL'S OFF		
TOTAL FUNDS AVAILABLE	57,584,473	5,743,600
TOTAL AUTH FTE POSITIONS	(131.50)	(48.39)
	<hr/>	

SECTION 100
E28-ELECTION COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION:		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	90,281	90,281
	(1.00)	(1.00)
CLASSIFIED POSITIONS	106,719	42,922
	(6.50)	(4.00)
	<hr/>	

OF SOUTH CAROLINA
General and Permanent Laws--2013
E28-ELECTION COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	197,000	133,203
	(7.50)	(5.00)
OTHER OPERATING EXP	318,101	102,198
TOTAL ADMINISTRATION	515,101	235,401
	(7.50)	(5.00)
II. VOTER SERVICES		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	238,481	238,481
	(9.00)	(9.00)
TOTAL PERSONAL SRVC	238,481	238,481
	(9.00)	(9.00)
OTHER OPERATING EXP	317,919	317,919
TOTAL VOTER SRVCS	556,400	556,400
	(9.00)	(9.00)
III. PUBLIC INFO/TRAINING		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	19,246	19,246
	(3.00)	(3.00)
TOTAL PERSONAL SRVC	19,246	19,246
	(3.00)	(3.00)
OTHER OPERATING EXP	35,000	
TOT PUBLIC INFO/TRAINING	54,246	19,246
	(3.00)	(3.00)
IV. DISTRIB TO SUBDIVS		
AID CNTY-LOCAL REGIS EXP	533,000	533,000
TOTAL DIST SUBDIVS	533,000	533,000
TOTAL DISTRIBUTION TO SUBDIVISIONS	533,000	533,000
V. STWIDE/SPEC PRIMARIES		
SPECIAL ITEMS:		
STWIDE PRIMARIES/ GENERAL ELECTION	4,200,000	3,000,000

STATUTES AT LARGE
General and Permanent Laws--2013
E28-ELECTION COMMISSION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
SPECIAL PRIMARIES	100,000	
TOTAL SPECIAL ITEMS	<u>4,300,000</u>	<u>3,000,000</u>
TOT STATEWIDE/SPECIAL PRIMARIES	<u>4,300,000</u>	<u>3,000,000</u>
VII. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	<u>247,487</u>	<u>221,487</u>
TOTAL FRINGE BENEFITS	<u>247,487</u>	<u>221,487</u>
TOT EMPLOYEE BENEFITS	<u>247,487</u>	<u>221,487</u>
ELECTION COMMISSION		
TOTAL FUNDS AVAILABLE	6,206,234	4,565,534
TOTAL AUTH FTE POSITIONS	<u>(19.50)</u>	<u>(17.00)</u>

SECTION 101
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. OFFICE OF EXEC DIRECTOR		
A. BOARD ADMINISTRATION		
PERSONAL SERVICE:		
EXECUTIVE DIRECTOR	185,517	185,517
	(1.00)	(1.00)
CLASSIFIED POSITIONS	74,338	13,863
	(3.04)	(.90)
UNCLASSIFIED POSITIONS	274,900	82,500
	(2.00)	(.60)
OTHER PERSONAL SRVCS	<u>20,560</u>	<u>20,560</u>
TOTAL PERSONAL SRVC	555,315	302,440
	(6.04)	(2.50)
OTHER OPERATING EXP	<u>130,737</u>	<u>51,626</u>

F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL BOARD ADMIN	686,052	354,066
	(6.04)	(2.50)
<hr/>		
B. ADMINISTRATIVE SRVCS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	2,400,254	443,134
	(43.42)	(12.01)
UNCLASSIFIED POSITIONS	914,846	151,776
	(9.01)	(1.20)
OTHER PERSONAL SRVCS	64,008	17,922
TOTAL PERSONAL SRVC	3,379,108	612,832
	(52.43)	(13.21)
OTHER OPERATING EXP	1,421,983	754,344
SPECIAL ITEMS		
ETV COVERAGE - LEG &		
PUBLIC AFFAIRS	513,269	513,269
TECH INVESTMENT		
COUNCIL	98,784	98,784
TOTAL SPECIAL ITEMS	612,053	612,053
TOT ADMINISTRAT SRVCS	5,413,144	1,979,229
	(52.43)	(13.21)
<hr/>		
TOTAL OFF OF EXECUTIVE		
DIRECTOR	6,099,196	2,333,295
	(58.47)	(15.71)
<hr/>		
IV. BUDGET & ANALYSES DIV		
A. OFF OF STATE BUDGET		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,310,000	1,310,000
	(21.83)	(21.83)
UNCLASSIFIED POSITIONS	242,000	242,000
	(2.99)	(2.99)
OTHER PERSONAL SRVCS	53,000	53,000
TOTAL PERSONAL SRVC	1,605,000	1,605,000
	(24.82)	(24.82)
OTHER OPERATING EXP	234,432	234,432

STATUTES AT LARGE
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
SPECIAL ITEM:		
TOT SCEIS BUDGET MODULE	1,839,432	1,839,432
	(24.82)	(24.82)
<hr/>		
TOT OFF OF STATE BUDGET	1,839,432	1,839,432
	(24.82)	(24.82)
<hr/>		
B. OFF OF RESEARCH & STATISTICS		
1. ADMINISTRATION		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	446,450	198,450
	(8.00)	(2.70)
UNCLASSIFIED POSITIONS	125,835	88,085
	(1.00)	(.70)
<hr/>		
TOTAL PERSONAL SRVC	572,285	286,535
	(9.00)	(3.40)
OTHER OPERATING EXP	164,700	37,500
<hr/>		
TOTAL ADMINISTRATION	736,985	324,035
	(9.00)	(3.40)
<hr/>		
2. ECONOMIC RESEARCH		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	236,900	236,900
	(4.00)	(4.00)
UNCLASSIFIED POSITIONS	137,400	137,400
	(1.00)	(1.00)
<hr/>		
TOTAL PERSONAL SRVC	374,300	374,300
	(5.00)	(5.00)
OTHER OPERATING EXP	35,000	35,000
<hr/>		
TOT ECONOMIC RESEARCH	409,300	409,300
	(5.00)	(5.00)
<hr/>		
3. HEALTH AND DEMO		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	1,538,150	286,900
	(22.00)	(5.00)

OF SOUTH CAROLINA
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
OTHER PERSONAL SRVCS	846,000	
TOTAL PERSONAL SRVC	2,384,150	286,900
	(22.00)	(5.00)
OTHER OPERATING EXP	3,483,927	148,000
TOTAL HEALTH AND DEMOGRAPHIC STATISTICS	5,868,077	434,900
	(22.00)	(5.00)
4. DIGITAL CARTOGRAPHY		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	185,239	185,239
	(3.00)	(3.00)
TOTAL PERSONAL SRVC	185,239	185,239
	(3.00)	(3.00)
OTHER OPERATING EXP	98,100	98,100
TOT DIGITAL CARTOGRAPHY	283,339	283,339
	(3.00)	(3.00)
5. GEODETIC & MAP SURVEY		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	454,090	430,730
	(10.00)	(9.50)
TOTAL PERSONAL SRVC	454,090	430,730
	(10.00)	(9.50)
OTHER OPERATING EXP	584,030	57,050
SPECIAL ITEMS:		
MAPPING	195,831	195,831
TOTAL SPECIAL ITEMS	195,831	195,831
TOTAL GEODETIC AND MAPPING SURVEY	1,233,951	683,611
	(10.00)	(9.50)
6. SUCCESSFUL CHILDREN'S PROJECT		
PERSONAL SERVICE:		

STATUTES AT LARGE
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS		
	(2.00)	
UNCLASSIFIED POSITIONS		
	(2.00)	(1.00)
TOTAL PERSONAL SRVC	<u>(4.00)</u>	<u>(1.00)</u>
TOTAL PERSONAL SRVC		
TOTAL SUCCESSFUL CHILDREN'S PROJECT		
	<u>(4.00)</u>	<u>(1.00)</u>
TOTAL OFF OF RESEARCH & STATISTICS	<u>8,531,652</u> <u>(53.00)</u>	<u>2,135,185</u> <u>(26.90)</u>
C. BD OF ECON ADVISORS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	302,000 (4.00)	302,000 (4.00)
TOTAL PERSONAL SRVC	302,000 (4.00)	302,000 (4.00)
OTHER OPERATING EXP	29,735	29,735
SPECIAL ITEMS:		
CHAIRMAN'S ALLOWANCE	10,000	10,000
APPOINTEE ALLOWANCE	16,000	16,000
TOTAL SPECIAL ITEMS	<u>26,000</u>	<u>26,000</u>
TOT BD OF ECON ADVISORS	<u>357,735</u> <u>(4.00)</u>	<u>357,735</u> <u>(4.00)</u>
D. OFF OF HUMAN RESOURCES		
1. ADMINISTRATION		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	242,500 (4.00)	242,500 (4.00)
UNCLASSIFIED POSITIONS	120,500 (1.00)	120,500 (1.00)

OF SOUTH CAROLINA
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	363,000	363,000
	(5.00)	(5.00)
OTHER OPERATING EXP	50,000	50,000
TOTAL ADMINISTRATION	413,000	413,000
	(5.00)	(5.00)
 2. HUMAN RESOUR CONSULT		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	891,000	891,000
	(18.00)	(18.00)
OTHER PERSONAL SRVCS	1,500	1,500
TOTAL PERSONAL SRVC	892,500	892,500
	(18.00)	(18.00)
OTHER OPERATING EXP	383,089	383,089
TOTAL HUMAN RESOURCE CONSULTING	1,275,589	1,275,589
	(18.00)	(18.00)
 3. HUMAN RESOURCE DEV SERVICES		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	426,500	144,500
	(8.75)	(2.50)
UNCLASSIFIED POSITIONS	102,000	102,000
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	1,123,850	1,100
TOTAL PERSONAL SRVC	1,652,350	247,600
	(9.75)	(3.50)
OTHER OPERATING EXP	315,000	130,000
TOTAL HUMAN RESOURCE DEVELOPMENT SRVCS	1,967,350	377,600
	(9.75)	(3.50)
TOT OFF OF HUMAN RESOUR	3,655,939	2,066,189
	(32.75)	(26.50)

STATUTES AT LARGE
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	TOTAL FUNDS	GENERAL FUNDS
E. CONFED RELIC ROOM & MILITARY MUSEUM		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	218,000	218,000
	(6.00)	(6.00)
UNCLASSIFIED POSITIONS	78,650	78,650
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	28,100	28,100
TOTAL PERSONAL SRVC	324,750	324,750
	(7.00)	(7.00)
OTHER OPERATING EXP	723,235	365,135
TOT SC CONFED RELIC RM & MILITARY MUSEUM	1,047,985	689,885
	(7.00)	(7.00)
=====		
TOTAL BUDGET AND ANALYSES DIVISION	15,432,743	7,088,426
	(121.57)	(89.22)
=====		
V. DIV OF GENERAL SRVCS		
A. BUSINESS OPERATIONS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	623,000	
	(13.00)	
UNCLASSIFIED POSITIONS	120,000	
	(2.00)	
OTHER PERSONAL SRVCS	75,000	
TOTAL PERSONAL SRVC	818,000	
	(15.00)	
OTHER OPERATING EXP	500,000	
TOT BUSINESS OPERATIONS	1,318,000	
	(15.00)	
=====		
B. FACILITIES MGMT		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	3,880,000	
	(123.88)	

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General and Permanent Laws--2013
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	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
UNCLASSIFIED POSITIONS	95,000	
	(1.00)	
OTHER PERSONAL SRVCS	125,000	
	4,100,000	
TOTAL PERSONAL SRVC	(124.88)	
OTHER OPERATING EXP	15,021,464	
SPECIAL ITEMS:		
CAPITAL COMPLEX RENT	719,781	719,781
STATE HOUSE MAINT & OPER	658,000	658,000
MANSION & GROUNDS	126,000	126,000
	1,503,781	1,503,781
TOTAL SPECIAL ITEMS		
PERM IMPROVEMENTS:		
PERM IMPROVEMENTS	3,000,000	
	3,000,000	
TOTAL PERM IMPROVE		
DEBT SERVICE		
PRINCIPAL - LOAN NOTE	15,801	
INTEREST - LOAN NOTE	158	
	15,959	
TOTAL DEBT SERVICE		
TOTAL FACILITIES MGMT	23,641,204	1,503,781
	(124.88)	
C. AGENCY SERVICES		
1. SURPLUS PROPERTY		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	597,000	
	(21.35)	
UNCLASSIFIED POSITIONS		
	(.23)	
OTHER PERSONAL SRVCS	176,500	
	773,500	
TOTAL PERSONAL SRVC	(21.58)	
OTHER OPERATING EXP	636,748	
	1,410,248	
TOT SURPLUS PROPERTY	(21.58)	
2. INTRA STATE MAIL		
PERSONAL SERVICE:		

1300

STATUTES AT LARGE
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(No. 101)

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	200,000	
	(7.00)	
UNCLASSIFIED POSITIONS		
	(.06)	
OTHER PERSONAL SRVCS	310,000	
TOTAL PERSONAL SRVC	510,000	
	(7.06)	
OTHER OPERATING EXP	500,000	
TOTAL INTRA STATE MAIL	1,010,000	
	(7.06)	
3. PARKING		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	73,800	
	(3.25)	
UNCLASSIFIED POSITIONS		
	(.02)	
TOTAL PERSONAL SRVC	73,800	
	(3.27)	
OTHER OPERATING EXP	205,200	
TOTAL PARKING	279,000	
	(3.27)	
4. STATE FLEET MGMT		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,036,000	
	(32.97)	
UNCLASSIFIED POSITIONS		
	(.65)	
OTHER PERSONAL SRVCS	90,000	
TOTAL PERSONAL SRVC	1,126,000	
	(33.62)	
OTHER OPERATING EXP	18,380,311	
DEBT SRVC:		
TOT STATE FLEET MGMT	19,506,311	
	(33.62)	

OF SOUTH CAROLINA
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL AGENCY SRVCS	22,205,559 (65.53)	
<hr/>		
D. STATE BLDG & PROPERTY SERVICES		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	240,000 (8.00)	
UNCLASSIFIED POSITIONS	158,000 (1.56)	
OTHER PERSONAL SRVCS	24,000	
TOTAL PERSONAL SRVC	422,000 (9.56)	
OTHER OPERATING EXP	172,360	
TOTAL STATE BUILDING & PROPERTY SERVICES	594,360 (9.56)	
<hr/>		
TOT DIV OF GENERAL SRVCS	47,759,123 (214.97)	1,503,781
<hr/>		
VI. PROCUREMENT SRVCS		
DIVISION		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	3,305,500 (59.99)	951,500 (19.99)
UNCLASSIFIED POSITIONS	177,000 (1.50)	120,000 (1.00)
OTHER PERSONAL SRVCS	13,000	
TOTAL PERSONAL SRVC	3,495,500 (61.49)	1,071,500 (20.99)
OTHER OPERATING EXP	1,125,631	140,495
TOT PROCUREMENT SRVCS	4,621,131 (61.49)	1,211,995 (20.99)
DIVISION		

STATUTES AT LARGE
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
VII. INSURANCE AND GRANTS		
DIVISION		
A. OFF OF INSURANCE		
RESERVE FUND		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	2,750,000	
	(57.75)	
UNCLASSIFIED POSITIONS	115,000	
	(2.35)	
	2,865,000	
	(60.10)	
OTHER OPERATING EXP	3,681,000	
	6,546,000	
	(60.10)	
=====		
C. OFFICE OF LOCAL GOVT		
2. STATE REVOLVING FUND		
A. LOAN OPERATIONS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	230,000	
	(5.80)	
UNCLASSIFIED POSITIONS	15,000	
	(1.00)	
OTHER PERSONAL SRVCS	40,000	
	285,000	
	(6.80)	
OTHER OPERATING EXP	250,000	
	535,000	
	(6.80)	
B. LOANS		
SPECIAL ITEMS:		
LOANS	1,578,385	878,385
	1,578,385	878,385
TOTAL SPECIAL ITEMS		
	1,578,385	878,385
TOTAL LOANS	1,578,385	878,385

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General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	TOTAL FUNDS	GENERAL FUNDS
TOT ST REVOLVING FUND	2,113,385	878,385
	(6.80)	
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TOT OFF OF LOCAL GOVT	2,113,385	878,385
	(6.80)	
<hr/>		
D. ENERGY OFF		
1. ENERGY PROGRAM		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	492,734	
	(13.95)	
UNCLASSIFIED POSITIONS	40,000	
	(.60)	
OTHER PERSONAL SRVCS	29,253	
<hr/>		
TOTAL PERSONAL SRVC	561,987	
	(14.55)	
OTHER OPERATING EXP	420,955	
DISTRIBUTION TO SUBDIVS		
ALLOC OTHER ENTITIES	5,000	
<hr/>		
TOTAL DIST SUBDIVS	5,000	
<hr/>		
TOTAL ENERGY PROGRAM	987,942	
	(14.55)	
<hr/>		
2. RADIOACTIVE WASTE		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	120,000	
	(1.65)	
UNCLASSIFIED POSITIONS	10,000	
	(.50)	
<hr/>		
TOTAL PERSONAL SRVC	130,000	
	(2.15)	
OTHER OPERATING EXP	175,000	
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TOTAL RADIOACTIVE WASTE	305,000	
	(2.15)	
<hr/>		
TOTAL ENERGY OFFICE	1,292,942	
	(16.70)	
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STATUTES AT LARGE
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	TOTAL FUNDS	GENERAL FUNDS
E. SECOND INJ FUND SUNSET		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	190,000	
	(3.00)	
OTHER PERSONAL SRVCS	85,000	
	275,000	
TOTAL PERSONAL SRVC	(3.00)	
OTHER OPERATING EXP	65,000	
	340,000	
TOT SECOND INJ FUND SUNSET	(3.00)	
	10,292,327	878,385
TOTAL INSURANCE & GRANTS DIVISION	(86.60)	
VIII. DIV OF STATE		
INFORMATION TECH		
A. SUPPORT SERVICES		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	1,373,345	
	(36.00)	
UNCLASSIFIED POSITIONS	245,206	
	(2.00)	
OTHER PERSONAL SRVCS	41,602	
	1,660,153	
TOTAL PERSONAL SRVC	(38.00)	
OTHER OPERATING EXP	1,500,000	
	3,160,153	
TOTAL SUPPORT SRVCS	(38.00)	
	7,838,834	
B. DSIT OPERATIONS		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	7,838,834	
	(163.00)	
UNCLASSIFIED POSITIONS	125,000	
	(1.00)	
OTHER PERSONAL SRVCS	488,000	
	488,000	

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General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL PERSONAL SRVC	8,451,834	
	(164.00)	
OTHER OPERATING EXP	30,624,019	
SPECIAL ITEMS:		
SRVC CONTRACT 800MHZ	1,238,247	1,238,247
SCHOOL TECHNOLOGY	21,960,000	
EMERGENCY COMMUNIC		
BACKBONE	434,244	434,244
	23,632,491	1,672,491
TOTAL SPECIAL ITEMS		
TOTAL DSIT OPERATIONS	62,708,344	1,672,491
	(164.00)	
<hr/>		
C. SC ENTERPRISE INFO		
SYSTEM		
PERSONAL SERVICE:		
CLASSIFIED POSITIONS	4,100,000	4,100,000
	(97.64)	(75.64)
UNCLASSIFIED POSITIONS	103,000	103,000
	(1.00)	(1.00)
OTHER PERSONAL SRVCS	375,000	375,000
	4,578,000	4,578,000
TOTAL PERSONAL SRVC		
	(98.64)	(76.64)
OTHER OPERATING EXP	10,798,479	9,298,479
	15,376,479	13,876,479
TOTAL SC ENTERPRISE		
INFORMATION SYSTEM	(98.64)	(76.64)
<hr/>		
TOTAL DIV OF STATE		
INFO TECHNOLOGY	81,244,976	15,548,970
	(300.64)	(76.64)
<hr/>		
IX. DIVISION OF INFO		
SECURITY		
PERSONAL SERVICE		
NEW POSITIONS		
CHIEF INFO SECURITY OFFICER	150,000	150,000
	(1.00)	(1.00)

STATUTES AT LARGE
General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	TOTAL FUNDS	GENERAL FUNDS
<i>AGCY SECURITY LIAISON OFFICER</i>	600,000	600,000
	(5.00)	(5.00)
<i>IT SECURITY MANAGER</i>	300,000	300,000
	(3.00)	(3.00)
<i>IT SECURITY ARCHITECT</i>	300,000	300,000
	(3.00)	(3.00)
<i>IT SECURITY ANALYST</i>	691,187	691,187
	(9.00)	(9.00)
TOTAL PERSONAL SRVC	2,041,187	2,041,187
	(21.00)	(21.00)
OTHER OPERATING EXP	207,250	207,250
SPECIAL ITEMS		
ENTERPRISE TECH & REMEDATION	2,355,000	2,355,000
TOTAL SPECIAL ITEMS	2,355,000	2,355,000
TOTAL DIVISION OF INFORMATION SECURITY	4,603,437	4,603,437
	(21.00)	(21.00)
 IX. ENTERPRISE PRIVACY OFF PERSONAL SERVICE NEW POSITIONS		
<i>CHIEF PRIVACY OFFICER</i>	120,000	120,000
	(1.00)	(1.00)
<i>IT SECURITY MANAGER</i>	200,000	200,000
	(2.00)	(2.00)
TOTAL PERSONAL SRVC	320,000	320,000
	(3.00)	(3.00)
OTHER OPERATING EXP	21,000	21,000
TOT ENTERPRISE PRIV OFF	341,000	341,000
	(3.00)	(3.00)
 X. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	14,308,949	4,603,660
TOTAL FRINGE BENEFITS	14,308,949	4,603,660

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General and Permanent Laws--2013
F03-BUDGET AND CONTROL BOARD

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOTAL EMPLOYEE BENEFITS	14,308,949	4,603,660
BUDGET & CONTROL BOARD		
TOTAL FUNDS AVAILABLE	184,702,882	38,112,949
TOTAL AUTH FTE POSITIONS	(867.74)	(226.56)

SECTION 102
F27-B & C-AUDITOR'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
PERSONAL SERVICE		
STATE AUDITOR	141,891	141,891
	(1.00)	(1.00)
CLASSIFIED POSITIONS	156,467	156,467
	(3.00)	(3.00)
TOTAL PERSONAL SRVC	298,358	298,358
	(4.00)	(4.00)
OTHER OPERATING EXP	305,261	305,261
TOTAL ADMINISTRATION	603,619	603,619
	(4.00)	(4.00)
II. AUDITS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	2,151,037	1,335,156
	(46.00)	(29.00)
UNCLASSIFIED POSITIONS	111,512	111,512
	(2.00)	(2.00)
TOTAL PERSONAL SRVC	2,262,549	1,446,668
	(48.00)	(31.00)
OTHER OPERATING EXP	1,539,944	183,596
TOTAL AUDITS	3,802,493	1,630,264
	(48.00)	(31.00)

STATUTES AT LARGE
General and Permanent Laws--2013
F27-B & C-AUDITOR'S OFFICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	869,951	571,102
TOTAL FRINGE BENEFITS	<u>869,951</u>	<u>571,102</u>
TOTAL EMPLOYEE BENEFITS	<u>869,951</u>	<u>571,102</u>
B & C-AUDITOR'S OFF		
TOTAL FUNDS AVAILABLE	5,276,063	2,804,985
TOTAL AUTH FTE POSITIONS	<u>(52.00)</u>	<u>(35.00)</u>

SECTION 103
F30-B & C-EMPLOYEE BENEFITS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. STATE EMPLOYER CONTRIB		
UNEMPLOYMENT COMP INS	1,895	1,895
STATE RETIREMT-MILITARY & NON-MEMBER SRV	77,014	77,014
RETIREMT SPPL-STATE EMP	623,357	623,357
RETIREMT SPPL-PUBLIC		
SCHOOL EMP	980,600	980,600
RETIREMT-POLICE INSURANCE AND ANNUITY FUND	11,041	11,041
RETIREMT SPPL-POL OFF	53,178	53,178
PENSIONS-RET NATL GUARD	4,585,560	4,585,560
TOTAL FRINGE BENEFITS	<u>6,332,645</u>	<u>6,332,645</u>
TOTAL STATE EMPLOYER CONTRIB	<u>6,332,645</u>	<u>6,332,645</u>
II. STATE EMPLOYEE BENEFITS		
B. BASE PAY INCREASE		
PERSONAL SERVICE		
EMPLOYEE PAY PLAN	1,386,668	1,386,668
TOTAL PERSONAL SRVC	<u>1,386,668</u>	<u>1,386,668</u>

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General and Permanent Laws--2013
F30-B & C-EMPLOYEE BENEFITS

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT BASE PAY INCREASE	1,386,668	1,386,668
C. RATE INCREASES		
HEALTH INSURANCE -		
EMPLOYER CONTRIB	54,000,000	54,000,000
OPEB TRUST FUND PYMT	2,375,300	2,375,300
TOTAL FRINGE BENEFITS	56,375,300	56,375,300
TOTAL RATE INCREASE	56,375,300	56,375,300
TOT ST EMPLOYEE BENEFITS	57,761,968	57,761,968
B & C-EMPLOYEE BENEFITS		
TOTAL FUNDS AVAILABLE	64,094,613	64,094,613

SECTION 104
F31-CAPITAL RESERVE FUND

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. RESERVE FUND		
SPECIAL ITEM		
CAPITAL RESERVE FUND	117,155,905	117,155,905
TOTAL SPECIAL ITEMS	117,155,905	117,155,905
TOTAL RESERVE FUNDS	117,155,905	117,155,905
CAPITAL RESERVE FUND		
TOTAL FUNDS AVAILABLE	117,155,905	117,155,905

SECTION 105
F50-PUBLIC EMPLOYEE BENEFIT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATION		
DIRECTOR	126,401	
	(1.00)	

F50-PUBLIC EMPLOYEE BENEFIT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
CLASSIFIED POSITIONS	707,146	
	(11.00)	
PUBLIC EMPLOYEE BENEFIT AUTHORITY	132,000	
TOTAL PERSONAL SRVC	965,547	
	(12.00)	
OTHER OPERATING EXP	971,817	
TOTAL ADMINISTRATION	1,937,364	
	(12.00)	
II. PROGRAMS & SRVCS		
A. EMPLOYEE INSUR PROG		
CLASSIFIED POSITIONS	4,064,027	
	(86.43)	
UNCLASSIFIED POSITIONS	423,899	
	(3.00)	
OTHER PERSONAL SRVCS	174,000	
TOTAL PERSONAL SRVC	4,661,926	
	(89.43)	
OTHER OPERATING EXP	4,219,814	
SPECIAL ITEM		
ADOPTION ASSISTANCE	300,000	
TOTAL SPECIAL ITEMS	300,000	
TOT EMPLOYEE INSUR PROG	9,181,740	
	(89.43)	
B. RETIREMENT SYSTEMS		
CLASSIFIED POSITIONS	8,048,098	
	(174.00)	
UNCLASSIFIED POSITIONS	711,489	
	(6.00)	
OTHER PERSONAL SRVCS	206,829	
TOTAL PERSONAL SRVC	8,966,416	
	(180.00)	
OTHER OPERATING EXP	6,772,103	

F50-PUBLIC EMPLOYEE BENEFIT AUTHORITY

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
TOT RETIREMENT SYSTEMS	15,738,519	
	(180.00)	
TOTAL PROG AND SRVCS	24,920,259	
	(269.43)	
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	4,472,468	
TOTAL FRINGE BENEFITS	4,472,468	
TOT EMPLOYEE BENEFITS	4,472,468	
PUBLIC EMPLOYEE BENEFIT AUTHORITY		
TOTAL FUNDS AVAILABLE	31,330,091	
TOTAL AUTH FTE POSITIONS	(281.43)	
TOT BUDGET & CONTROL BD	402,559,554	222,168,452
TOTAL AUTH FTE POSITIONS	(1,201.17)	(261.56)

SECTION 106
R44-DEPARTMENT OF REVENUE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. ADMINISTRATIVE & PROG SUPPORT		
PERSONAL SERVICE		
DIRECTOR	139,167	139,167
	(1.00)	(1.00)
CLASSIFIED POSITIONS	261,141	261,141
	(10.00)	(10.00)
UNCLASSIFIED POSITIONS	123,375	123,375
	(2.00)	(2.00)

STATUTES AT LARGE
General and Permanent Laws--2013
R44-DEPARTMENT OF REVENUE

	TOTAL FUNDS	GENERAL FUNDS
TOTAL PERSONAL SRVC	523,683	523,683
	(13.00)	(13.00)
OTHER OPERATING EXP	35,000	35,000
TOT ADMINISTRATIVE AND PROGRAM SUPPORT	558,683	558,683
	(13.00)	(13.00)
II. PROGRAMS AND SRVCS		
A. SUPPORT SRVCS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	7,628,843	5,954,161
	(157.00)	(119.00)
OTHER PERSONAL SRVCS	150,000	100,000
TOTAL PERSONAL SRVC	7,778,843	6,054,161
	(157.00)	(119.00)
OTHER OPERATING EXP	29,072,089	3,496,060
TOTAL SUPPORT SRVCS	36,850,932	9,550,221
	(157.00)	(119.00)
B. REVENUE & REGULATORY		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	20,681,332	20,311,978
	(608.50)	(595.50)
OTHER PERSONAL SRVCS	1,000,000	550,000
TOTAL PERSONAL SRVC	21,681,332	20,861,978
	(608.50)	(595.50)
OTHER OPERATING EXP	2,440,125	1,681,517
TOT REV & REGULATORY	24,121,457	22,543,495
	(608.50)	(595.50)
C. LEGAL, POLICY & LEGIS		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	505,992	505,992
	(12.00)	(12.00)
TOTAL PERSONAL SRVC	505,992	505,992
	(12.00)	(12.00)
OTHER OPERATING EXP	80,000	80,000

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General and Permanent Laws--2013
R44-DEPARTMENT OF REVENUE

	TOTAL FUNDS	GENERAL FUNDS
TOTAL LEGAL, POLICY & LEGISLATIVE	585,992 (12.00)	585,992 (12.00)
TOTAL PROG AND SRVCS	61,558,381 (777.50)	32,679,708 (726.50)
III. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	11,047,191	10,143,771
TOTAL FRINGE BENEFITS	11,047,191	10,143,771
TOT EMPLOYEE BENEFITS	11,047,191	10,143,771
DEPT OF REVENUE		
TOTAL FUNDS AVAILABLE	73,164,255	43,382,162
TOTAL AUTH FTE POSITIONS	(790.50)	(739.50)

SECTION 107
R52-STATE ETHICS COMMISSION

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
EXECUTIVE DIRECTOR	72,736 (1.00)	72,736 (1.00)
CLASSIFIED POSITIONS	346,463 (9.00)	118,415 (6.00)
OTHER PERSONAL SRVCS	18,187	3,187
TOTAL PERSONAL SRVC	437,386 (10.00)	194,338 (7.00)
OTHER OPERATING EXP	255,800	25,800
TOTAL ADMINISTRATION	693,186 (10.00)	220,138 (7.00)

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General and Permanent Laws--2013
R52-STATE ETHICS COMMISSION

(No. 101)

	TOTAL FUNDS	GENERAL FUNDS
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	122,329	77,869
TOTAL FRINGE BENEFITS	122,329	77,869
TOT EMPLOYEE BENEFITS	122,329	77,869
STATE ETHICS COMMISSION		
TOTAL FUNDS AVAILABLE	815,515	298,007
TOTAL AUTH FTE POSITIONS	(10.00)	(7.00)

SECTION 108
S60-PROCUREMENT REVIEW PANEL

	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION		
PERSONAL SERVICE		
CLASSIFIED POSITIONS	82,562	82,562
	(2.00)	(2.00)
OTHER PERSONAL SRVCS	469	469
TOTAL PERSONAL SRVC	83,031	83,031
	(2.00)	(2.00)
OTHER OPERATING EXP	24,910	22,376
TOTAL ADMINISTRATION	107,941	105,407
	(2.00)	(2.00)
II. EMPLOYEE BENEFITS		
C. STATE EMPLOY CONTRIB		
EMPLOYER CONTRIB	27,723	27,723
TOTAL FRINGE BENEFITS	27,723	27,723
TOTAL EMPLOYEE BENEFITS	27,723	27,723

OF SOUTH CAROLINA
General and Permanent Laws--2013
S60-PROCUREMENT REVIEW PANEL

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
PROCUREMENT REVIEW PANEL		
TOTAL FUNDS AVAILABLE	135,664	133,130
TOTAL AUTH FTE POSITIONS	<u>(2.00)</u>	<u>(2.00)</u>

SECTION 109
V04-DEBT SERVICE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. GEN OBLIGATION BONDS (G.O.) BONDS SUBJECT TO DEBT SRVC LIMITATION:		
CAPITAL IMPROVE BONDS	54,343,728	54,343,728
AIR CARRIER HUB BONDS	4,308,400	4,308,400
STATE SCHOOL FACILITIES BONDS	68,016,925	68,016,925
ECONOMIC DEV BONDS	38,775,280	38,775,280
RESEARCH UNIV BONDS	<u>24,220,344</u>	<u>24,220,344</u>
TOTAL DEBT SERVICE	<u>189,664,677</u>	<u>189,664,677</u>
TOT GEN OBLIGATION BONDS	<u>189,664,677</u>	<u>189,664,677</u>
II. SPEC BONDS/ STOCKS/OTH LONG TERM OBLIGATIONS		
INT PYMT-CLEMSON STOCK	3,513	3,513
RICHARD B RUSSELL	550,000	550,000
INT PYMT-AGRI COLLEGE STK	<u>11,508</u>	<u>11,508</u>
TOTAL DEBT SERVICE	<u>565,021</u>	<u>565,021</u>
TOT SPEC BONDS & STOCKS	<u>565,021</u>	<u>565,021</u>
DEBT SERVICE		
TOTAL FUNDS AVAILABLE	<u>190,229,698</u>	<u>190,229,698</u>

SECTION 110
X22-AID TO SUBDIV - STATE TREASURER

	TOTAL FUNDS	GENERAL FUNDS
I. AID TO SUBDIVISIONS		
AID TO FIRE DISTRICTS	13,496,453	13,496,453
AID - LOCAL GOVT FUND	182,619,411	182,619,411
LOCAL GOVT FUND		
NON-RECURRING REVENUE	1	1
AID PLANNING DISTRICTS	556,253	556,253
AID TO CNTY VETS' OFFICES	254,932	254,932
TOTAL DIST SUBDIVS	196,927,050	196,927,050
TOTAL AID TO SUBDIV- FORMULA FUNDED	196,927,050	196,927,050
II. AID TO SUBDIV CATEGOR		
CATEGOR GRANTS CNTIES		
DISTRIBUTION TO SUBDIV		
AID CNTY-CLERKS OF COURT	72,450	72,450
AID CNTY-PROBATE JUDGES	72,450	72,450
AID CNTY-SHERIFFS	72,450	72,450
AID CNTY-CORONERS	72,450	72,450
AID CNTY-REGIST OF DEEDS	33,075	33,075
AID CNTY-AUDITORS	1,293,910	1,293,910
AID CNTY-TREASURERS	1,293,910	1,293,910
TOTAL DIST SUBDIV	2,910,695	2,910,695
TOTAL AID TO SUBDIV - CATEGORICAL GRANT	2,910,695	2,910,695
AID TO SUBDIV - STATE TREASURER		
TOTAL FUNDS AVAILABLE	199,837,745	199,837,745

SECTION 111
X44-AID TO SUBDIV - DEPARTMENT OF REVENUE

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
I. AID TO SUBDIV-DEPT OF REVENUE DISTRIBUTION TO SUBDIV: AID TO CNTIES - HOMESTEAD EXEMPTION FUND	120,516,041	120,516,041
AID TO SUBDIV - DEPT OF REVENUE		
TOTAL FUNDS AVAILABLE	<u>120,516,041</u>	<u>120,516,041</u>

SECTION 115
RECAPITULATION

<u>AGENCY</u>	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
H63 DEPT OF EDUC	3,846,212,204	2,299,096,105
H66 LOTTERY EXPENDITURE ACCT	287,500,000	
A85 EDUC OVERSIGHT COMMITTEE	1,294,688	
H71 WIL LOU GRAY OPPORTUNITY SCH	6,768,140	5,577,819
H75 SCHL FOR THE DEAF & THE BLIND	24,751,711	15,292,256
L12 JOHN DE LA HOWE SCHOOL	5,550,603	4,413,329
H67 EDUCATIONAL TELEVISION COMM	18,820,000	
H03 COMMISSION ON HIGHER EDUC	121,141,353	104,152,084
H06 HIGHER EDUC TUITION GRANT	28,292,502	23,654,206
H09 THE CITADEL	135,673,679	8,940,908
H12 CLEMSON UNIV (EDUC & GEN)	783,632,793	65,682,592
H15 UNIVERSITY OF CHARLESTON	224,933,733	19,449,861
H17 COASTAL CAROLINA UNIVERSITY	182,727,828	9,016,785
H18 FRANCIS MARION UNIVERSITY	57,159,160	11,807,813
H21 LANDER UNIVERSITY	40,755,061	6,153,545
H24 SOUTH CAROLINA STATE UNIV	146,056,647	12,299,345
H27 UNIV OF SOUTH CAROLINA	994,753,105	106,920,131
H29 U S C - AIKEN CAMPUS	55,536,250	6,482,281
H34 U S C - UPSTATE	92,175,299	9,048,319
H36 U S C - BEAUFORT CAMPUS	26,852,540	2,627,614
H37 U S C - LANCASTER CAMPUS	19,416,949	1,542,448
H38 U S C - SALKEHATCHIE CAMPUS	13,563,943	1,309,944
H39 U S C - SUMTER CAMPUS	15,004,948	2,528,845
H40 U S C - UNION CAMPUS	6,690,044	600,731
H47 WINTHROP UNIVERSITY	150,971,106	13,480,286
H51 MEDICAL UNIV OF S C	663,328,667	58,244,151

STATUTES AT LARGE
General and Permanent Laws--2013
RECAPITULATION

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
H53 AREA HEALTH EDUC CONSORTIUM	13,241,851	9,588,224
H59 TECHNICAL & COMPREHEN EDUC	657,698,996	119,895,244
H79 DEPT OF ARCHIVES AND HISTORY	4,502,285	2,310,544
H87 STATE LIBRARY	12,242,912	9,324,766
H91 ARTS COMMISSION	4,469,551	2,960,203
H95 STATE MUSEUM COMMISSION	5,476,018	2,915,518
H73 VOCATIONAL REHABILITATION	154,211,737	13,711,512
J02 DEPT OF HEALTH & HUMAN SERVCS	6,482,544,497	1,095,018,631
J04 DEPT OF HEALTH & ENVIR CONTROL	586,663,856	99,623,924
J12 DEPT OF MENTAL HEALTH	407,531,987	175,310,415
J16 DEPT OF DISABIL & SPECIAL NEEDS	580,673,704	186,628,087
J20 DEPT OF ALCO & OTHER DRUG ABUSE	39,169,888	6,498,728
L04 DEPT OF SOCIAL SRVCS	655,894,161	121,821,253
L24 COMMISSION FOR THE BLIND	11,473,191	2,746,936
L32 HOUSING FINANCE AND DEV AUTH	181,047,533	
P12 FORESTRY COMMISSION	27,948,085	13,805,812
P16 DEPT OF AGRICULTURE	16,622,148	5,809,318
P20 CLEMSON UNIV (PUBLIC SRVC ACTIV)	70,229,009	31,012,634
P21 SC STATE UNIV (PUBLIC SRVC ACTIV)	7,187,621	3,013,880
P24 DEPT OF NATURAL RESOURCES	84,976,617	19,337,254
P26 SEA GRANT CONSORTIUM	6,064,780	444,994
P28 DEPT OF PARKS, REC & TOURISM	79,520,844	37,408,871
P32 DEPT OF COMMERCE	82,571,145	21,430,630
P34 JOBS-ECONOMIC DEV AUTH	423,150	
P36 PATRIOTS POINT DEV AUTH	10,124,762	
P40 SC CONSERVATION BANK	9,860,233	
P45 RURAL INFRASTRUCTURE AUTH	21,845,000	1,375,000
B04 JUDICIAL DEPT	69,444,217	45,110,824
C05 ADMINISTRATIVE LAW COURT	3,420,933	1,950,693
E20 ATTORNEY GENERAL'S OFF	22,163,216	4,867,922
E21 PROSECUTION COORD COMMISS	22,590,243	14,084,660
E23 COMMISS ON INDIGENT DEFENSE	33,446,679	19,776,807
D10 GOV'S OFF-STATE LAW ENFORCE	96,765,259	36,948,760
K05 DEPT OF PUBLIC SAFETY	161,742,387	71,759,838
N20 LAW ENFORCE TRAINING COUNCIL	12,867,742	767,742
N04 DEPT OF CORRECTIONS	431,449,451	370,045,715
N08 DEPT OF PROB, PAROLE & PARDON	52,965,808	21,742,316
N12 DEPT OF JUVENILE JUSTICE	120,329,328	102,217,377
L36 HUMAN AFFAIRS COMMISSION	2,192,484	1,564,381
L46 STATE COMMISS FOR MINOR AFFAIRS	982,391	720,577
R04 PUBLIC SRVC COMMISSION	4,619,308	
R06 OFF OF REGULATORY STAFF	11,374,492	
R08 WORKERS' COMPENSATION COMMISS	5,215,442	1,843,376
R12 STATE ACCIDENT FUND	9,961,540	
R14 PATIENTS' COMPENSATION FUND	996,001	
R20 DEPT OF INSURANCE	18,573,028	3,692,274
R23 BOARD OF FINANCIAL INSTITUTION	4,076,215	
R28 DEPT OF CONSUMER AFFAIRS	3,223,909	1,164,243

OF SOUTH CAROLINA
General and Permanent Laws--2013
RECAPITULATION

	TOTAL FUNDS	GENERAL FUNDS
R36 DEPT OF LABOR, LICENSING & REG	41,000,387	1,298,515
R40 DEPT OF MOTOR VEHICLES	84,945,000	
R60 DEPT OF EMPLOYMENT & WORKF	166,610,606	362,786
U12 DEPT OF TRANSPORTATION	1,582,037,154	50,057,270
U15 INFRASTRUCTURE BANK BOARD	50,429,800	
U20 COUNTY TRANSPORTATION FUNDS	92,000,000	
U30 DIV OF AERONAUTICS	7,759,098	1,227,759
A01 LEG DEPT-THE SENATE	13,287,273	12,987,273
A05 LEG DEPT-HOUSE OF REPRESENTAT	21,587,563	21,587,563
A15 LEG DEPT-CODIFICATION OF LAWS	3,919,706	3,619,706
A17 LEG DEPT-LEG SRVCS AGENCY	5,386,884	5,386,884
A20 LEG DEPT-LEG AUDIT COUNCIL	1,453,790	1,253,790
D05 GOV'S OFF-EXEC CONTROL	1,911,762	1,911,762
D17 GOV'S OFF-EXEC POLICY	106,802,885	8,062,460
D20 GOV'S OFF-MANSION & GROUNDS	503,350	303,350
D25 OFF OF INSPECTOR GENERAL	1,316,154	616,154
E04 LIEUTENANT GOVERNOR'S OFF	39,069,290	9,662,893
E08 SECRETARY OF STATE	2,422,762	952,674
E12 COMPTROLLER GENERAL'S OFF	2,949,269	2,169,269
E16 STATE TREASURER'S OFF	7,954,802	1,798,336
E19 RETIREMENT SYS INVEST COMMISS	13,021,374	
E24 ADJUTANT GENERAL'S OFF	57,584,473	5,743,600
E28 ELECTION COMMISSION	6,206,234	4,565,534
F03 BUDGET AND CONTROL BOARD	184,702,882	38,112,949
F27 B & C-AUDITOR'S OFF	5,276,063	2,804,985
F30 B & C-EMPLOYEE BENEFITS	64,094,613	64,094,613
F31 CAPITAL RESERVE FUND	117,155,905	117,155,905
F50 PUBLIC EMPLOYEE BENEFIT AUTH	31,330,091	
R44 DEPT OF REVENUE	73,164,255	43,382,162
R52 STATE ETHICS COMMISSION	815,515	298,007
S60 PROCUREMENT REVIEW PANEL	135,664	133,130
V04 DEBT SRVC	190,229,698	190,229,698
X22 AID TO SUBDIV - STATE TREAS	199,837,745	199,837,745
X44 AID TO SUBDIV - DEPT OF REV	120,516,041	120,516,041
GRAND TOTAL	22,549,596,675	6,378,704,094
SOURCE OF FUNDS		
GENERAL FUNDS	6,378,704,094	
FEDERAL FUNDS	7,617,923,777	
EARMARKED FUNDS	5,116,989,254	
RESTRICTED FUNDS	3,435,979,550	
TOTAL FUNDS	22,549,596,675	

SECTION 116
REVENUE

ESTIMATE OF GENERAL, SCHOOL, TRANSPORTATION,
 EDUCATION IMPROVEMENT ACT AND EDUCATION
 LOTTERY REVENUES
 FISCAL YEAR 2013-2014

REGULAR SOURCES:

Retail Sales Tax	2,472,635,319
Income Tax (Total)	3,094,194,669
Individual	2,845,960,772
Corporation	<u>248,233,897</u>
 Total Income and Sales Tax	 <u>5,566,829,988</u>
 All Other Revenue	
Admissions Tax	30,195,334
Aircraft Tax	4,283,730
Alcoholic Liquor Tax	64,272,201
Bank Tax	29,448,498
Beer and Wine Tax	104,716,438
Business License Tax	25,725,172
Coin-Operated Device Tax	1,477,874
Corporation License Tax	112,978,118
Departmental Revenue	36,590,056
Documentary Tax	27,777,647
Earned on Investments	22,000,000
Insurance Tax	188,366,540
Motor Vehicle Licenses	10,202,066
Private Car Lines Tax	3,959,619
Public Service Authority	21,000,000
Retailers' License Tax	909,350
Savings & Loan Association Tax	1,384,043
Workers' Compensation Insurance Tax	<u>10,651,975</u>
 Total All Other Revenue	 <u>695,938,661</u>
 Total Regular Sources	 <u>6,262,768,649</u>

MISCELLANEOUS SOURCES:

Circuit & Family Court Fines	9,527,928
Debt Service Reimbursement	89,557
Indirect Cost Recoveries	11,061,222
Parole & Probation Supervision Fees	3,392,808
Unclaimed Property Fund Transfer	<u>15,000,000</u>

Total Miscellaneous Sources	<u>39,071,515</u>
Total Regular and Miscellaneous Revenue	6,301,840,164

Other Sources:

Nonrecurring Revenues & Transfers	37,372,707
FY 2012-13 BEA Estimated Surplus	<u>50,739,599</u>
Total Other Sources	88,112,306

General Fund Revenue	6,389,952,470
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Less: Transfer to General Reserve Fund	<u>(11,248,376)</u>
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Total General Fund Revenue (Net of Transfer to General Reserve Fund)	6,378,704,094
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Department of Transportation Revenue	1,531,979,884
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Education Improvement Act	
Recurring	628,623,830
Nonrecurring	<u>8,000,000</u>
Total Education Improvement Act	636,623,830

Education Lottery Revenue	287,500,000
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Revenue Earmarked for Tax Relief Trust Funds	<u>544,213,970</u>
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Total All Sources of Revenues	<u>9,379,021,778</u>
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END OF PART IA

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 1 - H63-DEPARTMENT OF EDUCATION

1.1. (SDE: Appropriation Transfer Prohibition) The amounts appropriated herein for aid to subdivisions, allocations to school districts, or special line items shall not be transferred and must be expended in accordance with the intent of the appropriation, except that the department may transfer funds that are deducted and retained from a school district's transportation allocation to reimburse the department for the cost of unauthorized mileage. This transfer must be agreed upon by both the school district and the department. Those funds may be transferred into the department's school bus transportation operating account.

1.2. (SDE: DHEC - Comprehensive Health Assessment) All school districts shall participate, to the fullest extent possible, in the Medicaid program by seeking appropriate reimbursement for services and administration of health and social services. Reimbursements to the school districts shall not be used to supplant funds currently being spent on health and social services.

1.3. (SDE: EFA Formula/Base Student Cost Inflation Factor) To the extent possible within available funds, it is the intent of the General Assembly to provide for one hundred percent of full implementation of the Education Finance Act to include an inflation factor projected by the Division of Budget and Analyses to match inflation wages of public school employees in the Southeast. The base student cost for the current fiscal year has been determined to be \$2,101. In Fiscal Year 2013-2014, the total pupil count is projected to be 698,924. The average per pupil funding is projected to be \$5,147 state, \$1,185 federal, and \$4,855 local. This is an average total funding level of 11,187 excluding revenues of local bond issues. For Fiscal Year 2013-2014 the South Carolina Public Charter School District shall receive and distribute state EFA funds to the charter school as determined by one hundred percent of the current year's base student cost, as funded by the General Assembly multiplied by the weighted students pupils enrolled in the charter school, which must be subject to adjustment for student attendance.

The Budget and Control Board, Research and Statistics Division, must post in a prominent place on their website for each school district projections, including the per pupil state, federal and local revenues,

SECTION 1 - H63-DEPARTMENT OF EDUCATION

excluding revenues of local bond issues, for the current fiscal year. Also, as soon as practicable, upon determining the exact numbers regarding pupil count and funding, the Budget and Control Board, Research and Statistics Division, shall also post on their website the 135-day average daily membership for each school district and per pupil state, federal and local revenues, excluding revenues of local bond issues, based on the most recent audited financial statement as reported annually pursuant to Section 59-17-100. The Department of Education and the Education Oversight Committee shall provide in a prominent place on their internet websites a link to the information posted by the Budget and Control Board, Research and Statistics Division, including the projected numbers and the exact numbers.

1.4. (SDE: EFA - Formula) The amount appropriated in Part IA, Section 1 for "Education Finance Act" shall be the maximum paid under the provisions of Act 163 of 1977 (the South Carolina Education Finance Act of 1977) to the aggregate of all recipients. The South Carolina Education Department shall develop formulas to determine the state and required local funding as stipulated in the South Carolina Education Finance Act of 1977. Such formulas shall require the approval of the State Board of Education and the Budget and Control Board. After computing the EFA allocations for all districts, the department shall determine whether any districts' minimum required local revenue exceeds the districts' total EFA Foundation Program. When such instance is found, the department shall adjust the index of taxing ability to reflect a local effort equal to the cost of the districts' EFA Foundation Program. The districts' weighted pupil units are to be included in determination of the funds needed for implementation of the Education Finance Act statewide.

In the event that the formulas as devised by the Department of Education and approved by the State Board of Education and the Budget and Control Board should provide for distribution to the various school districts totaling more than the amount appropriated for such purposes, subject to the provisions of this proviso, the Department of Education shall reduce each school district entitlement by an equal amount per weighted pupil so as to bring the total disbursements into conformity with the total funds appropriated for this purpose. If a reduction is required in the state's contribution, the required local funding shall be reduced by the proportionate share of local funds per weighted pupil unit. The Department of Education shall continually monitor the distribution of funds under the provisions of the Education

SECTION 1 - H63-DEPARTMENT OF EDUCATION

Finance Act and shall make periodic adjustments to disbursements to ensure the aggregate of such disbursements do not exceed the appropriated funds.

Local districts shall not be mandated or required to inflate the base number in their respective salary schedules by any percentage greater than the percentage by which the appropriated base student cost exceeds the appropriated base student cost of the prior fiscal year.

1.5. (SDE: Employer Contributions/Allocations) It is the intent of the General Assembly that the appropriation contained herein for "Public School Employee Benefits" shall not be utilized to provide employer contributions for any portion of a school district employee's salary that is federally funded.

State funds allocated for school district employer contributions must be allocated by the formula and must be used first by each district to cover the cost of fringe benefits for personnel required by the Defined Program, food service personnel and other personnel required by law. Once a district has expended all state allocated funds for fringe benefits, the district may utilize food service revenues to fund a proportionate share of fringe benefits costs for food service personnel.

The Department of Juvenile Justice and the Department of Corrections' school districts must be allocated funds under the fringe benefits program in accordance with criteria established for all school districts.

1.6. (SDE: Employer Contributions/Obligations) In order to finalize each school district's allocations of Employer Contributions funds for retiree insurance from the prior fiscal year, the Department of Education is authorized to adjust a school district's allocation in the current fiscal year accordingly to reflect actual payroll and payments to the Retirement System from the prior fiscal year. In the event the Department of Education is notified that an educational subdivision has failed to remit proper payments to cover Employee Fringe Benefit obligations, the Department of Education is directed to withhold the educational subdivision's state funds until such obligations are met.

1.7. (SDE: Governor's School for Science & Math) Any unexpended balance on June 30 of the prior fiscal year of funds appropriated to or generated by the Governor's School for Science and Mathematics may be carried forward and expended in the current fiscal year pursuant to the direction of the board of trustees of the school.

1.8. (SDE: Educational Responsibility/Foster Care) The responsibility for providing a free and appropriate public education

SECTION 1 - H63-DEPARTMENT OF EDUCATION

program for all children including disabled students is vested in the public school district wherein a child of lawful school age resides in a foster home, group home, orphanage, or a state operated health care facility including a facility for treatment of mental illness or chemical dependence and habilitation centers for persons with intellectual disabilities or persons with related conditions located within the jurisdiction of the school district or alternative residences. The districts concerned may agree upon acceptable local cost reimbursement. If no agreement is reached, districts providing education shall receive from the district where the child last resided before placement in a facility an additional amount equivalent to the statewide average of the local base student cost multiplied by the appropriate pupil weighting as set forth in Section 59-20-40 of the Education Finance Act. If a child from out of state is residing in a facility owned and/or operated by a for profit entity, the district providing educational services shall be reimbursed by the for profit entity the local district's local support per weighted pupil above the statewide average base student cost multiplied by the appropriate pupil weighting as set forth in Section 59-20-40 of the Education Finance Act. This also applies to John de la Howe School who also has the authority to seek reimbursement in any situation that the school district has participation in the placement of the student. John de la Howe School shall be reimbursed the local district's local support per weighted pupil above the statewide average base student cost multiplied by the appropriate pupil weighting as set forth in Section 59-20-40 of the Education Finance Act. Participation will be evidenced by a written agreement from the IEP team or 504 team, written referral, or the school district initiating the placement process. School districts providing the education shall notify the nonresident district in writing within forty-five calendar days that a student from the nonresident district is receiving education services pursuant to the provisions of the proviso. The notice shall also contain the student's name, date of birth, and disabling condition if available. If appropriate financial arrangements cannot be effected between institutions of the state, including independent school districts under the authority of the Department of Disabilities and Special Needs, and school districts, institutions receiving educational appropriations shall pay the local base student cost multiplied by the appropriate pupil weighting. Children residing in institutions of state agencies shall be educated with nondisabled children in the public school districts if appropriate to their educational needs. Such institutions shall determine, on an individual

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basis, which children residing in the institution might be eligible to receive appropriate educational services in a public school setting. Once these children are identified, the institution shall convene an IEP meeting with officials of the public school district in which the institution is located. If it is determined by the committee that the least restrictive environment in which to implement the child's IEP is a public school setting, then the school district in which the institution is located must provide the educational services. However, that school district may enter into contractual agreements with any other school district having schools located within a forty-five mile radius of the institution. The cost for educating such children shall be allocated in the following manner: the school district where the child last resided before being placed in an institution shall pay to the school district providing the educational services an amount equivalent to the statewide average of the local base student cost multiplied by the appropriate pupil weighting as set forth in Section 59-20-40 of the Education Finance Act; the school district providing the educational services shall be able to count the child for all funding sources, both state and federal. The institution and school district, through contractual agreements, will address the special education and related services to be provided to students. Should the school district wherein the institution is located determine that the child cannot be appropriately served in a public school setting, then the institution may request a due process hearing pursuant to the procedures provided for in the Individuals with Disabilities Education Act.

The agreed upon acceptable local cost reimbursement or the additional amount equivalent to the statewide average of the local base student cost multiplied by the appropriate pupil weighting set forth in Section 59-20-40, for instructional services provided to out-of-district students, shall be paid within sixty days of billing, provided the billing district has provided a copy of the invoice to both the Superintendent and the finance office of the district being invoiced. Should the district not pay within sixty days, the billing district can seek relief from the Department of Education. The department shall withhold EFA funding equal to the billing from the district refusing to pay and submit the funding (equal to the invoice) to the billing school district.

The agency placing a child in any situation that requires changing school districts, must work with the schools to assure that all required school records, including confidential records, are transferred from the sending to the receiving school within three working days. School

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records to be transferred should include grade transcripts, state birth certificate, certificate of immunization, social security card, attendance records, discipline records, IEP's, psychological reports (or notation in the school records that a psychological report on the child is available at the school district office) and any other records necessary for the appropriate placement of the child in the new school. School districts must release all records upon presentation of a court order or appropriate permission for confidential release. If evaluation or placement is pending, the receiving school district is responsible to secure information and to complete the placement. The receiving school will maintain appropriate confidentiality of all records received on a child.

1.9. (SDE: Disabled/Preschool Children) The state funding for free appropriate public education provided for the three and four-year-old disabled children served under Act 86 of 1993, shall be distributed based on the district's index of taxpaying ability as defined in Section 59-20-20(3). Five-year-old disabled children shall continue to be funded under the Education Finance Act of 1977.

1.10. (SDE: Instruction in Juvenile Detention Centers) It shall be the responsibility of the school district where a local juvenile detention center is located to provide adequate teaching staff and to ensure compliance with the educational requirements of this State. Students housed in local detention centers are to be included in the average daily membership count of students for that district and reimbursement by the Department of Education made accordingly.

1.11. (SDE: Revenue Authorization) The State Department of Education is hereby authorized to collect, expend, and carry forward revenues in the following areas to offset the cost of providing such services: the sale of publications, manuals and forms, the sale of Apple Tags, royalties, contributions, donations, foundation funds, special grants and contracts, brochures, photo copies, listings and labels, Directory of South Carolina Schools, student health record cards, items to be recycled, and high school diplomas and certificates; the collection of out-of-state and in-state investigation fees, registration fees for non-SDE employees, recurring facility inspection fees, teacher certification fees; the handling of audio-visual film; the provision of contract computer services to school districts and other state agencies, joint broadcast service to school districts, and education-related statistics through agreement with the National Center for Education Statistics; the lease or sale of programs of television, audio or microcomputer

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software; the lease or sale of virtual courses to other states; the collection of damage fees for instructional materials and the sale of unusable instructional materials; sale of fuel; use and repair of transportation equipment; fees for Medicaid reimbursable transportation; the receipt of insurance and warranty payments on Department of Education equipment and the sale of used school buses and support equipment. The Department of Education is authorized to collect revenue for deposit into the State General Fund for testing material purchases and test rescoring fees. The Department of Education is authorized to expend revenue collected for lost and damaged instructional materials and the sale of unusable instructional materials for the purpose of contracting for the purchase and maintenance of a statewide textbook inventory management system, provided that schools' newly-adopted instructional materials needs are met first.

1.12. (SDE: School District Bank Accounts) Each school district in this State, upon the approval of the district's governing body, may maintain its own bank account for the purpose of making disbursement of school district funds as necessary to conduct school district business and each county treasurer is hereby authorized to transfer such amount as needed, upon receipt of a written order certified by the district governing body or their designee. Such order shall contain a statement that such amount is for immediate disbursement for the payment of correct and legal obligation of the school district.

1.13. (SDE: School Lunch Program Aid) The amount appropriated herein for School Lunch Program Aid shall be divided among the District and/or County Boards of Education of the State upon the basis of the number of schools participating in the School Lunch Program in each district during the prior school year. The travel expenses of the District and/or County School Lunch Supervisor shall be paid from this appropriation at the prevailing rate of mileage allowed by the State. These funds may be used as an aid in improving the School Lunch Program. These funds may not be used to supplement the salaries of school lunch supervisors. In the absence of a County Board of Education in multi-district counties, the funds will be divided among the school districts of the county on the basis of the number of schools participating in the School Lunch Program in each district during the prior school year.

1.14. (SDE: Teachers/Temporary Certificates) Of the funds provided for teacher salaries funds may be used to pay salaries for

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those teachers holding temporary certificates which shall remain valid for the current school year if the local board of education so requests. The State Department of Education shall submit to the General Assembly by March first of the current fiscal year a report showing by district the number of temporary certificates by category; including an enumeration of the certificates carried forward from the previous year. No temporary certificate shall be continued more than twice.

1.15. (SDE: Travel/Outside of Continental U.S.) School District allocations from General Funds, lottery, and EIA funds shall not be used for travel outside of the continental United States. The International Baccalaureate Program shall be exempt from this restriction.

1.16. (SDE: Year End Closeout) The State Department of Education is authorized to expend federal and earmarked funds (not including state or EIA funds) in the current fiscal year for expenditures incurred in the prior year; however, state funds appropriated in Part IA, Section 1, XIV, Aid to School Districts, for the Children's Case Resolution System or private placements for services provided to children with disabilities may be used for those expenditures in prior fiscal years. The department is also authorized to use appropriated funds to pay for textbooks shipped in the fourth quarter of the prior fiscal year.

1.17. (SDE: Transportation Collaboration) The Department of Education School Bus Maintenance Shops shall be permitted, on a cost reimbursable-plus basis, to deliver transportation maintenance and services to vehicles owned or operated by public agencies in South Carolina.

School buses operated by school districts, other governmental agencies or head start agencies for the purpose of transporting students for school or school related activities shall not be subject to state motor fuel taxes. Further, that school districts, other governmental agencies or head start agencies may purchase this fuel, on a cost reimbursable-plus basis, from the Department of Education School Bus Maintenance Shops.

1.18. DELETED

1.19. (SDE: School Bus Insurance) The Department of Education shall maintain comprehensive and collision insurance or self-insure state-owned buses. In no event shall the department charge local school districts for damages to the buses which are commonly covered by insurance.

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1.20. (SDE: Teacher Data Collection) Of the non-program funds appropriated to the Department of Education, it and the Commission on Higher Education shall share data about the teaching profession in South Carolina. The data sharing should ensure (1) a systematic report on teacher supply and demand information and (2) data to determine classes being taught by public school teachers out of field of their preparation. The data collection should include but not be limited to: classes/subjects taught, number of students taught, percentage of teacher education graduates from South Carolina colleges/universities who go into teaching, percentage of teacher education graduates who teach in public schools in South Carolina, percentage of new teachers who leave the South Carolina teaching profession in the first three years of public school teaching due to unsuccessful evaluations, percentage of new teachers who leave the profession in the first three years of public school teaching in South Carolina who have successful evaluations, turnover rate of teachers and certification areas with highest vacancies. All database items should be set up so that it can be disaggregated by ethnicity, gender, geographic location, etc.

1.21. (SDE: School Building Aid) Of the funds appropriated in Part IA for School Building Aid, \$500,000 shall be allocated on a K-12 per pupil basis to Multi-District Area Vocational Schools.

1.22. (SDE: Assessment) For the current fiscal year PSAT/PLAN shall be suspended and savings generated from suspension of PSAT/PLAN Reimbursement shall be allocated to the Education Finance Act. The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the purpose of paying for state assessment activities not completed by the end of the fiscal year including the scoring of the spring statewide accountability assessment.

1.23. (SDE: School Bus Driver CDL) From funds provided in Part IA, Section 1, X.B., local school districts shall request a criminal record history from the South Carolina Law Enforcement Division for past conviction of any crime before the initial employment of a school bus driver or school bus aide. The Department of Education and the school districts shall be treated as a charitable organization for purposes of the fee charged for the criminal records search.

1.24. (SDE: School Bus Purchase) Any procurement of school buses with funds appropriated in this act or any other appropriation bill must meet specifications developed by the School Bus Specification Committee as established by the State Superintendent of Education.

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The School Bus Specifications Committee shall allow for input from all school bus chassis and body manufacturers. However, if it is safe, more economical, and in the public interest, the department may use the school bus specifications of Georgia or North Carolina in the procurement of school buses. If the department uses the specifications of Georgia or North Carolina, the department must submit a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee detailing the methodology by which the alternative specifications were determined to be safe, more economical, and in the public interest, when compared to the specifications set forth by the School Bus Specifications Committee.

1.25. (SDE: Buses, Parts, and/or Fuel) Funds appropriated for other operating in program X.B. - Bus Shops and funds appropriated in X.C. - Buses may be used to purchase buses, fuel, parts, or other school bus related items. All funds appropriated for bus fuel, parts/supplies, maintenance, and bus purchases may be carried forward from the prior fiscal year and expended in the current fiscal year to support bus transportation services.

1.26. (SDE: Mitford Transportation Costs) Transportation costs for the transporting of students from the Mitford area of Fairfield County to schools in the Great Falls area of Chester County is not the responsibility of and shall not be borne by the Chester County School District. These transportation costs shall continue to be the responsibility of the State Department of Education.

1.27. (SDE: Status Offenders/John de la Howe) The funds appropriated for the Status Offender Program shall be distributed to John de la Howe School to expand residential programs to include court ordered status offenders. Components of such a program shall include collaboration between the home school district and the residential school and treatment or related services to the families of students in placement.

1.28. (SDE: Governor's School Leave Policy) The South Carolina Governor's School for the Arts and Humanities and the South Carolina Governor's School for Science and Mathematics are authorized to promulgate administrative policy governing annual and sick leave relative to faculty and staff with the approval of their respective board of directors. This policy shall address their respective school calendars in order to comply with the instructional needs of students attending both special schools.

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1.29. (SDE: School Facilities Management System) School Districts may use capital improvement bond funds, lapsed funds or any other unexpended appropriated funds or revenues to access the Department of Education's School Facilities Management System database.

1.30. (SDE: School Board Meetings) Of the funds appropriated through the Department of Education for technology related expenses, school districts that have a web site shall place a notice of a regularly scheduled school board meeting twenty-four hours in advance of such meeting. The notice shall include the date, time, and agenda for the board meeting. The school district shall place the minutes of the board meeting on their web site within ten days of the next regularly scheduled board meeting.

1.31. (SDE: Proviso Allocations) In the event an official General Fund revenue shortfall is declared by the Board of Economic Advisors, the Department of Education may reduce any allocation in Section 1 specifically designated by proviso in accordance with the lower Board of Economic Advisors revenue estimate as directed by the Office of State Budget, except the additional EFA allocation to the South Carolina Public Charter School District. The reduction may not be greater than the total percentage of reduction of the Section 1 appropriation. Should the department hold back funds in excess of the total percentage reduction those funds must be allocated per the proviso. No allocation for teacher salaries shall be reduced as a result of this proviso.

1.32. (SDE: School Districts and Special Schools Flexibility) All school districts and special schools of this State may transfer and expend funds among appropriated state general fund revenues, Education Improvement Act funds, Education Lottery Act funds, and funds received from the Children's Education Endowment Fund for school facilities and fixed equipment assistance, to ensure the delivery of academic and arts instruction to students. However, a school district may not transfer funds allocated specifically for state level maintenance of effort requirements under IDEA, funds allocated specifically for state level maintenance of effort requirement for federal program, required for debt service or bonded indebtedness. All school districts and special schools of this State may suspend professional staffing ratios and expenditure regulations and guidelines at the sub-function and service area level, except for four-year old programs and programs serving students with exceptional needs.

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In order for a school district to take advantage of the flexibility provisions, at least seventy-five percent of the school district's per pupil expenditures must be utilized within the In\$ite categories of instruction, instructional support, and non-instruction pupil services. No portion of the seventy-five percent may be used for business services, debt service, capital outlay, program management, and leadership services, as defined by In\$ite. The school district shall report to the Department of Education the actual percentage of its per pupil expenditures used for classroom instruction, instructional support, and non-instruction pupil services for the current school year ending June thirtieth. Salaries of on-site principals must be included in the calculation of the district's per pupil expenditures.

"In\$ite" means the financial analysis model for education programs utilized by the Department of Education.

School districts are encouraged to reduce expenditures by means, including, but not limited to, limiting the number of low enrollment courses, reducing travel for the staff and the school district's board, reducing and limiting activities requiring dues and memberships, reducing transportation costs for extracurricular and academic competitions, restructuring administrative staffing, and expanding virtual instruction.

School districts and special schools may carry forward unexpended funds from the prior fiscal year into the current fiscal year.

Prior to implementing the flexibility authorized herein, school districts must provide to Public Charter Schools the per pupil allocation due to them for each categorical program.

Quarterly throughout the current fiscal year, the chairman of each school district's board and the superintendent of each school district must certify where non-instructional or non-essential programs have been suspended and the specific flexibility actions taken. The certification must be in writing, signed by the chairman and the superintendent, delivered electronically to the State Superintendent of Education, and an electronic copy forwarded to the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the House Education and Public Works Committee. Additionally, the certification must be presented publicly at a regularly called school board meeting, and the certification must be conspicuously posted on the internet website maintained by the school district.

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For the current fiscal year, Section 59-21-1030 is suspended. Formative assessments for grades one, two, and nine, the foreign language program assessment, and the physical education assessment must be suspended. School districts and the Department of Education are granted permission to purchase the most economical type of bus fuel.

For the current fiscal year, savings generated from the suspension of the assessments enumerated above must be allocated to school districts based on weighted pupil units.

School districts must maintain a transaction register that includes a complete record of all funds expended over one hundred dollars, from whatever source, for whatever purpose. The register must be prominently posted on the district's internet website and made available for public viewing and downloading. The register must include for each expenditure:

- (i) the transaction amount;
- (ii) the name of the payee; and
- (iii) a statement providing a detailed description of the expenditure.

The register must not include an entry for salary, wages, or other compensation paid to individual employees. The register must not include any information that can be used to identify an individual employee. The register must be accompanied by a complete explanation of any codes or acronyms used to identify a payee or an expenditure. The register must be searchable and updated at least once a month.

Each school district must also maintain on its internet website a copy of each monthly statement for all of the credit cards maintained by the entity, including credit cards issued to its officers or employees for official use. The credit card number on each statement must be redacted prior to posting on the internet website. Each credit card statement must be posted not later than the thirtieth day after the first date that any portion of the balance due as shown on the statement is paid.

The Comptroller General must establish and maintain a website to contain the information required by this section from a school district that does not maintain its own internet website. The internet website must be organized so that the public can differentiate between the school districts and search for the information they are seeking.

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School districts that do not maintain an internet website must transmit all information required by this provision to the Comptroller General in a manner and at a time determined by the Comptroller General to be included on the internet website.

The provisions contained herein do not amend, suspend, supersede, replace, revoke, restrict, or otherwise affect Chapter 4, Title 30, the South Carolina Freedom of Information Act.

1.33. (SDE: Medical Examination and Security Reimbursement/Expenditures) From funds authorized in Part IA, Section 1, X.B. Other Operating Expenses, the Department of Education may directly pay, or reimburse employees, for the cost of a medical examination as required in Part 391, Subpart E of the Federal Motor Carrier Safety Regulations, for employees that are required to operate a state vehicle transporting hazardous materials and that are required to undergo a national security background check because of the required Hazmat endorsement to their CDL.

1.34. (SDE: Budget Reduction) In compensating for any reduction in funding, local districts must give priority to preserving classroom teachers and operations. Funding reductions should first be applied to administrative and non-classroom expenses before classroom expenses are affected.

1.35. (SDE: Governor's School for the Arts and Humanities Carry Forward) Any unexpended balance on June thirtieth of the prior fiscal year of funds appropriated to or generated by the Governor's School for the Arts and Humanities may be carried forward and expended in the current fiscal year pursuant to the discretion of the Board of Trustees of the School.

1.36. (SDE: Governor's Schools' Fees) The South Carolina Governor's School for the Arts and Humanities and the South Carolina Governor's School for Science and Mathematics are authorized to charge, collect, expend, and carry forward student fees as approved by their respective Board of Directors. The purpose and amount of any such fees will be to maintain program quality in both academics and residential support. No student will be denied admittance or participation due to financial inability to pay. The respective Board of Directors shall promulgate administrative policy governing the collection of all student fees. Both schools shall conspicuously publish a fee schedule on their respective websites.

1.37. (SDE: School District Furlough) Should there be a midyear reduction in state funding to the districts, school districts may institute

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employee furlough programs for district-level and school-level professional staff. Before any of these employees may be furloughed, the chairman of the governing body of the school district must certify that all fund flexibility provided by the General Assembly has been utilized by the district and that the furlough is necessary to avoid a year-end deficit and a reduction in force. The certification must include a detailed report by the superintendent of the specific action taken by the district to avoid a year-end deficit. The certification and report must be in writing and delivered to the State Superintendent of Education and a copy must be forwarded to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

The local school district board of trustees may implement a furlough of personnel once certification to the State Superintendent documents all funding flexibility has been exhausted and continued year-end deficits exist. Local school boards of trustees shall have the authority to authorize furloughs of these employees in the manner in which it sees fit. However, instructional personnel may be furloughed for up to five non-instructional days if not prohibited by an applicable employment contract with the district and provided district administrators are furloughed for twice the number of days. District administrators may only be furloughed on non-instructional days and may not be furloughed for a period exceeding ten days. District administrators shall be defined by the Department of Education using the Professional Certified Staff (PCS) System. For individuals not coded in PCS, the determination shall be made based upon whether the individual performs the functions outlined in position codes identified by the department as administration. Educators who would have received a year's experience credit had a furlough not been implemented, shall not have their experience credit negatively impacted because of a furlough implementation.

During any furlough, affected employees shall be entitled to participate in the same benefits as otherwise available to them except for receiving their salaries. As to those benefits that require employer and employee contributions, including, but not limited to, contributions to the South Carolina Retirement System or the optional retirement program, the district will be responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions.

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Placement of an employee on furlough under this provision does not constitute a grievance or appeal under any employee grievance procedure. The district may allocate the employee's reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs.

Each local school district must prominently post on the district's internet website and make available for public viewing and downloading the most recent version of the school district's policy manual and administrative rule manual.

This proviso shall not abrogate the terms of any contract between any school district and its employees.

1.38. (SDE: School Lunch/Attendance Supervisors) For those counties in which an entity other than the school district administers the school lunch supervisor and/or attendance supervisor programs, the school districts in that county shall transfer to the entity the amount available in the previous fiscal year for administration of the school lunch supervisor and/or attendance supervisor programs. Each district shall transfer a pro rata share of the total cost based upon the percentage of state EFA funds distributed to the districts within the county.

1.39. (SDE: Replacement Facilities) The Department of Education is directed to proceed with the development of a joint-use school transportation maintenance and operations facility in Greenville County. Prior to the availability of this new facility the department shall continue to operate state school bus maintenance services from the existing Greenville School Bus Maintenance Facility located on Halton Road. All proceeds from the sale of the Halton Road Facility and Property shall become pupil transportation operating revenue of the department. The cost of the State share of the new joint-use facility, the cost of preparing the old Halton Road Facility and Property for disposal, interim relocation/construction financing, all associated relocation expenses, and all other related costs shall be funded from the proceeds received from the sale of the existing Halton Road Facility and Property. The State Treasurer shall make available all necessary interim financing to accomplish the proviso directives.

1.40. (SDE: SCGSAH Certified Teacher Designation) Because of the unique nature of the South Carolina Governor's School for the Arts and Humanities, the Charleston School of the Arts, and the Greenville County Fine Arts Center, the schools are authorized to employ at its discretion non-certified classroom teachers teaching in the literary,

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visual and performing arts subject areas who are otherwise considered to be appropriately qualified in a ratio of up to one hundred percent of the entire teacher staff.

1.41. (SDE: No Discrimination Requirement) State funds must not be appropriated to a school that discriminates against or participates with or is a member of an association with policies that discriminate or afford different treatment of students based on race or national origin.

1.42. (SDE: High School Reading Initiative) The funds appropriated for the High School Reading Initiative are to be used to expand the South Carolina Reading Initiative to the high school level by providing research based targeted assistance in improving and accelerating the reading ability of ninth and tenth grade students scoring Not Met on the eighth grade PASS reading and research tests or not passing the English 1 end-of-course test as ninth graders.

1.43. (SDE: Medicaid Cash Match Accounting) The department is granted authority to transfer funds between budget lines and object codes to identify, reconcile, reimburse, and remit funds required for Medicaid cash match to the Department of Health and Human Services.

1.44. (SDE: Student Report Card-GPA) For each high school student, school districts shall be required to print the student's individual cumulative grade point average for grades nine through twelve on the student's report card.

1.45. (SDE: Governor's School Reporting) The Governor's School for the Arts and Humanities and the Governor's School for Science and Mathematics are required to submit reports as to how the non-recurring funding appropriated in this act is expended. The report must be submitted to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee by the end of the fiscal year.

1.46. (SDE: Lost & Damaged Textbook Fees) Fees for lost and damaged textbooks for the prior school year are due no later than December first of the current school year when invoiced by the Department of Education. The department may withhold textbook funding from schools that have not paid their fees by the payment deadline.

1.47. (SDE: Education and Economic Development Act Carry Forward) Funds provided for the Education and Economic Development Act may be carried forward into the current fiscal year to

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be expended for the same purposes by the department, school districts, and special schools.

1.48. (SDE: Education Finance Act Reserve Fund) There is created in the State Treasury a fund separate and distinct from the General Fund of the State and all other funds entitled the Education Finance Act Reserve Fund. All unexpended general funds appropriated to the Department of Education for the Education Finance Act in the current fiscal year shall be transferred to the Education Finance Act Reserve Fund. In the event that the amount appropriated for the Education Finance Act is insufficient to fully fund the base student cost as established by this act, revenues from the Education Finance Act Reserve Fund may be used to supplement the funds appropriated. The General Assembly may make direct appropriations to this fund. All unexpended funds in the Education Finance Act Reserve Fund and any interest accrued by the fund must remain in the fund and may be carried forward into the current fiscal year.

1.49. (SDE: Prohibit Advertising on School Buses) The Department of Education and local school districts are prohibited from selling space for or the placement of advertisements on the outside or inside of state-owned school buses.

1.50. DELETED

1.51. (SDE: Residential Treatment Facilities Student Enrollment and Funding) Each South Carolina resident of lawful school age residing in licensed residential treatment facilities (RTFs) for children and adolescents as defined under Section 44-7-130 of the 1976 Code, ("students") shall be entitled to receive educational services from the school district in which the RTF is located ("facility school district"). The responsibility for providing appropriate educational programs and services for these students, both with and without disabilities, who are referred or placed by the State is vested in the facility school districts. If clinically appropriate, the facility school district, the RTF, and the parent or guardian of a student referred or placed in a RTF may consider the appropriateness of providing the student's education program virtually through enrollment in either the facility district's virtual program, the South Carolina Virtual School Program provided through the Department of Education, or a virtual charter school authorized by the South Carolina Public Charter School District. This decision should be made jointly with the best interest of the student and what is clinically indicated being considered.

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A facility school district must provide the necessary educational programs and services directly to the student at the RTF's facility, provided that the RTF facility provides and maintains comparable adequate space for the educational programs and services consistent with all federal and state least restrictive environment requirements. Adequate space shall include appropriate electrical support and Internet accessibility. Unless the parent or legal guardian of the student seeks to continue the student's enrollment in the resident school district under a medical homebound instruction program and the district approves, if appropriate, then, under these circumstances, the facility school district shall enroll the student and assume full legal and financial responsibility for the educational services including enrolling the student, approving the student's entry into a medical homebound instructional program, if appropriate, and receiving and expending funds, unless the resident school district undertakes to carry out its educational responsibilities for the student directly. Alternatively, a facility school district may choose to provide the necessary educational programs and services by contracting with the RTF provided that the RTF agrees to provide educational services to the student at the RTF's facility. Under these circumstances, the facility school district must enroll the student and pay the RTF for the educational services provided. If the facility school district determines the educational program being offered by the RTF does not meet the educational standards outlines in the contract, the facility district shall be justified in terminating the contract.

The facility school districts are entitled to receive the base student cost multiplied by the Education Finance Act pupil weighting for Homebound pupils of 2.10, as set forth in Section 59-20-40 of the 1976 Code and any eligible categorical and federal funds. These funds may be retained by the facility school districts for the purpose of providing the educational programs and services directly to students referred or placed by the State or the facility school districts may use these funds to reimburse RTFs for the educational programs and services provided directly by the RTFs. A facility school district is entitled to reimbursement from a resident school district for the difference between (1) the reasonable costs expended for the educational services provided directly by the facility school district or the amount paid to the RTF and (2) the aggregate amount of federal and state funding received by the facility school district for that student. However, the reimbursement rate may not exceed \$45 per student per day. Facility

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school districts providing the educational services shall notify the resident district in writing within forty-five calendar days that a student from the resident district is receiving educational services pursuant to the provisions of the proviso. Reimbursements shall be paid within sixty days of billing, provided the facility district has provided a copy of the invoice to both the District Superintendent and the finance office of the resident district being invoiced. Should the facility school district be unable to reach agreement with the resident school district regarding reasonable costs differences, the facility school district shall notify the Department of Education's Office of General Counsel. The Department of Education shall facilitate a resolution of the dispute between the facility school district and the resident school district within forty-five days of the notice of dispute. If the issue of reasonable cost differences should remain unresolved, a facility school district shall have the right to file a complaint in a Circuit Court. Should a resident school district fail to distribute the entitled funding to the facility school district by the one hundred thirty-five day count, the Department of Education is authorized to withhold the equivalent amount of EFA funds and transfer those funds to the facility school district.

If a child from out of state is placed in a RTF by an out-of-state school district or agency, the child's home state remains responsible for the educational services. The facility school district may choose to provide the educational program to the child and, upon choosing to do so, shall contract with the appropriate entity for payment of educational services provided to the child. Out-of-state students provided educational services by a facility school district shall not be eligible for funding through the Education Finance Act.

If a child is placed in a RTF by the child's parent or guardian, the facility school district may choose to provide the educational program to the child, and upon doing so, must negotiate with the resident school district for services through medical homebound procedures. A facility school district is responsible for compliance with all child find requirements under Section 504 of the Rehabilitation Act of 1973 and IDEA.

All students enrolled in the facility school districts shall have access to the facility school districts' general education curriculum, which will be tied to the South Carolina academic standards in the core content areas. All students with disabilities who are eligible for special education and related services under the Individuals with IDEA, as

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amended, and the State Board of Education (SBE) regulations, as amended, shall receive special education and related services in the least restrictive environment by appropriately certified personnel. Students in an RTF will at all times be eligible to receive the educational credits (e.g., Carnegie Units) earned through their educational efforts.

With respect to students enrolled in the facility school districts, for accountability purposes, the assessment and accountability measures for students residing in RTFs shall be attributed to a specific school only if the child physically attends the school. The performance of students residing in a RTF who receive their educational program on site at the RTF must be reflected on a separate line on the facility school district's report card and must not be included in the overall performance ratings of the facility school district. The Department of Education shall examine the feasibility of issuing report cards for RTFs. For the current fiscal year, a facility school district shall not have the district's state accreditation rating negatively impacted by deficiencies related to the delivery of an educational program at a RTF.

RTFs shall notify the facility school district as soon as practical, and before admission to the RTF if practical, of a student's admission to the RTF. RTFs, the facility school districts and the Department of Education shall use their best efforts to secure and/or exchange information, including documents and records necessary to provide appropriate educational services and/or related services as necessary to assist the facility school district in determining the resident school district. The Department of Education, in collaboration with state placing agencies, RTFs, facility school districts, and resident school districts, shall implement a system to follow the release of students from a RTF and re-enrollment in public, private, or special schools to ensure these students, when appropriate, are not recorded as dropouts.

1.52. (SDE: Special Schools Flexibility) For the current fiscal year, the special schools are authorized to transfer funds among funding categories, including capital funds.

1.53. (SDE: High School Driver Education) For the current fiscal year, the requirement for high schools to provide a course in driver education is suspended however, high schools may continue to offer driver education courses if they choose to do so.

1.54. (SDE: Carry Forward Authorization) For the current fiscal year, the Department of Education is authorized to carry forward and expend any General Fund balances for school bus transportation.

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1.55. (SDE: Administrative Costs Report Posting) School districts must report the amount of funds spent on administrative costs, as defined by In\$ight in the prior fiscal year and post the report on the districts website. School districts shall provide an electronic copy of this report to the Department of Education in conjunction with the financial audit report required by Section 59-17-100, of the 1976 Code. If a district fails to meet these requirements they must be notified in writing by the department that the district has sixty days to comply with the reporting requirement. If the district does not report within sixty days, the department is authorized to reduce the district's base student cost by one percent until such time as the requirement is met. Once in compliance, any funds withheld will be returned to the district.

1.56. (SDE: Teaching Requirement for Certified School Employees) From the funds appropriated, all certified public school teachers, certified special school classroom teachers, certified media specialists, certified guidance counselors, certified full-time athletic directors, certified principals, certified assistant principals, and certified school district administrators that are employed by a school district should, if practicable, teach at least two classes per week within the school district they are employed.

1.57. (SDE: Governor's Schools Residency Requirement) Of the funds appropriated, the Governor's School for the Arts and the Humanities and the Governor's School for Science and Mathematics are to ensure that a parent(s) or guardian(s) of a student attending either the Governor's School for the Arts and the Humanities or the Governor's School for Science and Mathematics must prove that they are a legal resident of the state of South Carolina at the time of application and must remain so throughout time of attendance. The Governor's School for the Arts and the Humanities and Governor's School for Science and Mathematics may not admit students whose parent(s) or guardian(s) are not legal residents of South Carolina.

1.58. (SDE: Holocaust Funds) Funds appropriated to the Department of Education for the SC Council on Holocaust shall not be used for any other purpose nor transferred to any other program. In addition, in the event the department is required to implement a budget reduction, SC Council on Holocaust funds may not be reduced.

1.59. (SDE: South Carolina Public Charter School District Funding) The funds appropriated in Part IA, Section XI - South Carolina Public Charter School District must be allocated in the following manner: Pupils enrolled in virtual charter schools sponsored

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by the South Carolina Public Charter School District shall receive \$1,700 per weighted pupil and pupils enrolled in brick and mortar charter schools sponsored by the South Carolina Public Charter School District shall receive \$3,250 per weighted pupil. Any unexpended funds, not to exceed ten percent of the prior year appropriation, must be carried forward from the prior fiscal year and expended for the same purpose.

1.60. (SDE: Governor's Schools Capacity) For Fiscal Year 2013-2014, funds appropriated to the Governor's School for the Arts and Humanities and the Governor's School for Science and Mathematics must be used to bring the schools up to full capacity, to the extent possible. Each school must report electronically to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December first how the funds have been utilized and how many additional students have been served.

1.61. (SDE: Student Health and Fitness) Funds appropriated for Student Health and Fitness shall be allocated to school districts to increase the number of physical education teachers to the extent possible and to provide licensed nurses for elementary public schools. Twenty seven percent of the funds shall be allocated to the districts based on average daily membership of grades K-5 from the preceding year for physical education teachers. The remaining funds will be made available through a grant program for school nurses and shall be distributed to the school districts on a per school basis. Schools that provide instruction in grades K-5 are eligible to apply for the school nurse grant program.

1.62. (SDE: One Year Suspension of Programs) The following program will be temporarily suspended for Fiscal Year 2013-2014: SAT/ACT Improvement. Funds appropriated to this program must be allocated to districts based on the number of weighted pupil units.

1.63. (SDE: EEDA Regional Education Centers) Funds appropriated from the EEDA for Regional Education Centers must not be less than \$108,500.

1.64. (SDE: Impute Index Value) For Fiscal Year 2013-2014 and for the purposes of calculating the index of taxpaying ability the Department of Revenue shall impute an index value for owner-occupied residential property qualifying for the special four percent assessment ratio by adding the second preceding taxable year total school district reimbursements for Tier 1, 2, and Tier 3(A) and not to include the supplement distribution. The Department of Revenue shall

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not include sales ratio data in its calculation of the index of taxpaying ability. The methodology for the calculations for the remaining classes of property shall remain as required pursuant to the EFA and other applicable provisions of law.

1.65. (SDE: EFA State Share) A school district that does not recognize a State share of the EFA financial requirement shall be supplemented with an amount equal to seventy percent of the school district with the least State financial requirement.

1.66. (SDE: Health Education) Each school district is required to ensure that all comprehensive health education, reproductive health education, and family life education conducted within the district, whether by school district employees or a private entity, must utilize curriculum that complies with the provisions contained in Chapter 32, Title 59. Any person may complain in a signed, notarized writing to the chairman of the governing board of a school district that matter not in compliance with the requirements of Chapter 32, Title 59 is being taught in the district. Upon receiving a notarized complaint, the chairman of the governing board must ensure that the complaint is immediately investigated and, if the complaint is determined to be founded, that immediate action is taken to correct the violation. If corrective action is not taken, then the district must have its base student cost reduced by one percent.

1.67. (SDE: Bus Lease/Purchase) The Department of Education is permitted to purchase or lease school buses in order to continue replacement of the state's school bus fleet.

1.68. (SDE: Next Generation Science Standards) No funds shall be expended in the current fiscal year by the Department of Education, the Education Oversight Committee, or the State Board of Education to participate in, implement, adopt or promote the Next Generation Science Standards initiative.

1.69. (SDE: Felton Lab Allocation) Of the funds distributed pursuant to the Education Finance Act, the Felton-Laboratory School at South Carolina State University shall receive each year, seventy percent of the funds it would have received for that year under the Education Finance Act and under aid to school districts-fringe benefits, as if it were a special school district. The calculation of the amount of funds which the Felton-Laboratory School is entitled to receive each year shall be made by the Department of Education.

1.70. DELETED

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**** 1.71. (SDE: Lee County Bus Shop) From the funds appropriated in program XB, Bus Shops, in the current fiscal year, the department must fund the Lee County School District Bus Shop and the Kershaw County School District Bus Shop at the same level as they were funded in the previous fiscal year.**

1.72. (SDE: School Enrollment Policy) For Fiscal Year 2013-2014, any school district with an open enrollment policy for all schools or certain schools which had previously accepted certain students residing outside of the district to an academic magnet school in the district must continue to accept these students and their siblings for enrollment at the academic magnet school under the same terms and conditions these students were previously permitted to attend the school.

1.73. (SDE: District Funding Flexibility) For Fiscal Year 2013-2014, districts must utilize funding flexibility provided herein to ensure that district approved safety precautions are in place at every school.

1.74. (SDE: Alternative Fuel School Bus Pilot) For the current fiscal year, the State Department of Education or any school district of the state is permitted to enter into an agreement to pilot school buses operated using alternative fuels.

1.75. (SDE: Public Charter Pupil Counts) With funds appropriated to the South Carolina Public Charter School District, the district must require each charter school to submit a student attendance report for the 5th, 45th, 90th and 135th days. Reporting requirements shall include both Average Daily Membership and Weighted Pupil Unit membership. The South Carolina Public Charter School District shall then provide the data for each charter school to the Department of Education. Quarterly, the department will submit the information to the House Ways and Means Committee, the House Education and Public Works Committee, the Senate Finance Committee and the Senate Education Committee.

The South Carolina Public Charter School District must also require each virtual charter school to collect the following information: (1) the reason or reasons why each student enrolled in the virtual charter school district from both the parent(s) and the referring school district; and (2) the reason or reasons why a student withdrew from the virtual charter school district. This data must be provided to the Department of Education quarterly and must include the unique student identifier.

** See note at end of Act.

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The department, in turn, will provide summary information to the House Ways and Means Committee, the House Education and Public Works Committee, the Senate Finance Committee and the Senate Education Committee on the enrollment and withdrawal information.

1.76. (SDE: Transportation Maintenance Facilities) For the current fiscal year, a school district wishing to include school bus maintenance in a contract with a private vendor may enter into an agreement with the Department of Education whereby the department releases the school district to include school bus maintenance in the private vendor contract.

1.77. (SDE: First Steps) The South Carolina First Steps to School Readiness Board of Trustees shall incorporate findings of the Legislative Audit Council within the scope of the First Steps next external evaluation. The report shall be submitted to the General Assembly no later than November 15, 2014.

1.78. DELETED

1.79. (SDE: School District Activity Bus Advertisements) School Districts may sell commercial advertising space on the outside or inside of district owned activity buses. However, as defined and determined by the local school board, a school district may not sell such commercial advertising if the advertisement promotes a political candidate, ideology, or cause, a product that could be harmful to children, or a product that appeals to the prurient interest. Revenue generated from the sale of commercial advertising space shall be retained by the school district.

****1.80. (SDE: Early Warning Referral and Monitoring System) For Fiscal Year 2013-2014 the Department of Education, utilizing funds appropriated to or authorized for the department, is directed to issue a request for proposal to provide a pilot early warning, identification, referral and monitoring technology for students showing signs of academic, behavioral or emotional risk. The department may use up to \$360,000 to enter into an agreement for the provision of the pilot. The pilot may be conducted in up to five school districts (to serve between 40,000 and 60,000 students). An interim report on the results of the pilot project, including the number of students referred to and accessing academic, mental health and other services shall be submitted to the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee,***

* See note at end of Act.

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and the Chairman of the House Education and Public Works Committee, by March 1, 2014.

1.81. (SDE: School District Property) The requirements of Section 59-19-250 of the 1976 Code, as amended, which requires the consent of a governing board of a county in order for school trustees to sell or lease school property whenever they deem it expedient to do so are suspended for the current fiscal year.

1.82. (SDE: Digital Instructional Materials) Utilizing the funds appropriated for digital instructional materials, the Department of Education shall determine a per pupil amount using the prior year's 135 ADM. These funds shall be made available to all school districts using the following procedure:

(1) The Department of Education shall create a digital instructional materials list composed of those items which have been requested by districts and that have received Board approval;

(2) Districts may request that the State Board of Education review digital instructional materials for inclusion on the list when the material has been reviewed by the district, received approval by the local board of trustees for use in its district and been found to reflect the substance and level of performance outlined in the state adopted grade specific educational standards, contain current content information, and are cost effective;

(3) Within thirty days of receiving the request, the State Board of Education must approve or disapprove the district's request. Those materials receiving approval shall be placed on the department's approved digital instructional materials list. Once items are placed on the approved list, all districts may choose items from that list; and

(4) On a form provided by the department, a district may request an allocation by denoting the number of students, grade level, and subject for which the digital materials will be used. Districts may only request digital materials in one subject area and may not receive textbooks for the students using digital materials in that subject area.

District requests must be submitted to the State Board of Education for consideration not later than August fifteenth of the current fiscal year. Any funds appropriated for digital instructional materials which have not been encumbered by January fifteenth, shall be distributed to school districts which have not previously received an allocation. These districts shall receive a per pupil allocation which must be used for technology infrastructure needed to prepare the district for using

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digital instructional materials. These funds shall not be subject to flexibility.

1.83. (SDE: Child Development Education Pilot Program) There is created the South Carolina Child Development Education Pilot Program (CDEPP). This program shall be available for the current school year on a voluntary basis and shall focus on the developmental and learning support that children must have in order to be ready for school and must incorporate parenting education.

(A) For the current school year, with funds appropriated by the General Assembly, the South Carolina Child Development Education Pilot Program shall first be made available to eligible children from the trial and plaintiff school districts in the Abbeville County School District et. al. vs. South Carolina and then expanded to eligible children residing in school districts with a poverty index of seventy-five percent or greater.

Unexpended funds from the prior fiscal year for this program shall be carried forward and shall remain in the program. In rare instances, students with documented kindergarten readiness barriers may be permitted to enroll for a second year, or at age five, at the discretion of the Department of Education for students being served by a public provider or at the discretion of the Office of South Carolina First Steps to School Readiness for students being served by a private provider.

(B) Each child residing in the pilot districts, who will have attained the age of four years on or before September first, of the school year, and meets the at-risk criteria is eligible for enrollment in the South Carolina Child Development Education Pilot Program for one year.

The parent of each eligible child may enroll the child in one of the following programs:

(1) a school-year four-year-old kindergarten program delivered by an approved public provider; or

(2) a school-year four-year-old kindergarten program delivered by an approved private provider.

The parent enrolling a child must complete and submit an application to the approved provider of choice. The application must be submitted on forms and must be accompanied by a copy of the child's birth certificate, immunization documentation, and documentation of the student's eligibility as evidenced by family income documentation showing an annual family income of one hundred eighty-five percent or less of the federal poverty guidelines as

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promulgated annually by the U.S. Department of Health and Human Services or a statement of Medicaid eligibility.

In submitting an application for enrollment, the parent agrees to comply with provider attendance policies during the school year. The attendance policy must state that the program consists of 6.5 hours of instructional time daily and operates for a period of not less than one hundred eighty days per year. Pursuant to program guidelines, noncompliance with attendance policies may result in removal from the program.

No parent is required to pay tuition or fees solely for the purpose of enrolling in or attending the program established under this provision. Nothing in this provision prohibits charging fees for childcare that may be provided outside the times of the instructional day provided in these programs.

If by October first of the school year at least seventy-five percent of the total number of eligible CDEPP children in a district or county are projected to be enrolled in CDEPP, Head Start or ABC Child Care Program as determined by the Department of Education and the Office of First Steps, CDEPP providers may then enroll pay-lunch children who score at or below the twenty-fifth national percentile on two of the three DIAL-3 subscales and may receive reimbursement for these children if funds are available.

(C) Public school providers choosing to participate in the South Carolina Four-Year-Old Child Development Kindergarten Program must submit an application to the Department of Education. Private providers choosing to participate in the South Carolina Four-Year-Old Child Development Kindergarten Program must submit an application to the Office of First Steps. The application must be submitted on the forms prescribed, contain assurances that the provider meets all program criteria set forth in this provision, and will comply with all reporting and assessment requirements.

Providers shall:

- (1) comply with all federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, or need for special education services;
- (2) comply with all state and local health and safety laws and codes;

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(3) comply with all state laws that apply regarding criminal background checks for employees and exclude from employment any individual not permitted by state law to work with children;

(4) be accountable for meeting the education needs of the child and report at least quarterly to the parent/guardian on his progress;

(5) comply with all program, reporting, and assessment criteria required of providers;

(6) maintain individual student records for each child enrolled in the program to include, but not be limited to, assessment data, health data, records of teacher observations, and records of parent or guardian and teacher conferences;

(7) designate whether extended day services will be offered to the parents/guardians of children participating in the program;

(8) be approved, registered, or licensed by the Department of Social Services; and

(9) comply with all state and federal laws and requirements specific to program providers.

Providers may limit student enrollment based upon space available. However if enrollment exceeds available space, providers shall enroll children with first priority given to children with the lowest scores on an approved pre-kindergarten readiness assessment. Private providers shall not be required to expand their programs to accommodate all children desiring enrollment. However, providers are encouraged to keep a waiting list for students they are unable to serve because of space limitations.

(D) The Department of Education and the Office of First Steps to School Readiness shall:

(1) develop the provider application form;

(2) develop the child enrollment application form;

(3) develop a list of approved research-based preschool curricula for use in the program based upon the South Carolina Content Standards, provide training and technical assistance to support its effective use in approved classrooms serving children;

(4) develop a list of approved pre-kindergarten readiness assessments to be used in conjunction with the program, provide assessments and technical assistance to support assessment administration in approved classrooms serving children;

(5) establish criteria for awarding new classroom equipping grants;

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(6) establish criteria for the parenting education program providers must offer;

(7) establish a list of early childhood related fields that may be used in meeting the lead teacher qualifications;

(8) develop a list of data collection needs to be used in implementation and evaluation of the program;

(9) identify teacher preparation program options and assist lead teachers in meeting teacher program requirements;

(10) establish criteria for granting student retention waivers; and

(11) establish criteria for granting classroom size requirements waivers.

(E) Providers of the South Carolina Child Development Education Pilot Program shall offer a complete educational program in accordance with age-appropriate instructional practice and a research based preschool curriculum aligned with school success. The program must focus on the developmental and learning support children must have in order to be ready for school. The provider must also incorporate parenting education that promotes the school readiness of preschool children by strengthening parent involvement in the learning process with an emphasis on interactive literacy.

Providers shall offer high-quality, center-based programs that must include, but shall not be limited to, the following:

(1) employ a lead teacher with a two-year degree in early childhood education or related field or be granted a waiver of this requirement from the Department of Education or the Office of First Steps to School Readiness;

(2) employ an education assistant with pre-service or in-service training in early childhood education;

(3) maintain classrooms with at least ten four-year-old children, but no more than twenty four-year-old children with an adult to child ratio of 1:10. With classrooms having a minimum of ten children, the 1:10 ratio must be a lead teacher to child ratio. Waivers of the minimum class size requirement may be granted by the South Carolina Department of Education for public providers or by the Office of First Steps to School Readiness for private providers on a case-by-case basis;

(4) offer a full day, center-based program with 6.5 hours of instruction daily for one hundred eighty school days;

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(5) provide an approved research-based preschool curriculum that focuses on critical child development skills, especially early literacy, numeracy, and social/emotional development;

(6) engage parents' participation in their child's educational experience that shall include a minimum of two documented conferences per year; and

(7) adhere to professional development requirements outlined in this article.

(F) Every classroom providing services to four-year-old children established pursuant to this provision must have a lead teacher with at least a two-year degree in early childhood education or related field and who is enrolled and is demonstrating progress toward the completion of a teacher education program within four years. Every classroom must also have at least one education assistant per classroom who shall have the minimum of a high school diploma or the equivalent, and at least two years of experience working with children under five years old. The teaching assistant shall have completed the Early Childhood Development Credential (ECD) 101 or enroll and complete this course within twelve months of hire. Providers may request waivers to the ECD 101 requirement for those assistants who have demonstrated sufficient experience in teaching children five years old and younger. The providers must request this waiver in writing to their designated administrative agency (First Steps or the Department of Education) and provide appropriate documentation as to the qualifications of the teaching assistant.

(G) The General Assembly recognizes there is a strong relationship between the skills and preparation of pre-kindergarten instructors and the educational outcomes of students. To improve these education outcomes, participating providers shall require all personnel providing instruction and classroom support to students participating in the South Carolina Child Development Education Pilot Program to participate annually in a minimum of fifteen hours of professional development to include teaching children from poverty. Professional development should provide instruction in strategies and techniques to address the age-appropriate progress of pre-kindergarten students in developing emergent literacy skills, including but not limited to, oral communication, knowledge of print and letters, phonemic and phonological awareness, and vocabulary and comprehension development.

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(H) Both public and private providers shall be eligible for transportation funds for the transportation of children to and from school. Nothing within this provision prohibits providers from contracting with another entity to provide transportation services provided the entities adhere to the requirements of Section 56-5-195. Providers shall not be responsible for transporting students attending programs outside the district lines. Parents choosing program providers located outside of their resident district shall be responsible for transportation. When transporting four-year-old child development students, providers shall make every effort to transport them with students of similar ages attending the same school. Of the amount appropriated for the program, not more than \$185 per student shall be retained by the Department of Education for the purposes of transporting four-year-old students. This amount must be increased annually by the same projected rate of inflation as determined by the Division of Research and Statistics of the Budget and Control Board for the Education Finance Act.

(I) For all private providers approved to offer services pursuant to this provision, the Office of First Steps to School Readiness shall:

- (1) serve as the fiscal agent;
- (2) verify student enrollment eligibility;
- (3) recruit, review, and approve eligible providers. In considering approval of providers, consideration must be given to the provider's availability of permanent space for program service and whether temporary classroom space is necessary to provide services to any children;
- (4) coordinate oversight, monitoring, technical assistance, coordination, and training for classroom providers;
- (5) serve as a clearing house for information and best practices related to four-year-old kindergarten programs;
- (6) receive, review, and approve new classroom grant applications and make recommendations for approval based on approved criteria;
- (7) coordinate activities and promote collaboration with other private and public providers in developing and supporting four-year-old kindergarten programs;
- (8) maintain a database of the children enrolled in the program; and
- (9) promulgate guidelines as necessary for the implementation of the pilot program.

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(J) For all public school providers approved to offer services pursuant to this provision, the Department of Education shall:

- (1) serve as the fiscal agent;
- (2) verify student enrollment eligibility;
- (3) recruit, review, and approve eligible providers. In considering approval of providers, consideration must be given to the provider's availability of permanent space for program service and whether temporary classroom space is necessary to provide services to any children;
- (4) coordinate oversight, monitoring, technical assistance, coordination, and training for classroom providers;
- (5) serve as a clearing house for information and best practices related to four-year-old kindergarten programs;
- (6) receive, review, and approve new classroom grant applications and make recommendations for approval based on approved criteria;
- (7) coordinate activities and promote collaboration with other private and public providers in developing and supporting four-year-old kindergarten programs;
- (8) maintain a database of the children enrolled in the program; and
- (9) promulgate guidelines as necessary for the implementation of the pilot program.

(K) The General Assembly shall provide funding for the South Carolina Child Development Education Pilot Program. For the current school year, the funded cost per child shall be \$4,218 increased annually by the rate of inflation as determined by the Division of Research and Statistics of the Budget and Control Board for the Education Finance Act. Eligible students enrolling with private providers during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall be eligible for a reimbursement of \$550 per eligible child transported. Providers who are reimbursed are required to retain records as required by their fiscal agent. Providers enrolling between one and six eligible children shall be eligible to receive up to \$1,000 per child in materials and equipment grant funding, with providers enrolling seven or more such children eligible for grants not to exceed \$10,000. Providers receiving equipment grants are expected to participate in the program and provide high-quality, center-based programs as defined herein for a

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minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps.

(L) Pursuant to this provision, the Department of Social Services shall:

(1) maintain a list of all approved public and private providers; and

(2) provide the Department of Education and the Office of First Steps information necessary to carry out the requirements of this provision.

(M) The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers.

(N) Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to issue findings in a report to the General Assembly by January fifteenth of each year. The evaluation shall include, but is not limited to: (1) student data including the number of at-risk four-year-old kindergarten students served in publically funded programs, by county and by program; (2) program effectiveness including developmentally appropriate assessments of children to measure emerging literacy and numeracy; (3) individual classroom assessments to determine program quality; (4) longitudinal analysis of academic and non-academic measures of success for children who participated in the program; and (5) an evaluation of the professional development, monitoring and assistance offered to public and private providers.

To aid in this evaluation, the Education Oversight Committee shall determine the data necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to

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School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades.

1.84. (SDE: Summer Reading Camps) For the current fiscal year, funds appropriated for summer reading camps must be allocated as follows: (1) \$300,000 to the Department of Education to provide bus transportation for students attending the camps; and (2) the remainder on a per pupil allocation to each school district based on the number of students who scored Not Met 1 on the third grade reading and research assessment of the prior year's Palmetto Assessment of State Standards administration. The reading camps must provide an educational program offered in the summer by each local school district for students who are substantially not demonstrating reading proficiency at the end of third grade. The camp must be six to eight weeks long for four or five days each week and include at least five and one-half hours of instructional time daily. The camps must be taught by compensated, licensed teachers who have demonstrated substantial success in helping students comprehend grade-appropriate texts. Schools and districts should partner with county or school libraries, community organizations, faith-based institutions, pediatric and family practice medical personnel, businesses, and other groups to provide volunteers, mentors, tutors, space, or other support to assist with the provision of the summer reading camps. In addition, a district may offer summer reading camps for students who are not exhibiting reading proficiency in prekindergarten through grade two and may charge fees based on a sliding scale pursuant to Section 59-19-90 of the 1976 Code, as amended.

1.85. (SDE: Educational Credit for Exceptional Needs Children)
(A) As used in this proviso:

(1) 'Independent school' means a school, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met and that does not discriminate based on the grounds of race, color, religion, or national origin.

(2) 'Parent' means the natural or adoptive parent or legal guardian of a child.

(3) 'Qualifying student' means a student who is a South Carolina resident and who is eligible to be enrolled in a South Carolina

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secondary or elementary public school at the kindergarten or later year level for the current school year.

(4) 'Resident public school district' means the public school district in which a student resides.

(5) 'Tuition' means the total amount of money charged for the cost of a qualifying student to attend an independent school including, but not limited to, fees for attending the school and school-related transportation.

(6) 'Eligible school' means an independent school including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met, that:

(a) offers a general education to primary or secondary school students;

(b) does not discriminate on the basis of race, color, or national origin;

(c) is located in this State;

(d) has an educational curriculum that includes courses set forth in the state's diploma requirements and where the students attending are administered national achievement or state standardized tests, or both, at progressive grade levels to determine student progress;

(e) has school facilities that are subject to applicable federal, state, and local laws; and

(f) is a member in good standing of the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools or the South Carolina Independent Schools Association.

(7) 'Nonprofit scholarship funding organization' means a charitable organization that:

(a) is exempt from federal tax under Section 501(a) of the Internal Revenue Code by being listed as an exempt organization in Section 501(c)(3) of the Code;

(b) allocates, after its first year of operation, at least ninety-five percent of its annual contributions and revenue received during a particular year to provide grants for tuition, transportation, or textbook expenses (collectively hereinafter referred to as tuition) or any combination thereof to children enrolled in an eligible school meeting the criteria of this section, and incurs administrative expenses annually, after its first year of operation, of not more than five percent of its annual contributions and revenue for a particular year;

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(c) allocates all of its funds used for grants on an annual basis to children who are 'exceptional needs' students as defined herein;

(d) does not provide grants solely for the benefit of one school, and if the Department of Revenue determines that the nonprofit scholarship funding organization is providing grants to one particular school, the tax credit allowed by this section may be disallowed;

(e) does not have as a member of its governing board any parent, legal guardian, or member of their immediate family who has a child or ward who is currently receiving or has received a scholarship grant authorized by this section from the organization within one year of the date the parent, legal guardian, or member of their immediate family became a board member; and

(f) does not have as a member of its governing board any person who has been convicted of a felony, or who has declared bankruptcy within the last seven years.

(8) 'Person' means an individual, partnership, corporation, or other similar entity.

(9) 'Transportation' means transportation to and from school only.

(B) A person is entitled to a tax credit for the amount of money the person contributes to a nonprofit scholarship funding organization up to the limits of this proviso if:

(1) the contribution is used to provide grants for tuition, transportation, or textbook expenses or any combination thereof to exceptional needs children enrolled in eligible schools who qualify for these grants under the provisions of this proviso; and

(2) the person does not designate a specific child or school as the beneficiary of the contribution.

(C) Grants may be awarded by a scholarship funding organization in an amount not exceeding ten thousand dollars or the total cost of tuition, whichever is less, for students with 'exceptional needs' to attend an independent school. An 'exceptional needs' child is defined as a child who has been designated by the South Carolina Department of Education to meet the requirements of CFR Part A Section 300.8 and the child's parents or legal guardian believe that the services provided by the school district of legal residence do not sufficiently meet the needs of the child.

(D) (1) The tax credits authorized by subsection (B) may not exceed cumulatively a total of eight million dollars for contributions

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made on behalf of 'exceptional needs' students. If the Department of Revenue determines that the total of such credits claimed by all taxpayers exceeds this amount, it shall allow credits only up to those amounts on a first come, first serve basis.

(2) A taxpayer may not claim more than sixty percent of their total tax liability for the year in contribution towards the tax credit authorized by subsection (B). This credit is not refundable.

(3) If a husband and wife file separate returns, they each may only claim one-half of the tax credit that would have been allowed for a joint return for the year.

(4) The person shall apply for a credit under subsection (B) on or with the tax return for the period for which the credit is claimed.

(5) The Department of Revenue shall prescribe the form and manner of proof required to obtain the credit authorized by subsection (B). Also, the department shall develop a method of informing taxpayers if either of the credit limits are met at any time during the 2013 tax year.

(6) A person may claim a credit under subsection (B) for contributions made on or after January 1, 2014.

(E) A corporation or entity entitled to a credit under subsection (B) may not convey, assign, or transfer the deduction or credit authorized by this section to another entity unless all of the assets of the entity are conveyed, assigned, or transferred in the same transaction.

(F) Except as otherwise provided, neither the Department of Education, the Department of Revenue, nor any other state agency may regulate the educational program of an independent school that accepts students receiving scholarship grants pursuant to this proviso.

(G) (1) The Education Oversight Committee, as established in Chapter 6, Title 59, is responsible for determining if an eligible school meets the criteria established by subsection (A)(6), and shall publish an approved list of such schools meeting this criteria below. For this purpose, it also shall promulgate regulations further enumerating the specifics of this criteria. In performing this function, the Education Oversight Committee shall establish an advisory committee made up of not more than nine members including parents, and representatives of independent schools and independent school associations. The advisory committee shall provide recommendations to the Education Oversight Committee on the content of these regulations and any other matters requested by the Education Oversight Committee.

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(2) (a) By the first day of August for the current fiscal year, the Education Oversight Committee, on its website available to the general public, shall provide a list with addresses and telephone numbers of nonprofit scholarship funding organizations in good standing which provide grants under this proviso, and a list of approved independent schools which accept grants for eligible students and which in its determination are in compliance with the requirements of subsection (A)(6).

(b) Student test scores, by category, on national achievement or state standardized tests, or both, for all grades tested and administered by an eligible school receiving or entitled to receive scholarship grants under this proviso must be transmitted to the Education Oversight Committee which in turn shall publish this information on its website with the most recent scores by category included.

(3) Any independent school not determined to be an eligible school under the provisions of this proviso may seek review by filing a request for a contested case hearing with the Administrative Law Court in accordance with the court's rules of procedure.

(4) The Education Oversight Committee, after consultation with its nine-member advisory committee, may exempt an independent school having students with exceptional needs who receive scholarship grants pursuant to this proviso from the curriculum requirements of subsection (A)(6)(d).

(H) (1) Every nonprofit scholarship funding organization providing grants under subsection (C), shall cause an outside auditing firm to conduct a comprehensive financial audit of its operations in conformity with generally accepted accounting principles and shall furnish the same within thirty days of its completion and acceptance to the Secretary of State and Department of Revenue which must be made available by them on their website for public review.

(2) Every independent school accepting grants for eligible students shall cause to be conducted a compliance audit by an outside entity or auditing firm examining its compliance with the provisions of this proviso, and shall furnish the same within thirty days of its completion and acceptance to the Secretary of State and Department of Revenue which must be made available by them on their website for public review.

1.86. (SDE: Interscholastic Athletic Association Dues) A public school district supported by state funds shall not use any funds or

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permit any school within the district to use any funds to join, affiliate with, pay dues or fees to, or in any way financially support any interscholastic athletic association, body, or entity unless the constitution, rules, or policies of the association, body, or entity contain the following:

(1) a range of sanctions that may be applied to a student, coach, team, or program and that takes into account factors such as the seriousness, frequency, and other relevant factors when there is a violation of the constitution, bylaws, rules, or other governing provisions of the association, body, or entity;

(2) (a) guarantees that private or charter schools are afforded the same rights and privileges that are enjoyed by all other members of the association, body, or entity. A private or charter school may not be expelled from or have its membership unreasonably withheld by the association, body, or entity or restricted in its ability to participate in interscholastic athletics including, but not limited to, state playoffs or championships based solely on its status as a private school or charter school. The association, body, or entity shall set reasonable standards for private or charter school admission. A private or charter school denied membership must be provided, in writing within five business days, the reason or reasons for rejection of its application for membership;

(b) guarantees that a South Carolina home school athletic team that is a member of a home school athletic association may not be denied access to preseason and regular season interscholastic athletics including, but not limited to, jamborees and invitational tournaments, based solely on its status as a home school athletic team; other rules or policies of the association, body, or entity would apply;

(3) (a) an appeals process in which appeals of the association, body, or entity are made to a disinterested third-body appellate panel which consists of seven members who serve four year terms, with one person appointed by the delegation of each congressional district;

(b) a member of the panel serves until his successor is appointed and qualifies. A vacancy on the panel is filled in the manner of the original appointment;

(c) members of the appellate panel do not concurrently serve as officers of the association, body, or entity and may not have served as a member of the executive committee within the last three years. Principals and superintendents are able to appeal a ruling of the association, body, or entity to the panel. The appellate panel also must

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provide the final ruling in any appeal brought against a decision of the association, body, or entity;

(4) a procedure in place for emergency appeals to be held and decided upon in an expedited manner if the normal appellate process would prohibit the participation of a student, team, program, or school in an athletic event, to include practices;

(5) provisions, implemented within one year after the effective date of this section, that require the composition of the executive committee of the association, body, or entity be geographically representative of this State.

In the event an association, body, or entity fails to include one of the items listed in this proviso, public school districts and schools must end their affiliation with the association, body, or entity prior to the beginning of the upcoming school year and are prohibited from paying dues or fees to the association, body, or entity.

1.87. (SDE: CDEPP Expansion) If by October first, First Steps or the Department of Education determine they will not expend the full amount of the CDEPP expansion funds allocated to each they are permitted to transfer any unspent funds to the other, provided that they will be used for expansion. First Steps and the Department of Education must report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee no later than February 1st how many additional 4K programs have opened and how many additional students have been served. A public school district receiving funds pursuant to the provisions of the CDEPP expansion cannot build or add additional space, to include the addition of mobile units and also to include displacing currently enrolled students out of their current classrooms or schools, to accommodate students in a new 4-K program.

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1A.1. (SDE-EIA: XII-Prohibition on Appropriation Transfers) The amounts appropriated herein for aid to subdivisions or allocations to school districts shall not be transferred or reduced and must be expended in accordance with the intent of the appropriation. However, transfers are authorized from allocations to school districts or special line items with projected year-end excess appropriations above requirements, to allocations to school districts or special line items with projected deficits in appropriations.

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1A.2. (SDE-EIA: XII.A.1 Services for Students with Disabilities) The money appropriated in Part IA, Section 1, XII.A.1. for Services for Students with Disabilities shall be used only for educational services for pupils with moderate to severe intellectual disabilities.

1A.3. (SDE-EIA: XII.B - Half Day Program for Four-Year-Olds) Funds appropriated in Part IA, Section 1, XII.B. for half-day programs for four-year-olds shall be distributed based on the prior year number of students in kindergarten eligible for free and reduce price lunch.

1A.4. (SDE-EIA: XII.A.3. African-American History) Funds provided for the development of the African-American History curricula may be carried forward into the current fiscal year to be expended for the same purpose.

1A.5. (SDE-EIA: XII.C.2-Teacher Evaluations, XII.F.2-Implementation/Education Oversight) The Department of Education is directed to oversee the evaluation of teachers at the School for the Deaf and the Blind, the John de la Howe School and the Department of Juvenile Justice under the ADEPT model.

1A.6. (SDE-EIA: XII.F.2-Teacher Salaries/State Agencies) Each state agency which does not contain a school district but has instructional personnel shall receive an allocation from the line item "Alloc. EIA - Teacher/Other Pay" in Part IA, Section 1, XII.F.2. for teachers salaries based on the following formula: Each state agency shall receive such funds as are necessary to adjust the pay of all instructional personnel to the appropriate salary provided by the salary schedules of the school district in which the agency is located. Instructional personnel may include all positions which would be eligible for EIA supplements in a public school district, and may at the discretion of the state agency, be defined to cover curriculum development specialists, educational testing psychologists, psychological and guidance counselors, and principals. The twelve-month agricultural teachers located at Clemson University are to be included in this allocation of funds for base salary increases. The South Carolina Governor's School for the Arts and Humanities and the South Carolina Governor's School for Science and Mathematics are authorized to increase the salaries of instructional personnel by an amount equal to the percentage increase given by the School District in which they are both located.

The funds appropriated herein in the line item "Alloc. EIA-Teacher/Other Pay" must be distributed to the agencies by the Budget and Control Board.

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1A.7. (SDE-EIA: XII.A.1-Work-Based Learning) Of the funds appropriated in Part IA, Section 1, XII.A.1. for the Work-Based Learning Program, \$75,000 shall be used by the State Department of Education to provide for regional professional development in contextual methodology techniques and integration of curriculum, and professional development in career guidance for teachers and guidance counselors and training mentors. Pilot-site delivery of contextual methodology training in mathematics will be supported by technology and hands-on lab activities. In addition, \$500,000 shall be allocated for Regional Career Specialists. Each Regional Career Specialist shall (1) be housed within the regional centers/WIA geographic areas, (2) provide career development activities throughout all schools within the region, (3) be under the program supervision of the Office of Career and Technology Education, State Department of Education, and (4) adhere to an accountability and evaluation plan created by the Office of Career and Technology Education, State Department of Education. The Office of Career and Technology Education, State Department of Education, shall provide a report, in February of the current fiscal year to the Senate Finance Committee and the House Ways and Means Committee on accomplishments of the Career Counseling Specialists. Of the funds appropriated in the prior fiscal year, unexpended funds may be carried forward to the current fiscal year and expended for the same purposes.

1A.8. DELETED

1A.9. (SDE-EIA: XII.F.2-CHE/Teacher Recruitment) Of the funds appropriated in Part IA, Section 1, XII.F.2. for the Teacher Recruitment Program, the South Carolina Commission on Higher Education shall distribute a total of ninety-two percent to the Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) for a state teacher recruitment program, of which at least seventy-eight percent must be used for the Teaching Fellows Program specifically to provide scholarships for future teachers, and of which twenty-two percent must be used for other aspects of the state teacher recruitment program, including the Teacher Cadet Program and \$166,302 which must be used for specific programs to recruit minority teachers: and shall distribute eight percent to South Carolina State University to be used only for the operation of a minority teacher recruitment program and therefore shall not be used for the operation of their established general education programs. Working with districts with an absolute rating of At-Risk or Below Average, CERRA will

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provide shared initiatives to recruit and retain teachers to schools in these districts. CERRA will report annually by October first to the Education Oversight Committee and the Department of Education on the success of the recruitment and retention efforts in these schools. The South Carolina Commission on Higher Education shall ensure that all funds are used to promote teacher recruitment on a statewide basis, shall ensure the continued coordination of efforts among the three teacher recruitment projects, shall review the use of funds and shall have prior program and budget approval. The South Carolina State University program, in consultation with the Commission on Higher Education, shall extend beyond the geographic area it currently serves. Annually, the Commission on Higher Education shall evaluate the effectiveness of each of the teacher recruitment projects and shall report its findings and its program and budget recommendations to the House and Senate Education Committees, the State Board of Education and the Education Oversight Committee by October 1 annually, in a format agreed upon by the Education Oversight Committee and the Department of Education.

With the funds appropriated CERRA shall also establish, appoint, and maintain the South Carolina Teacher Loan Advisory Committee. The Committee shall be composed of one member representing each of the following: (1) Commission on Higher Education; (2) State Board of Education; (3) Education Oversight Committee; (4) Center for Educator Recruitment, Retention, and Advancement; (5) South Carolina Student Loan Corporation; (6) South Carolina Association of Student Financial Aid Administrators; (7) a local school district human resources officer; (8) a public higher education institution with an approved teacher education program; and (9) a private higher education institution with an approved teacher education program. The members of the committee representing the public and private higher education institutions shall rotate among those institutions and shall serve a two-year term on the committee. Initial appointments must be made by July 1, 2013, at which time the member representing CERRA shall call the first meeting. At the initial meeting, a chairperson and vice-chairperson must be elected by a majority vote of the committee. The committee must be staffed by CERRA, and shall meet at least twice annually. The committee's responsibilities are limited to: (1) establishing goals for the Teacher Loan Program; (2) facilitating communication among the cooperating agencies; (3) advocating for

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program participants; and (4) recommending policies and procedures necessary to promote and maintain the program.

1A.10. (SDE-EIA: XII.F.2-Disbursements/Other Entities) Notwithstanding the provisions of Sections 2-7-66 and 11-3-50, S.C. Code of Laws, it is the intent of the General Assembly that funds appropriated in Part IA, Section 1, XII.F.2. Other State Agencies and Entities shall be disbursed on a quarterly basis by the Department of Revenue directly to the state agencies and entities referenced except for the Teacher Loan Program, Centers of Excellence, the Education Oversight Committee and School Technology, which shall receive their full appropriation at the start of the fiscal year from available revenue. The Comptroller General's Office is authorized to make necessary appropriation reductions in Part IA, Section 1, XII.F.2. to prevent duplicate appropriations. If the Education Improvement Act appropriations in the agency and entity respective sections of the General Appropriations Act at the start of the fiscal year do not agree with the appropriations in Part IA, Section 1, XII.F.2. Other State Agencies and Entities, the "other funds" appropriations in the respective agency and entity sections of the General Appropriations Act will be adjusted by the Comptroller General's Office to conform to the appropriations in Part IA, Section 1, XII.F.2. Other State Agencies and Entities.

1A.11. (SDE-EIA: XII.A.1-Arts in Education) Funds appropriated in Part IA, Section 1, XII.A.1. Arts Curricula shall be used to support innovative practices in arts education curriculum, instruction, and assessment in the visual and performing arts including dance, music, theatre, and visual arts which incorporates strengths from the Arts in Education sites. They shall also be used to support the advancement of the implementation of the visual and performing arts academic standards. These funds shall be distributed to schools and school districts under a competitive grants program; however, up to thirty-three percent of the total amount of the grant fund shall be made available as "Aid to Other Agencies" to facilitate the funding of professional development arts institutes that have been approved by the State Department of Education for South Carolina arts teachers, appropriate classroom teachers, and administrators. Arts Curricular Grants funds may be retained and carried forward into the current fiscal year to be expended in accordance with the proposed award.

1A.12. (SDE-EIA: XII.C.2-Teacher Supplies) All certified public school teachers, certified special school classroom teachers, certified

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media specialists, and certified guidance counselors who are employed by a school district or a charter school as of November thirtieth of the current fiscal year, based on the public decision of the school board may receive reimbursement of up to two hundred seventy-five dollars each school year to offset expenses incurred by them for teaching supplies and materials. Funds shall be disbursed by the department to School districts by July fifteenth based on the last reconciled Professional Certified Staff (PCS) listing from the previous year. With remaining funds for this program, any deviation in the PCS and actual teacher count will be reconciled by December thirty-first or as soon as practicable thereafter. Based on the public decision of the school district these funds shall be disbursed in a manner separate and distinct from their payroll check on the first day teachers, by contract, are required to be in attendance at school for the current contract year. This reimbursement shall not be considered by the state as taxable income. Special schools include the Governor's School for Science and Math, the Governor's School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Felton Lab, Department of Juvenile Justice, and Palmetto Unified School District. Funds distributed to school districts or allocated to schools must not supplant existing supply money paid to teachers from other sources. If a school district requires receipts for tax purposes the receipts may not be required before December thirty-first. Districts that do not wish to require receipts may have teachers retain the receipts and certify for the district they have received the allocation for purchase of teaching supplies and/or materials and that they have purchased or will purchase supplies and/or materials during the fiscal year for the amount of the allocation. Districts shall not have an audit exception related to non-retention of receipts in any instances where a similar instrument is utilized. Any district requiring receipts must notify any teacher from whom receipts have not been submitted between November twenty-fifth and December sixth that receipts must be submitted to the district. Districts may not add any additional requirement not listed herein related to this reimbursement.

Any classroom teacher, including a classroom teacher at a South Carolina private school, that is not eligible for the reimbursement allowed by this provision, may claim a refundable income tax credit on the teacher's 2013 tax return, provided that the return or any amended return claiming the credit is filed prior to the end of the fiscal year. The credit is equal to two hundred seventy-five dollars, or the amount

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the teacher expends on teacher supplies and materials, whichever is less. If any expenditures eligible for a credit are made after December thirty-first, the teacher may include the expenditures on his initial return or may file an amended 2013 return claiming the credit, so long as the return or amended return is filed in this fiscal year. The Department of Revenue may require whatever proof it deems necessary to implement the credit provided by this part of this provision.

1A.13. (SDE-EIA: XI.C.2-Teacher of the Year Awards) Of the funds provided herein for Teacher of the Year Awards, each district Teacher of the Year shall receive an award of \$1,000. In addition, the State Teacher of the Year shall receive an award of \$25,000, and each of the four Honor Roll Teachers of the Year will receive an award of \$10,000. To be eligible, districts must participate in the State Teacher of the Year Program sponsored by the State Department of Education. These awards shall not be subject to South Carolina income taxes.

1A.14. (SDE-EIA: EOC) The Education Oversight Committee may collect, retain and expend revenue from conference registration and fees; charges for materials supplied to local school districts or other entities not otherwise mandated to be provided by state law; and from other activities or functions sponsored by the committee including public awareness campaign activities. Any unexpended revenue from these sources may be carried forward into the current fiscal year and expended for the same purposes.

1A.15. (SDE-EIA: Technical Assistance) In order to best meet the needs of underperforming schools, funds appropriated for technical assistance to schools with an absolute rating of below average or at-risk on the most recent annual school report card must be allocated according to the severity of not meeting report card criteria.

Schools receiving an absolute rating of below average or at-risk must develop and submit to the Department of Education a school renewal plan outlining goals for improvements. Of the technical assistance funds allocated to below average or at-risk schools each allocation must address specific strategies designed to increase student achievement and must include measures to evaluate success. The school renewal plan may include expenditures for recruitment incentives for faculty and staff, performance incentives for faculty and staff, assistance with curriculum and test score analysis, professional development activities based on curriculum and test score analysis that may include daily stipends if delivered on days outside of required

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contract days. School expenditures of technical assistance shall be monitored by the Department of Education.

With the funds appropriated to the Department of Education for technical assistance services, the department will assist schools with an absolute rating of below average or at-risk in designing and implementing technical assistance school renewal plans and in brokering for technical assistance personnel as needed and as stipulated in the plan. In addition, the department must monitor student academic achievement and the expenditure of technical assistance funds in schools receiving these funds and report their findings to the General Assembly and the Education Oversight Committee by January first of each fiscal year as the General Assembly may direct. If the Education Oversight Committee or the department requests information from schools or school districts regarding the expenditure of technical assistance funds pursuant to evaluations, the school or school district must provide the evaluation information necessary to determine effective use. If the school or school district does not provide the evaluation information necessary to determine effective use, the principal of the school or the district superintendent may be subject to receiving a public reprimand by the State Board of Education if it is determined that those individuals are responsible for the failure to provide the required information.

No more than five percent of the total amount appropriated for technical assistance services to schools with an absolute rating of below average or at-risk may be retained and expended by the department for implementation and delivery of technical assistance services. Using previous report card data, the department shall identify priority schools. Up to \$6,000,000 of the total funds appropriated for technical assistance shall be used by the department to work with those schools identified as priority schools. These funds shall not be transferred to any other funding category by the school district without prior approval of the State Superintendent of Education.

The department will create a system of levels of technical assistance for schools that will receive technical assistance funds. The levels will be determined by the severity of not meeting report card criteria. The levels of technical assistance may include a per student allocation, placement of a principal mentor, replacement of the principal, and/or reconstitution of a school.

Reconstitution means the redesign or reorganization of the school, which includes the declaration that all positions in the school are

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considered vacant. Certified staff currently employed in priority schools must undergo a formal evaluation in the spring following the school's identification as a priority school and must meet determined goals to be rehired and continue their employment at that school. Student achievement will be considered as a significant factor when determining whether to rehire existing staff. Educators who were employed at a school that is being reconstituted prior to the effective date of this proviso and to whom the employment and dismissal laws apply will not lose their rights in the reconstitution. If they are not rehired or are not assigned to another school in the school district they have the opportunity for a hearing. However, employment and dismissal laws shall not apply to educators who are employed in the district and assigned to the priority schools after the effective date of this proviso, in the event of a reconstitution of the school in which the educator is employed. Those rights are only suspended in the event of a reconstitution of the entire school staff. Additionally, the rights and requirements of the employment and dismissal laws do not apply to educators who are currently on an induction or annual contract, that subsequently are offered continuing contract status after the effective date of this proviso, and are employed at a school that is subject to reconstitution under this proviso.

The reconstitution of a school could take place if the school has been identified as a priority school that has failed to improve satisfactorily. The decision to reconstitute a school shall be made by the State Superintendent of Education in consultation with the principal and/or principal mentor, the school board of trustees, and the district superintendent. The decision to reconstitute a school shall be made by April first, at which time notice shall be given to all employees of the school. The department, in consultation with the principal and district superintendent, shall develop a staffing plan, recruitment and performance bonuses, and a budget for each reconstituted school.

Upon approval of the school renewal plans by the department and the State Board of Education, a newly identified school or a currently identified school with an absolute rating of below average or at-risk on the report card will receive a base amount and a per pupil allocation based on the previous year's average daily membership as determined by the annual budget appropriation. No more than fifteen percent of funds not expended in the prior fiscal year may be carried forward and expended in the current fiscal year for strategies outlined in the school's renewal plan. Schools must use technical assistance funds to

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augment or increase, not to replace or supplant local or state revenues that would have been used if the technical assistance funds had not been available. Schools must use technical assistance funds only to supplement, and to the extent practical, increase the level of funds available from other revenue sources.

1A.16. (SDE-EIA: Proviso Allocations) In the event an official EIA revenue shortfall is declared by the Board of Economic Advisors, the Department of Education may reduce any allocation in Section 1A specifically designated by proviso in accordance with the lower Board of Economic Advisors revenue estimate as directed by the Office of State Budget. No allocation for teacher salaries shall be reduced as a result of this proviso.

1A.17. (SDE-EIA: School Districts and Special Schools Flexibility) All school districts and special schools of this State may transfer and expend funds among appropriated state general fund revenues, Education Improvement Act funds, Education Lottery Act funds, and funds received from the Children's Education Endowment Fund for school facilities and fixed equipment assistance, to ensure the delivery of academic and arts instruction to students. However, a school district may not transfer funds allocated specifically for state level maintenance of effort requirements under IDEA, funds allocated specifically for state level maintenance of effort requirement for federal program, required for debt service or bonded indebtedness. All school districts and special schools of this State may suspend professional staffing ratios and expenditure regulations and guidelines at the sub-function and service area level, except for four-year old programs and programs serving students with exceptional needs.

In order for a school district to take advantage of the flexibility provisions, at least seventy-five percent of the school district's per pupil expenditures must be utilized within the InSite categories of instruction, instructional support, and non-instruction pupil services. No portion of the seventy-five percent may be used for business services, debt service, capital outlay, program management, and leadership services, as defined by InSite. The school district shall report to the Department of Education the actual percentage of its per pupil expenditures used for classroom instruction, instructional support, and non-instruction pupil services for the current school year ending June thirtieth. Salaries of on-site principals must be included in the calculation of the district's per pupil expenditures.

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“InSite” means the financial analysis model for education programs utilized by the Department of Education.

School districts are encouraged to reduce expenditures by means, including, but not limited to, limiting the number of low enrollment courses, reducing travel for the staff and the school district’s board, reducing and limiting activities requiring dues and memberships, reducing transportation costs for extracurricular and academic competitions, restructuring administrative staffing, and expanding virtual instruction.

School districts and special schools may carry forward unexpended funds from the prior fiscal year into the current fiscal year.

Prior to implementing the flexibility authorized herein, school districts must provide to Public Charter Schools the per pupil allocation due to them for each categorical program.

Quarterly throughout the current fiscal year, the chairman of each school district’s board and the superintendent of each school district must certify where non-instructional or non-essential programs have been suspended and the specific flexibility actions taken. The certification must be in writing, signed by the chairman and the superintendent, delivered electronically to the State Superintendent of Education, and an electronic copy forwarded to the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the House Education and Public Works Committee. Additionally, the certification must be presented publicly at a regularly called school board meeting, and the certification must be conspicuously posted on the internet website maintained by the school district.

For the current fiscal year, Section 59-21-1030 is suspended. Formative assessments for grades one, two, and nine, the foreign language program assessment, and the physical education assessment must be suspended. School districts and the Department of Education are granted permission to purchase the most economical type of bus fuel.

For the current fiscal year, savings generated from the suspension of the assessments enumerated above must be allocated to school districts based on weighted pupil units.

School districts must maintain a transaction register that includes a complete record of all funds expended over one hundred dollars, from whatever source, for whatever purpose. The register must be

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prominently posted on the district's internet website and made available for public viewing and downloading. The register must include for each expenditure:

- (i) the transaction amount;
- (ii) the name of the payee; and
- (iii) a statement providing a detailed description of the expenditure.

The register must not include an entry for salary, wages, or other compensation paid to individual employees. The register must not include any information that can be used to identify an individual employee. The register must be accompanied by a complete explanation of any codes or acronyms used to identify a payee or an expenditure. The register must be searchable and updated at least once a month.

Each school district must also maintain on its internet website a copy of each monthly statement for all of the credit cards maintained by the entity, including credit cards issued to its officers or employees for official use. The credit card number on each statement must be redacted prior to posting on the internet website. Each credit card statement must be posted not later than the thirtieth day after the first date that any portion of the balance due as shown on the statement is paid.

The Comptroller General must establish and maintain a website to contain the information required by this section from a school district that does not maintain its own internet website. The internet website must be organized so that the public can differentiate between the school districts and search for the information they are seeking.

School districts that do not maintain an internet website must transmit all information required by this provision to the Comptroller General in a manner and at a time determined by the Comptroller General to be included on the internet website.

The provisions contained herein do not amend, suspend, supersede, replace, revoke, restrict, or otherwise affect Chapter 4, Title 30, the South Carolina Freedom of Information Act.

1A.18. (SDE-EIA: Teacher Salary Supplement) The department is directed to carry forward prior year unobligated teacher salary supplement and related employer contribution funds into the current fiscal year to be used for the same purpose.

1A.19. (SDE-EIA: Dropout Prevention and High Schools That Work Programs) The Department of Education must report annually by

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December first, to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee on the effectiveness of dropout prevention programs funded by the Education and Economic Development Act and on the High Schools that Work Programs' progress and effectiveness in providing a better prepared workforce and student success in post-secondary education. The department, school districts, and special schools may carry forward unexpended funds from the prior fiscal year into the current fiscal that were allocated for High Schools That Work.

1A.20. (SDE-EIA: Assessment) The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the purpose of paying for state assessment activities not completed by the end of the fiscal year including the scoring of the spring statewide accountability assessment.

1A.21. (SDE-EIA: Report Card Information) The percentage each school district expended on classroom instruction as defined by the Department of Education's InSite classification for "Instruction" must be printed on the Annual School and District Report Card.

1A.22. (SDE-EIA: Core Curriculum Materials) The funds appropriated in Part IA, Section 1, XII.A.3 for instructional materials for core curriculum shall be expended consistent with the requirements of Section 59-31-600 of the 1976 Code requiring the development of higher order thinking skills and critical thinking which should be integrated throughout the core curriculum instructional materials. Furthermore, the evaluation criteria used to select instructional materials with funds appropriated in Part IA, Section 1, XII.A.3 shall include a weight of up to ten percent of the overall criteria to the development of higher order thinking skills and critical thinking.

1A.23. (SDE-EIA: XII-E.2.- Certified Staff Technology Proficiency) To ensure the effective and efficient use of the funding provided by the General Assembly in Part IA, Section 1 XII.E.2 for school technology in the classroom and internet access, the State Department of Education shall approve district technology plans that specifically address and incorporate certified staff technology competency standards and local school districts must require certified staff to demonstrate proficiency in these standards as part of each certified staff's Professional Development plan. The Department of Education's professional development tracking, prescriptive and electronic portfolio system for

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certified staff is the preferred method for demonstrating technology proficiency as this system is aligned to the International Society for Technology in Education (ISTE) teacher standards. Evidence that districts are meeting the requirement is a prerequisite to expenditure of a district's technology funds.

1A.24. (SDE-EIA: Accountability Program Implementation) To support implementation of the accountability program, the Education Oversight Committee may carry forward unexpended Education Accountability Act funds authorized specifically for the administration of the Education Oversight Committee.

1A.25. (SDE-EIA: 4K Targeting) EIA funds allocated for the provision of four-year-old kindergarten shall be utilized for the provision of services to age-eligible children qualifying for free or reduced-price lunch or Medicaid. Children with developmental delays documented through state approved screening assessments or children with medically documented disabilities who do not already qualify for special need services should also be considered for enrollment. In the event that more students seek to enroll than available space permits, districts shall prioritize students (at the time of acceptance) on the basis of family income expressed as a percentage of the federal poverty guidelines, with the lowest family incomes given the highest enrollment priority.

1A.26. (SDE-EIA: Reading) Of the funds appropriated for reading/literacy, the Department of Education, schools, and districts shall ensure that resources are utilized to improve student achievement in reading/literacy. To focus on the importance of early reading and writing skills and to ensure that all students acquire reading/literacy skills by the end of grade three, fifty percent of the appropriation shall be directed toward acquisition of reading proficiency to include, but not be limited to, strategies in phonemic awareness, phonics, fluency, vocabulary, and comprehension. Forty percent of the appropriation shall be directed toward classroom instruction and intervention to focus on struggling readers and writers in grades four through eight. Ten percent of the appropriation should be directed toward acceleration to provide additional opportunities for deepening and refinement of literacy skills.

Fifty percent of the funds shall be allocated to school districts based on the number of weighted pupil units in each school district in proportion to the statewide weighted pupil units using the one hundred thirty-five day count of the prior school year. Fifty percent of the funds

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shall be allocated to the Department of Education to provide districts with research-based strategies and professional development and to work directly with schools and districts to assist with implementation of research-based strategies. When providing professional development the department and school districts must use the most cost effective method and when able utilize ETV to provide such services throughout the state. The department shall provide for an evaluation to review first year implementation activities and to establish measurements for monitoring impact on student achievement.

1A.27. (SDE-EIA: Artistically and Academically High-Achieving Students) EIA funds appropriated for high achieving students must be allocated to districts based on three factors: (1) the number of students served in academic gifted and talented programs based on the prior year's one hundred thirty-five day count of average daily membership adjusted for the current year's forty-five day count and the number of students identified as artistically gifted and talented; (2) the number of students taking Advanced Placement or International Baccalaureate (IB) exams in the prior year; and (3) a per pupil allocation for charter schools serving state-identified artistically and academically high-achieving students in core academic classes with an accelerated curriculum that has been verified by the Department of Education to meet the requirements of State Board of Education Regulation 43-220 and if they are serving state-identified artistically and academically high-achieving students in core academic courses which are included on the prior year's Commission on Higher Education's list of transferable courses. The Department of Education shall report to the Senate Education Committee and the House Education and Public Works Committee regarding the allocation and distribution of the funds by June first. At least eighty-five percent of the funds appropriated for each student classified herein must be spent for instruction and instructional support for students who generated the funds. Up to \$500,000 of the funds may be retained by the Department of Education for teacher endorsement and certification activities. Districts shall set-aside twelve percent of the funds for serving artistically gifted and talented students in grades three through twelve.

The board of trustees of a school district electing to charge a fee to the parent or legal guardian of a student taking the Advanced Placement or International Baccalaureate exam is required to develop a policy for such a fee which accounts for the student's ability to pay and at an amount not to exceed the actual test cost. A test fee may not be

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charged to students eligible for free lunch and must be pro rata for students eligible for reduced price lunch if the parent or legal guardian requests.

1A.28. (SDE-EIA: Students at Risk of School Failure) For the current fiscal year, EIA funds appropriated for students at academic risk of school failure, which include funds for Act 135 Academic Assistance, summer school, reduce class size, alternative schools, parent support and family literacy, must be allocated to school districts based two factors: (1) the poverty index of the district as documented on the most recent district report card, which measures student eligibility for the free or reduced price lunch program and Medicaid; and (2) the number of students not in poverty or eligible for Medicaid but who fail to meet state standards on state standards-based assessments in either reading or mathematics. At least eighty-five percent of the funds allocated for students classified as at academic risk must be spent on instruction and instructional support for these students who generated the funds. Instructional support may include family literacy and parenting programs to students at-risk for school failure and their families. Students at academic risk are defined as students who are at risk of not graduating from high school because they failed either the English language arts or mathematics portion of the High School Assessment Program on first attempt and who score not met on grades three through eight in reading and mathematics state assessments. Public charter schools, the Palmetto Unified School District, and the Department of Juvenile Justice must also receive a proportionate per pupil allocation based on the number of students at academic risk of school failure served.

1A.29. (SDE-EIA: Professional Development) EIA funds appropriated for professional development must be allocated to districts based on the number of weighted pupil units in each school district in proportion to the statewide weighted pupil units using the one hundred thirty-five day count of the prior school year. The funds must be expended on professional development for certificated instructional and instructional leadership personnel in grades kindergarten through twelve across all content areas, including teaching in and through the arts. No more than twenty-five percent of the funds appropriated for professional development may be retained by the Department of Education for the administration and provision of professional development services. The Department of Education must provide professional development on assessing student mastery of the content

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standards through classroom, formative and end-of-year assessments. The Department of Education also must post on the agency's website the South Carolina Professional Development Standards and provide training through telecommunication methods to school leadership on the professional development standards.

1A.30. (SDE-EIA: Assessments-Gifted & Talented, Advanced Placement, & International Baccalaureate Exams) Of the funds appropriated and/or authorized for assessment, up to \$4,600,000 shall be used for assessments to determine eligibility of students for gifted and talented programs and for the cost of Advanced Placement and International Baccalaureate exams.

1A.31. (SDE-EIA: Adult Education) A minimum of thirty percent of the funds appropriated for adult education must be allocated to school districts to serve adult education students between the ages of seventeen and twenty-one who are enrolled in programs leading to a state high school diploma, state high school equivalency diploma (GED), or career readiness certificate (WorkKeys). The remaining funds will be allocated to districts based on a formula which includes target populations without a high school credential, program enrollment the previous school year, total hours of attendance the previous school year, and performance factors such as number of high school credentials and career readiness certificates awarded the previous school year. Overall levels of state funding must meet the federal requirement of state maintenance of effort. Each school district must collect information from both the student and the school including why the student has enrolled in Adult Education and whether or not the student is pursuing a GED or Diploma. The school district must then provide a quarterly report to the Department of Education and must include the unique student identifier. The department, in turn, will provide summary information to the House Ways and Means Committee, the House Education and Public Works Committee, the Senate Finance Committee and the Senate Education Committee on the information.

1A.32. (SDE-EIA: Clemson Agriculture Education Teachers) The funds appropriated in Part IA, Section XII.F.2 for Clemson Agriculture Education Teachers must be transferred to Clemson University PSA to fund summer employment of agriculture teachers and to cover state-mandated salary increases on that portion of the agriculture teachers' salaries attributable to summer employment.

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1A.33. (SDE-EIA: Incentive for National Board Certification After June 30, 2010) Public school classroom teachers to include teachers employed at the special schools or classroom teachers who work with classroom teachers to include teachers employed at the special schools who are certified by the State Board of Education and who complete the application process on or after July 1, 2010 shall be paid a \$5,000 salary supplement in the year of achieving certification. The special schools include the Governor's School for Science and Math, Governor's School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Felton Lab, Department of Juvenile Justice and Palmetto Unified School District 1. The \$5,000 salary supplement shall be added to the annual pay of the teacher, not to exceed ten years of the national certificate. However, the \$5,000 supplement shall be adjusted on a pro rata basis for the teacher's FTE and paid to the teacher in accordance with the district's payroll procedure. The Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) shall administer whereby teachers who are United States citizens or permanent resident aliens apply to the National Board for Professional Teaching Standards for certification on or after July 1, 2010. Should the program not be suspended, up to nine hundred applications shall be processed annually. Of the funds appropriated in Part IA, Section 1, XII.C.2. for National Board Certification, the Department of Education shall transfer to the Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) the funds necessary for the administration of teachers applying to the National Board for Professional Teaching Standards for certification.

1A.34. (SDE-EIA: Child Development Education Pilot Program) There is created the South Carolina Child Development Education Pilot Program (CDEPP). This program shall be available for the current school year on a voluntary basis and shall focus on the developmental and learning support that children must have in order to be ready for school and must incorporate parenting education.

(A) For the current school year, with funds appropriated by the General Assembly, the South Carolina Child Development Education Pilot Program shall first be made available to eligible children from the trial and plaintiff school districts in the Abbeville County School District et. al. vs. South Carolina and then expanded to eligible children residing in school districts with a poverty index of seventy-five percent or greater.

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Unexpended funds from the prior fiscal year for this program shall be carried forward and shall remain in the program. In rare instances, students with documented kindergarten readiness barriers may be permitted to enroll for a second year, or at age five, at the discretion of the Department of Education for students being served by a public provider or at the discretion of the Office of South Carolina First Steps to School Readiness for students being served by a private provider.

(B) Each child residing in the pilot districts, who will have attained the age of four years on or before September first, of the school year, and meets the at-risk criteria is eligible for enrollment in the South Carolina Child Development Education Pilot Program for one year.

The parent of each eligible child may enroll the child in one of the following programs:

(1) a school-year four-year-old kindergarten program delivered by an approved public provider; or

(2) a school-year four-year-old kindergarten program delivered by an approved private provider.

The parent enrolling a child must complete and submit an application to the approved provider of choice. The application must be submitted on forms and must be accompanied by a copy of the child's birth certificate, immunization documentation, and documentation of the student's eligibility as evidenced by family income documentation showing an annual family income of one hundred eighty-five percent or less of the federal poverty guidelines as promulgated annually by the United States Department of Health and Human Services or a statement of Medicaid eligibility.

In submitting an application for enrollment, the parent agrees to comply with provider attendance policies during the school year. The attendance policy must state that the program consists of 6.5 hours of instructional time daily and operates for a period of not less than one hundred eighty days per year. Pursuant to program guidelines, noncompliance with attendance policies may result in removal from the program.

No parent is required to pay tuition or fees solely for the purpose of enrolling in or attending the program established under this provision. Nothing in this provision prohibits charging fees for childcare that may be provided outside the times of the instructional day provided in these programs.

If by October first of the school year at least seventy-five percent of the total number of eligible CDEPP children in a district or county are

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projected to be enrolled in CDEPP, Head Start or ABC Child Care Program as determined by the Department of Education and the Office of First Steps, CDEPP providers may then enroll pay-lunch children who score at or below the twenty-fifth national percentile on two of the three DIAL-3 subscales and may receive reimbursement for these children if funds are available.

(C) Public school providers choosing to participate in the South Carolina Four-Year-Old Child Development Kindergarten Program must submit an application to the Department of Education. Private providers choosing to participate in the South Carolina Four-Year-Old Child Development Kindergarten Program must submit an application to the Office of First Steps. The application must be submitted on the forms prescribed, contain assurances that the provider meets all program criteria set forth in this provision, and will comply with all reporting and assessment requirements.

Providers shall:

- (1) comply with all federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, or need for special education services;
- (2) comply with all state and local health and safety laws and codes;
- (3) comply with all state laws that apply regarding criminal background checks for employees and exclude from employment any individual not permitted by state law to work with children;
- (4) be accountable for meeting the education needs of the child and report at least quarterly to the parent/guardian on his progress;
- (5) comply with all program, reporting, and assessment criteria required of providers;
- (6) maintain individual student records for each child enrolled in the program to include, but not be limited to, assessment data, health data, records of teacher observations, and records of parent or guardian and teacher conferences;
- (7) designate whether extended day services will be offered to the parents/guardians of children participating in the program;
- (8) be approved, registered, or licensed by the Department of Social Services; and
- (9) comply with all state and federal laws and requirements specific to program providers.

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Providers may limit student enrollment based upon space available. However if enrollment exceeds available space, providers shall enroll children with first priority given to children with the lowest scores on an approved pre-kindergarten readiness assessment. Private providers shall not be required to expand their programs to accommodate all children desiring enrollment. However, providers are encouraged to keep a waiting list for students they are unable to serve because of space limitations.

(D) The Department of Education and the Office of First Steps to School Readiness shall:

- (1) develop the provider application form;
 - (2) develop the child enrollment application form;
 - (3) develop a list of approved research-based preschool curricula for use in the program based upon the South Carolina Content Standards, provide training and technical assistance to support its effective use in approved classrooms serving children;
 - (4) develop a list of approved pre-kindergarten readiness assessments to be used in conjunction with the program, provide assessments and technical assistance to support assessment administration in approved classrooms serving children;
 - (5) establish criteria for awarding new classroom equipping grants;
 - (6) establish criteria for the parenting education program providers must offer;
 - (7) establish a list of early childhood related fields that may be used in meeting the lead teacher qualifications;
 - (8) develop a list of data collection needs to be used in implementation and evaluation of the program;
 - (9) identify teacher preparation program options and assist lead teachers in meeting teacher program requirements;
 - (10) establish criteria for granting student retention waivers;
- and
- (11) establish criteria for granting classroom size requirements waivers.

(E) Providers of the South Carolina Child Development Education Pilot Program shall offer a complete educational program in accordance with age-appropriate instructional practice and a research based preschool curriculum aligned with school success. The program must focus on the developmental and learning support children must have in order to be ready for school. The provider must also

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incorporate parenting education that promotes the school readiness of preschool children by strengthening parent involvement in the learning process with an emphasis on interactive literacy.

Providers shall offer high-quality, center-based programs that must include, but shall not be limited to, the following:

(1) employ a lead teacher with a two-year degree in early childhood education or related field or be granted a waiver of this requirement from the Department of Education or the Office of First Steps to School Readiness;

(2) employ an education assistant with pre-service or in-service training in early childhood education;

(3) maintain classrooms with at least ten four-year-old children, but no more than twenty four-year-old children with an adult to child ratio of 1:10. With classrooms having a minimum of ten children, the 1:10 ratio must be a lead teacher to child ratio. Waivers of the minimum class size requirement may be granted by the South Carolina Department of Education for public providers or by the Office of First Steps to School Readiness for private providers on a case-by-case basis;

(4) offer a full day, center-based program with 6.5 hours of instruction daily for one hundred eighty school days;

(5) provide an approved research-based preschool curriculum that focuses on critical child development skills, especially early literacy, numeracy, and social/emotional development;

(6) engage parents' participation in their child's educational experience that shall include a minimum of two documented conferences per year; and

(7) adhere to professional development requirements outlined in this article.

(F) Every classroom providing services to four-year-old children established pursuant to this provision must have a lead teacher with at least a two-year degree in early childhood education or related field and who is enrolled and is demonstrating progress toward the completion of a teacher education program within four years. Every classroom must also have at least one education assistant per classroom who shall have the minimum of a high school diploma or the equivalent, and at least two years of experience working with children under five years old. The teaching assistant shall have completed the Early Childhood Development Credential (ECD) 101 or enroll and complete this course within twelve months of hire. Providers may

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request waivers to the ECD 101 requirement for those assistants who have demonstrated sufficient experience in teaching children five years old and younger. The providers must request this waiver in writing to their designated administrative agency (First Steps or the Department of Education) and provide appropriate documentation as to the qualifications of the teaching assistant.

(G) The General Assembly recognizes there is a strong relationship between the skills and preparation of pre-kindergarten instructors and the educational outcomes of students. To improve these education outcomes, participating providers shall require all personnel providing instruction and classroom support to students participating in the South Carolina Child Development Education Pilot Program to participate annually in a minimum of fifteen hours of professional development to include teaching children from poverty. Professional development should provide instruction in strategies and techniques to address the age-appropriate progress of pre-kindergarten students in developing emergent literacy skills, including but not limited to, oral communication, knowledge of print and letters, phonemic and phonological awareness, and vocabulary and comprehension development.

(H) Both public and private providers shall be eligible for transportation funds for the transportation of children to and from school. Nothing within this provision prohibits providers from contracting with another entity to provide transportation services provided the entities adhere to the requirements of Section 56-5-195. Providers shall not be responsible for transporting students attending programs outside the district lines. Parents choosing program providers located outside of their resident district shall be responsible for transportation. When transporting four-year-old child development students, providers shall make every effort to transport them with students of similar ages attending the same school. Of the amount appropriated for the program, not more than \$185 per student shall be retained by the Department of Education for the purposes of transporting four-year-old students. This amount must be increased annually by the same projected rate of inflation as determined by the Division of Research and Statistics of the Budget and Control Board for the Education Finance Act.

(I) For all private providers approved to offer services pursuant to this provision, the Office of First Steps to School Readiness shall:

- (1) serve as the fiscal agent;

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(2) verify student enrollment eligibility;

(3) recruit, review, and approve eligible providers. In considering approval of providers, consideration must be given to the provider's availability of permanent space for program service and whether temporary classroom space is necessary to provide services to any children;

(4) coordinate oversight, monitoring, technical assistance, coordination, and training for classroom providers;

(5) serve as a clearing house for information and best practices related to four-year-old kindergarten programs;

(6) receive, review, and approve new classroom grant applications and make recommendations for approval based on approved criteria;

(7) coordinate activities and promote collaboration with other private and public providers in developing and supporting four-year-old kindergarten programs;

(8) maintain a database of the children enrolled in the program; and

(9) promulgate guidelines as necessary for the implementation of the pilot program.

(J) For all public school providers approved to offer services pursuant to this provision, the Department of Education shall:

(1) serve as the fiscal agent;

(2) verify student enrollment eligibility;

(3) recruit, review, and approve eligible providers. In considering approval of providers, consideration must be given to the provider's availability of permanent space for program service and whether temporary classroom space is necessary to provide services to any children;

(4) coordinate oversight, monitoring, technical assistance, coordination, and training for classroom providers;

(5) serve as a clearing house for information and best practices related to four-year-old kindergarten programs;

(6) receive, review, and approve new classroom grant applications and make recommendations for approval based on approved criteria;

(7) coordinate activities and promote collaboration with other private and public providers in developing and supporting four-year-old kindergarten programs;

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(8) maintain a database of the children enrolled in the program; and

(9) promulgate guidelines as necessary for the implementation of the pilot program.

(K) The General Assembly shall provide funding for the South Carolina Child Development Education Pilot Program. For the current school year, the funded cost per child shall be \$4,218 increased annually by the rate of inflation as determined by the Division of Research and Statistics of the Budget and Control Board for the Education Finance Act. Eligible students enrolling with private providers during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall be eligible for a reimbursement of \$550 per eligible child transported. Providers who are reimbursed are required to retain records as required by their fiscal agent. Providers enrolling between one and six eligible children shall be eligible to receive up to \$1,000 per child in materials and equipment grant funding, with providers enrolling seven or more such children eligible for grants not to exceed \$10,000. Providers receiving equipment grants are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps.

(L) Pursuant to this provision, the Department of Social Services shall:

(1) maintain a list of all approved public and private providers; and

(2) provide the Department of Education and the Office of First Steps information necessary to carry out the requirements of this provision.

(M) The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers.

(N) Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to

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issue findings in a report to the General Assembly by January 15 of each year. The evaluation shall include, but is not limited to: (1) student data including the number of at-risk four-year-old kindergarten students served in publically funded programs, by county and by program; (2) program effectiveness including developmentally appropriate assessments of children to measure emerging literacy and numeracy; (3) individual classroom assessments to determine program quality; (4) longitudinal analysis of academic and non-academic measures of success for children who participated in the program; and (5) an evaluation of the professional development, monitoring and assistance offered to public and private providers.

To aid in this evaluation, the Education Oversight Committee shall determine the data necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades.

1A.35. (SDE-EIA: Aid to Districts) Funds appropriated in Part IA, Section 1, XII.A.1 Aid to Districts shall be dispersed to school districts based on the number of weighted pupil units.

*****1A.36. (SDE-EIA: Carry Forward) EIA carry forward from the prior fiscal year and Fiscal Year 2013-2014 and not otherwise appropriated or authorized must be carried forward and expended first to provide Clemson University with \$1,000,000 no later than July fifteenth to fund a summer reading pilot program for low income elementary school students. Clemson University will work in conjunction with the Education Oversight Committee to determine the outcomes of the program. Clemson University is authorized to retain no more than fifteen percent of the funds to complete the***

** See note at end of Act.

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study. Funds also must be expended to provide \$200,000 to each school that was designated by the department as a Palmetto Priority School in the prior year but did not receive an allocation of EIA technical assistance funds in the prior fiscal year to improve teacher recruitment and retention, to reduce the district's dropout rate, to improve student achievement in reading/literacy, or to train teachers in how to teach children of poverty as stipulated in the school's renewal plan. If funds are not sufficient to provide \$200,000 to each qualifying school, the \$200,000 shall be reduced on a pro-rata basis. Any balance remaining must be expended for school bus fuel costs, National Board Supplements, and Instructional Materials.

1A.37. (SDE-EIA: Centers of Excellence) Of the funds appropriated for Centers of Excellence, \$350,000 must be allocated to the Francis Marion University Center of Excellence to Prepare Teachers of Children of Poverty to expand statewide training for individuals who teach children of poverty through weekend college, non-traditional or alternative learning opportunities. The center also is charged with developing a sequence of knowledge and skills and program of study for add-on certification for teachers specializing in teaching children of poverty.

1A.38. (SDE-EIA: IDEA Maintenance of Effort) Prior to the dispersal of funds appropriated in Section XII.A.1 Aid to Districts according to Proviso 1A.35 for Fiscal Year 2013-2014, the department shall direct funds appropriated in Section XII.A.1 Aid To Districts to school districts and special schools for supplemental support of programs and services for students with disabilities, to meet the estimated maintenance of effort for IDEA. Funds provided for the maintenance of effort for IDEA may not be transferred to any other purpose and therefore are not subject to flexibility. The department shall distribute these funds using the current fiscal year one hundred thirty-five day Average Daily Membership. For continued compliance with the federal maintenance of efforts requirements of the IDEA, funding for children with disabilities must, to the extent practicable, be held harmless to budget cuts or reductions to the extent those funds are required to meet federal maintenance of effort requirements under the IDEA. In the event cuts to funds that are needed to maintain fiscal effort are necessary, when administering such cuts, the department must not reduce funding to support children with disabilities who qualify for services under the IDEA in a manner that is disproportionate to the level of overall reduction to state programs in

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general. By December 1, 2013, the department must submit an estimate of the IDEA MOE requirement to the General Assembly and the Governor. The department is directed to transfer \$350,000 to the South Carolina Autism Society for the Autism Parent-School Partnership Program, as long as sufficient funds are available to meet the IDEA maintenance of effort.

1A.39. (SDE-EIA: Career Cluster Industry Partnerships) From the funds appropriated to the Department of Education, \$800,000 must be provided as direct grants to the private sector statewide trade association or educational foundation providing nationally certified programs in career and technology education representing the automotive, construction, engineering, healthcare, mechanical contracting/construction, and hospitality tourism career clusters. Organizations applying for a grant must do so by July first and the Department of Education must award a minimum of one grant of at least \$150,000 in at least four of these specified career clusters to be used exclusively for career and technology education. The recipient industry organization must conduct end-of-course exams graded by a national industry organization and must include in their grant request how the money will be spent to further industry-specific career technology education; a description and history of their program nationally and within South Carolina; estimates of future employment growth in their industry; and the national scope of their program. By August first of the following year, the organization must submit to the department a report detailing how the grant increased industry/employer awareness; the number of increased schools using the industry-based curriculum and partnered with the industry organization; the increased number of students in the program; and an overview and analysis of the organization's statewide student competition. The grant must be used for career awareness programs for that industry cluster; statewide student competitions leading to national competitions; teacher development and training; post-secondary scholarships in industry-specific degree programs; student recruitment into that career cluster programs; programs to educate middle and high school Career or Guidance Counselors about the industry; service to disadvantaged youth; and administering business/employer awareness and partnerships which help lead to experience-based, career-oriented experiences including internships, apprenticeships, mentoring, co-op education and service learning. The Office of Career and Technology Education of the department will

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develop goals with each career cluster on the number of new schools using the industry-based curriculum and partnered with that career cluster organization. These funds may not be used to supplant or replace, in whole or in part, other existing resources/assets sourced outside the present grant being used to provide the same services or programs. Organizations may carry-over grants for up to three years when a large project is identified in the grant application to be used at a future date; otherwise excess funds must be returned to the state. Organizations awarded must submit a semi-annual report on the last day of December that has been audited by a third party accounting firm in addition to the final report due August first.

1A.40. (SDE-EIA: Partnerships/Other Agencies & Entities) For the current fiscal year, agencies and other entities receiving funds appropriated in Part IA, Section 1, XII.F.2. will continue to report annually to the Education Oversight Committee (EOC). Any entity receiving funds that must flow through a state agency will receive those funds through the EOC. The EOC will make funding recommendations to the Governor and General Assembly as part of the agency's annual budget request.

1A.41. (SDE-EIA: ETV Teacher Training/Support) Of the funds appropriated in Part IA, Section 1, XII.F.2. South Carolina Educational Television must provide training and technical support on the educational resources available to teachers and school districts.

1A.42. (SDE-EIA: Career and Technology Education Consumables) Funds appropriated for Career and Technology Education may be utilized to purchase textbooks, instructional materials and other consumables used in classroom instruction.

1A.43. (SDE-EIA: XII.C.2.-Teacher Salaries/SE Average) The projected Southeastern average teacher salary shall be the average of the average teachers' salaries of the southeastern states as projected by the Division of Budget and Analyses. For the current school year the Southeastern average teacher salary is projected to be \$48,858. The General Assembly remains desirous of raising the average teacher salary in South Carolina through incremental increases over the next few years so as to make such equivalent to the national average teacher salary.

The statewide minimum teacher salary schedule used in Fiscal Year 2012-2013 will continue to be used in Fiscal Year 2013-2014.

Additionally, for the current fiscal year, a local school district board of trustees must increase the salary compensation for all eligible

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certified teachers employed by the district by no less than one year of experience credit using the district salary schedule utilized the prior fiscal year as the basis for providing the step. Application of this provision must be applied uniformly for all eligible certified teachers.

Funds appropriated in Part IA, Section 1, XII.C.2. for Teacher Salaries must be used to increase salaries of those teachers eligible pursuant to Section 59-20-50 (b), to include classroom teachers, librarians, guidance counselors, psychologists, social workers, occupational and physical therapists, school nurses, orientation/mobility instructors, and audiologists in the school districts of the state.

For purposes of this provision teachers shall be defined by the Department of Education using the Professional Certified Staff (PCS) System.

1A.44. (SDE-EIA: PowerSchool Dropout Recovery Data) With the funds appropriated to the Department of Education for PowerSchool and data collection, the department will begin in the current fiscal year to collect data from schools and school districts on the number of students who had previously dropped out of school and who reenrolled in a public school or adult education to pursue a high school diploma. The Education Oversight Committee working with the Department of Education will determine how to calculate a dropout recovery rate that will be reflected on the annual school and district report cards. The Department of Education shall report to the Senate Education Committee and the House Education and Public Works Committee on the implementation of a dropout recovery rate.

1A.45. (SDE-EIA: Assisting, Developing and Evaluating Professional Teaching -ADEPT) With funds appropriated in the current fiscal year, the Department of Education, school districts, the Department of Juvenile Justice and special schools of the state may continue implementation of the ADEPT program. Governing boards of public institutions of higher education may provide by policy or regulation for a tuition waiver for the tuition for one three-hour course at that institution for those public school teachers who serve as supervisors for full-time students completing education degree requirements. Unexpended funds appropriated for this purpose may be carried forward from the prior fiscal year into the current fiscal year and expended for the same purposes.

1A.46. (SDE-EIA: Summer Exit Exam Cost) Funds appropriated in Part IA, Section 1, XII.A.2 may be used to offset the costs of the

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summer administration of the Exit Examination. These funds may be expended to cover the costs related to developing, printing, shipping, scoring, and reporting the results of the assessments. Local school districts may absorb local costs related to administration.

1A.47. (SDE-EIA: Refurbishing Science Kits) Funds appropriated for the purchase of textbooks and other instructional materials may be used for reimbursing school districts to offset the costs of refurbishing science kits on the state-adopted textbook inventory, purchasing new kits from the central textbook depository, or a combination of refurbishment and purchase. The refurbishing cost of kits may not exceed the cost of the state-adopted refurbishing kits plus a reasonable amount for shipping and handling. Costs for staff development, personnel costs, equipment, or other costs associated with refurbishing kits on state inventory are not allowable costs.

1A.48. (SDE-EIA: Assessment Preparation) From the funds appropriated in Part IA for Assessment Preparation, the Department of Education shall institute a plan reviewing the strengths and weaknesses of students on national assessments such as, but not limited to, the SAT, ACT, WorkKeys, GED, Advanced Placement exams, and International Baccalaureate exams. The department shall use reports that analyze student strengths and weaknesses to provide guidance to local school districts.

1A.49. (SDE-EIA: Next Generation Science Standards) No funds shall be expended in the current fiscal year by the Department of Education, the Education Oversight Committee, or the State Board of Education to participate in, implement, adopt or promote the Next Generation Science Standards initiative.

1A.50. (SDE-EIA: XII.C.2-National Board Certification Incentive) Public school classroom teachers to include teachers employed at the special schools or classroom teachers who work with classroom teachers to include teachers employed at the special schools who are certified by the State Board of Education and who have been certified by the National Board for Professional Teaching Standards or completed the application process prior to July 1, 2010 shall be paid a \$7,500 salary supplement beginning July first in the year following the year of achieving certification, beginning with 2009 applicants. The special schools include the Governor's School for Science and Math, Governor's School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Felton Lab, Department of Juvenile Justice and Palmetto

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Unified School District 1. The \$7,500 salary supplement shall be added to the annual pay of the teacher for the length of the national certificate. However, the \$7,500 supplement shall be adjusted on a pro rata basis for the teacher's FTE and paid to the teacher in accordance with the district's payroll procedure. The Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) shall administer the programs whereby teachers who are United States citizens or permanent resident aliens, and who applied to the National Board for Professional Teaching Standards for certification prior to July 1, 2010, may receive a loan equal to the amount of the application fee. Teachers who applied to the National Board for Professional Teaching Standards for certification prior to July 1, 2010 shall have one-half of the loan principal amount and interest forgiven when the required portfolio is submitted to the national board. Teachers who applied to the National Board for Professional Teaching Standards for certification prior to July 1, 2010 who attain certification within three years of receiving the loan will have the full loan principal amount and interest forgiven. Teachers who previously submitted a portfolio to the National Board for Professional Teaching Standards for certification under previous appropriation acts, shall receive reimbursement of their certification fee as prescribed under the provisions of the previous appropriation act. Funds collected from educators who are in default of the National Board loan shall be retained and carried forward by the department. The department may retain up to ten percent of the funds collected to offset the administrative costs of loan collection. All other funds shall be retained by the department and used for National Board loan purposes. Of the funds appropriated in Part IA, Section 1, XII.C.2 for National Board Certification, the Department of Education shall transfer to the Center for Educator Recruitment, Retention, and Advancement (CERRA-South Carolina) the funds necessary for the administration of the loan program for teachers who applied to the National Board for Professional Teaching Standards for certification prior to July 1, 2010. In addition, teachers who have applied prior to July 1, 2010 and are certified by the National Board for Professional Teaching Standards shall enter a recertification cycle for their South Carolina certificate consistent with the recertification cycle for national board certification. National board certified teachers who have been certified by the National Board for Professional Teaching Standards or completed the application process prior to July 1, 2010 moving to this State who hold a valid standard certificate from their sending state are

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exempted from initial certification requirements and are eligible for a professional teaching certificate and continuing contract status. Their recertification cycle will be consistent with national board certification.

Provided, further, that in calculating the compensation for teacher specialists, the Department of Education shall include state and local compensation as defined in Section 59-18-1530 to include local supplements except local supplements for National Board certification. Teacher specialists remain eligible for state supplement for National Board certification.

1A.51. DELETED

1A.52. (SDE-EIA: XII.F.2. Educational Partnerships) The funds provided to the Center for Educational Partnerships at the College of Education at the University of South Carolina will be used to create a consortium of educational initiatives and services to schools and communities. These initiatives will include, but are not limited to, professional development in writing, geography and other content areas; training; research; advocacy; and practical consultancy. The Center will establish collaborative educational enterprises with schools, school districts, parents, communities, and businesses while fulfilling the responsibilities of the School Improvement Council Assistance. The Center will focus on connecting the educational needs and goals of communities to improve efficiency and effectiveness.

1A.53. (SDE-EIA: XII.F.2. STEM Centers SC) All EIA-funded entities that provide professional development and science programming to teachers and students should be included in the state's science, technology, engineering and mathematics education strategic plan.

1A.54. (SDE-EIA: Technology Academy Pilot) For Fiscal Year 2013-2014 the Department of Education is directed to enter into an agreement with a provider who provides Microsoft IT Academy certification to pilot the Microsoft Technology Academy utilizing available Modernize Vocational Equipment funds. The department must offer high schools across the state the opportunity to participate in the pilot project. The department must report by February 1, 2014 to the House Ways and Means Committee, the House Education and Public Works Committee, the Senate Finance Committee, and the Senate Education Committee on the number of high schools that participated in the pilot and the number of students earning the Microsoft Office Specialists certification.

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****1A.55. (SDE-EIA: EOC Partnerships for Innovation)** *Of the funds appropriated or carried forward from the prior fiscal year, the Education Oversight Committee is directed to participate in public-private partnerships to promote innovative ways to transform the assessment of public education in South Carolina that support increased student achievement in reading and college and career readiness. The Education Oversight Committee may provide financial support to districts and to public-private partnerships for planning and support to implement, sustain and evaluate the innovation and to develop a matrix and measurements of student academic success based on evidence-based models. These funds may also focus on creating public-private literacy partnerships utilizing a 2:1 matching funds provision when the initiative employs research-based methods, has demonstrated success in increasing reading proficiency of struggling readers, and works directly with high poverty schools and districts. The committee will work to expand the engagement of stakeholders including state agencies and boards like the Educational Television Commission, businesses, and higher education institutions. The committee shall annually report to the General Assembly on the measurement results.*

1A.56. (SDE-EIA: XII.F.2 CHE/CERRA) The Center for Educator Recruitment, Retention and Advancement (CERRA) must complete periodic evaluations of the institutions currently hosting a Teaching Fellows (TF) program and ensure that the TF programs at the current host institutions continue to meet the requirements for a TF program as set forth by the CERRA Board of Directors. Further, CERRA is directed to develop a plan and a reasonable timeframe for approving additional TF programs at other public, four-year institutions who wish to be considered to host a TF program, provided the proposed programs meet the requirements for a TF program, as set forth by the CERRA Board of Directors.

1A.57. (SDE-EIA: XII.A.1 - Aid to Districts Draw Down) For Fiscal Year 2013-2014, in order to draw down funds appropriated in Part IA, Section 1, XII.A.1, Aid to Districts, a school district must work with local law enforcement agencies, and when necessary, state law enforcement agencies in order to ensure that the district has an updated school safety plan in place. The safety plan must include safety directives in the classroom, a safe student and staff exit strategy and necessary safety staff. Notice of completion of the updated plan

** See note at end of Act.

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must be submitted to the Department of Education no later than September 1, 2013. The department must report to the Chairman of the House Ways and Means Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Senate Finance Committee and the Chairman of the Senate Education Committee by September 30, 2013, on any districts that failed to submit an updated plan.

1A.58. (SDE-EIA: XII.F.2-CERRA/Teaching Fellows) The additional funds provided to CERRA in the current fiscal year must only be used to support the Teaching Fellows and Teacher Cadet programs.

1A.59. (SDE-EIA: Academic Enrichment Activities) For Fiscal Year 2013-2014 school districts may use funds appropriated for High Achieving Students for academic enrichment activities.

1A.60. (SDE-EIA: South Carolina Success Program) From the funds in specific appropriations Assessment/Testing, the Department of Education shall issue a request for proposal to provide a statewide South Carolina Success Program, a program to be available to all public school districts and open-enrollment charters in the State of South Carolina. The department may use up to \$3,500,000 of the local assessment funds for this program. This program shall provide academic support to students and teachers to help ensure on grade level achievement in reading by making available for grades PreK-8 an online-delivered, interactive reading assessment and research-based intervention program for use both at school and at home. This online program must automatically place students into an individualized on-line curriculum and instruction, provide teachers and administrators with immediate reporting, provide recommendations for interventions and teacher lessons, and provide small group instruction lessons. The program must provide computer adaptive assessments at least eight times per year, and teachers, principals, and districts must have immediate on-line reporting to identify those students who are not reading on grade-level and those that are at risk of failing the state reading assessment pursuant to Section 59-18-310 of the 1976 Code, as amended. The program must make available to parents reporting and resources regarding student participation via a home portal. To ensure effective implementation of the program in conjunction with the beginning of the academic school year, the Department of Education shall issue a request for proposal to carry out the requirements of this

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provision no later than July 5, 2013. Implementation of the program must begin no later than August 15, 2013.

1A.61. DELETED

1A.62. (SDE-EIA: Pilot Assessment) In the current fiscal year and from funds appropriated, there is created a pilot assessment. The Education Oversight Committee may select no more than five school districts to participate in the pilot. To be eligible to participate in the pilot, a school district must have received an absolute rating of Excellent on its most recent state report card and a letter grade of "A" on the most recent federal report card. The district must request and receive approval from the Education Oversight Committee and the State Board of Education to use an alternative assessment to current state assessments in grades three through eight to measure student performance on English language arts, mathematics and science, and in high school the district may use alternative assessments to the High School Assessment program to measure college and career readiness, or any combination thereof. The alternative assessments must be aligned to college and career readiness standards as approved by the State Board of Education and the Education Oversight Committee. The district may use financial flexibility to absorb any additional costs of the alternative assessments with state, local or other funds. The district must still administer the Palmetto Assessment of State Standards in grades three through eight in social studies and the state end-of-course assessment program as funded with EIA revenues. Unless otherwise provided for in law, students graduating in the current fiscal year must still pass all exit exam requirements. The Education Oversight Committee, working with school districts in the pilot, must devise an alternative state district and school report card. In addition the Department of Education must request changes to its ESEA waiver to permit alternative and innovative approaches to assessment.

1A.63. (SDE-EIA: Education and Economic Development Act Carry Forward) Funds provided for the Education and Economic Development Act may be carried forward into the current fiscal year to be expended for the same purposes by the department, school districts, and special schools.

1A.64. DELETED

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3.1. (LEA: Audit) Each state agency receiving lottery funds shall develop and implement procedures to monitor the expenditures of lottery funds in order to ensure that lottery funds are expended in accordance with applicable state laws, rules, and regulations. The Office of the State Auditor shall ensure that state agencies receiving lottery funds have procedures in place to monitor expenditures of lottery funds and that the monitoring procedures are operating effectively.

3.2. (LEA: Technology Lottery Funds) For the purposes of the allocation of technology funds from the lottery proceeds, \$125,000 shall be transferred from the portion designated for two-year institutions to the portion designated for four-year institutions for each University of South Carolina two-year institution that has moved to a four-year status since 2000.

3.3. (LEA: Election Day Sales) For the current fiscal year, Section 59-150-210(E) is suspended.

3.4. DELETED

3.5. (LEA: FY 2013-2014 Lottery Funding) There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Budget and Control Board as directed below. These appropriations must be used to supplement and not supplant existing funds for education.

The Budget and Control Board is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section.

All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.

For Fiscal Year 2013-2014 certified net lottery proceeds and investment earnings and any other proceeds identified by this provision are appropriated as follows:

- (1) Commission on Higher Education and State Board for
Technical and Comprehensive Education--
Tuition Assistance\$47,400,000;
- (2) Commission on Higher Education--
LIFE Scholarships as provided in Chapter 149,
Title 59\$109,306,354;

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- (3) Commission on Higher Education--HOPE
Scholarships as provided in
Section 59-150-370\$7,779,856;
- (4) Commission on Higher Education--Palmetto
Fellows Scholarships as provided in
Section 59-104-20\$30,777,240;
- (5) Commission on Higher Education--
Need-Based Grants.....\$13,000,000;
- (6) Tuitions Grants Commission--Tuition Grants.....\$8,000,000;
- (7) Commission on Higher Education--National
Guard Tuition Repayment Program as
provided in Section 59-111-75\$4,545,000;
- (8) South Carolina State University.....\$2,500,000;
- (9) Technology--Public Four-Year Universities, Two-Year
Institutions, and State Technical Colleges\$7,301,816;
- (10) Department of Education--K-5 Reading, Math,
Science & Social Studies Program as provided
in Section 59-1-525\$26,291,798;
- (11) Department of Education--Grades 6-8 Reading,
Math, Science & Social Studies
Program\$2,000,000;
- (12) School for the Deaf and the Blind--Technology\$200,000;
- (13) Commission on Higher Education--Higher
Education Excellence Enhancement Program.....\$1,028,053;
- ** (14) *Commission on Higher Education--Public
Four-Year Universities, Two-Year Branch Campuses,
and State Technical Colleges -- Academic
Facility Building, Repair and Maintenance, and
Training*..... \$10,509,883;
- (15) Department of Education--Digital
Instructional Material\$4,000,000;
- (16) Department of Education--New School Buses.....\$3,510,000;
- ** (17) *State Library--Union County Carnegie
Library Renovations*..... \$1,250,000;
- and
- ** (18) *Department of Education--New Carolina Transformation
in Education* \$100,000.

** See note at end of Act.

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Fiscal Year 2013-2014 funds appropriated to the Commission on Higher Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds appropriated.

Of the funds appropriated to South Carolina State University, \$250,000 may be used for the BRIDGE Program.

The funds appropriated above in subitem (14) to the Commission on Higher Education for Public Four-Year Universities, Two-Year Branch Campuses, and State Technical Colleges--Academic Facility Building, Repair and Maintenance, and Training shall be distributed as follows:

- (1) Four-Year University and Two-Year Branch Campus Repair and Maintenance - 1:1 Match.....\$1,919,883;
- (2) Spartanburg Community College - Academic Student Center/Industrial Training.....\$840,000;
- (3) Midlands Technical College - Quick Jobs Program.....\$500,000;
- (4) Francis Marion University - Health Sciences Building - 2:1 Match.....\$3,250,000;
- (5) Horry-Georgetown Technical College - Culinary Arts Academic Building 1:1 Match.....\$2,000,000;

and

- (6) Tri-County Technical College - Oconee Economic Development and Workforce Center - 1:1 Match.....\$2,000,000.

The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.

The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full time students.

Fiscal Year 2013-2014 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2013-2014 are fully funded.

If the lottery revenue received for Fiscal Year 2013-2014 is less than the amounts appropriated, the projects and programs receiving

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appropriations for any such year shall have their appropriations reduced on a pro rata basis, except that a reduction must not be applied to the funding of LIFE, HOPE, and Palmetto Fellows Scholarships.

The Commission on Higher Education is authorized to use up to \$260,000 of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process.

The Higher Education Tuition Grants Commission is authorized to use up to \$70,000 of the funds appropriated in this provision for Tuition Grants to provide the necessary level of program support for the grants award process.

For Fiscal Year 2013-2014, of the funds certified from unclaimed prizes, \$1,700,000 shall be appropriated to the Department of Education for the purchase of new school buses; \$1,700,000 shall be appropriated to the Commission on Higher Education and State Board for Technical and Comprehensive Education for Tuition Assistance Two Year Institutions; \$50,000 shall be appropriated to the Department of Alcohol and Other Drug Abuse Services for gambling addiction services; \$2,950,000 shall be appropriated to the Commission on Higher Education for the Higher Education Excellence Enhancement Program; and \$1,600,000 shall be appropriated to the Department of Education for K-5 Reading, Math, Science & Social Studies Program as provided in Section 59-1-525.

If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2013-2014 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis.

Of any unclaimed prize funds available in excess of the Board of Economic Advisors estimate, the first \$3,300,000 shall be directed to the Department of Education for new school buses. The next \$1,500,000 shall be directed to the Commission on Higher Education for the Partnership Among South Carolina Academic Libraries (PASCAL) Program. The next \$5,470,093 shall be directed for Technology: Public Four-Year Universities, Two-Year Institutions, and State Technical Colleges. The next \$2,000,000 shall be directed to the State Library for Aid to County Libraries. The next \$1,000,000 shall be directed to the Commission on Higher Education for the Higher Education Excellence Enhancement Program. The next \$4,000,000 shall be directed to the State Board for Technical and Comprehensive Education for the Allied Health Initiative. The next

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\$1,000,000 shall be directed to the Commission on Higher Education for the Critical Needs Nursing Program. All additional revenue in excess of the amount certified by the Board of Economic Advisors for unclaimed prizes shall be distributed to the Commission on Higher Education for LIFE, HOPE, and Palmetto Fellows Scholarships.

For Fiscal Year 2013-2014, net lottery proceeds and investment earnings realized in the prior fiscal year above the amounts needed to fund the appropriations in this provision are appropriated as follows on a pro-rata basis:

- (1) Department of Education--New School Buses.....\$3,500,000;
- (2) Department of Education--Textbooks.....\$1,500,000;
- (3) Commission on Higher Education--Public
Four-Year Universities, Two-Year Branch Campuses--
Repair and Maintenance 1:1 Match.....\$12,075,000;
- (4) State Board for Technical and Comprehensive Education
--Manufacturing Skills Standards
Council Initiative.....\$1,275,000;
- (5) Commission on Higher Education--Technology--Public
Four-Year Universities, Two-Year Institutions, and State
Technical Colleges\$2,275,000;
- (6) Department of Alcohol and Other Drug Abuse Services for
Gambling Addiction Services\$100,000;
- (7) School for the Deaf and the Blind--Technology\$200,000;
and
- (8) University of South Carolina-Aiken--Science
Center/Building-Roof and HVAC
Repair/Replacement\$575,000.

Based on the methodology described below, funds allocated in this provision to the Commission on Higher Education for repair and maintenance at public four-year universities and two-year branch campuses may only be distributed to an institution to the extent the funds are matched by the institution for repair and maintenance. Matching funds exclude supplemental, capital reserve, lottery, or other non-recurring state funds appropriated to an institution either in the current fiscal year or from a prior fiscal year for repair and maintenance or deferred maintenance projects. Prior to the distribution of these funds, institutions must certify to the commission, in a manner it prescribes, the extent to which they have met this requirement, including the sources of funds utilized to meet this requirement. The commission shall notify the Joint Bond Review Committee of the

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certification received pursuant to this provision. Upon certification, the funds shall be distributed to institutions on a pro rata basis based on the distribution methodology described below provided that the distribution does not exceed an institution's pro rata share or the amount matched by the institution if less than that share. The distribution methodology to be used by the commission shall be based on each institution's proportion of general fund appropriation in Part IA of Act 288 of 2012 as compared to the total general fund appropriation in that Act for all public four-year universities and two-year branch campuses. Funds not matched and distributed shall be carried forward by the commission and used for LIFE, HOPE, and Palmetto Fellows Scholarships. Not later than one hundred twenty days after the close of the fiscal year, the commission shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding the utilization of this provision specifically, as well as the amount spent in the current fiscal year by each public institution of higher learning, by source of funds, on repair and maintenance projects generally, including restoration and renewal of existing facilities or infrastructure, and the amount of repair and maintenance, including restoration and renewal projects, deferred to a subsequent fiscal year by each institution, if any, and the reasons for the deferral.

3.6. DELETED**SECTION 5 - H71-WIL LOU GRAY OPPORTUNITY SCHOOL**

5.1. (WLG: Truants) The Opportunity School will incorporate into its program services for students, ages fifteen and over, who are deemed truant; and will cooperate with the Department of Juvenile Justice, the Family Courts, and School districts to encourage the removal of truant students to the Opportunity School when such students can be served appropriately by the Opportunity School's program.

5.2. (WLG: GED Test) Students attending school at the Wil Lou Gray Opportunity School that are sixteen years of age and are unable to remain enrolled due to the necessity of immediate employment or enrollment in post secondary education may be eligible to take the General Education Development (GED) Test. Prior to taking the GED the student must be pretested using the official General Education Development Practice Test and score a minimum of 2200.

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5.3. (WLG: Deferred Salaries Carry Forward) Wil Lou Gray is authorized to carry forward into the current fiscal year the amount of the deferred salaries and employer contributions earned in the prior fiscal year for non-twelve month employees. These deferred funds are not to be included or part of any other authorized carry forward amount.

5.4. (WLG: Improved Forestry Practices) The Trustees of the Wil Lou Gray Opportunity School may carry out improved forestry practices on the timber holdings of the school property and apply the revenues derived from them and any other revenue source on the property for the further improvement and development of the school forest and other school purposes.

5.5. (WLG: Educational Program Initiatives) Wil Lou Gray Opportunity School is authorized to utilize funds received from the Department of Education for vocational equipment on educational program initiatives.

5.6. (WLG: Lease Revenue) Wil Lou Gray Opportunity School is authorized to retain revenues derived from the lease of school properties titled to or utilized by the school and may use revenues retained for general school operations, including, but not limited to, maintenance of such properties. Unexpended funds may be carried forward into the current fiscal year and used for the same purposes.

5.7. (WLG: USDA Federal Grants) All revenues generated from U.S.D.A. federal grants may be retained and expended by the school in accordance with Federal regulations for the purpose of covering actual expenses in the cafeteria/food service operations of the school.

5.8. (WLG: By-Products Revenue Carry Forward) The Wil Lou Gray Opportunity School is authorized to sell goods that are by-products of the school's programs and operations, charge user fees and fees for services to the general public, individuals, organizations, agencies and school districts, and such revenue may be retained and carried forward into the current fiscal year and expended for the purpose of covering expenses of the school's programs and operations.

5.9. (WLG: Capacity) For Fiscal Year 2013-2014, funds appropriated to Wil Lou Gray Opportunity School must be used to bring the school up to full capacity, to the extent possible, and the school must report electronically to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December first, on how the funds have been utilized and how many additional students have been served.

SECTION 6 - H75-SCHOOL FOR THE DEAF AND THE BLIND

6.1. (SDB: Student Activity Fee) The School for the Deaf and the Blind is authorized to charge to the parents of students at the school a student activity fee, differentiated according to the income of the family. The required student activity fee shall not exceed \$40.00. Such revenue may be retained and carried forward into the current fiscal year and expended for the purpose of covering expenses for student activities.

6.2. (SDB: Weighted Student Cost) The School for the Deaf and the Blind shall receive through the Education Finance Act the average State share of the required weighted cost for each student enrolled in the School.

6.3. (SDB: Admissions) Deaf, blind, multi-disabled and other disabled students identified by the Board of Commissioners as target groups for admission to the South Carolina School for the Deaf and the Blind may be admitted by the School either through direct application by parents or on referral from the local school district. The Board of Commissioners shall define the appropriate admissions criteria including mental capacity, degree of disability, functioning level, age, and other factors deemed necessary by the board. All placement hearings for admission to the South Carolina School for the Deaf and the Blind shall be organized by the School. The South Carolina School for the Deaf and the Blind shall obtain information from the local school district concerning the needs of the student and shall prepare an Individualized Education Plan for each student admitted. All parents applying for admission of their children must sign a statement certifying that they feel the South Carolina School for the Deaf and the Blind is the most appropriate placement which constitutes the least restrictive environment for the individual student, based upon needs identified in the placement meeting and the Individualized Education Plan. The decision concerning placement and least restrictive environment shall be reviewed annually at the IEP Conference.

6.4. (SDB: Adult Vocational Program Fees) The School for the Deaf and the Blind is authorized to charge appropriate tuition, room and board, and other fees to students accepted into the Adult Vocational Program. Such fees will be determined by the School Board of Commissioners, and such revenue shall be retained and carried forward into the current fiscal year and expended by the School for the purpose of covering expenses in the Adult Vocational Program.

SECTION 6 - H75-SCHOOL FOR THE DEAF AND THE BLIND

6.5. (SDB: Mobility Instructor Service Fee) The School for the Deaf and the Blind is authorized to charge a fee for the services of a mobility instructor to provide service on a contractual basis to various school districts in the state, and such revenue shall be retained and carried forward into the current fiscal year and expended by the School for the purpose of covering expenses in the Blind School.

6.6. (SDB: Cafeteria Revenues) All revenues generated from cafeteria operations may be retained and expended by the institution for the purpose of covering actual expenses in cafeteria operations.

6.7. (SDB: School Buses) The school buses of the South Carolina School for the Deaf and the Blind are authorized to travel at the posted speed limit.

6.8. (SDB: USDA Federal Grants) All revenues generated from USDA federal grants may be retained and expended by the SCSDB in accordance with Federal regulations for the purpose of covering actual expenses in the cafeteria/food service operations of the school.

6.9. (SDB: By-Products Revenue Carry Forward) The School for the Deaf and the Blind is authorized to sell goods that are by-products of the school's programs and operations, charge user fees and fees for services to the general public: individuals, organizations, agencies and school districts, and such revenue may be retained and carried forward into the current fiscal year and expended for the purpose of covering expenses of the school's programs and operations.

6.10. (SDB: Deferred Salaries Carry Forward) South Carolina School for the Deaf and the Blind is authorized to carry forward in the current fiscal year the amount of the deferred salaries and employer contributions earned in the prior fiscal year for non-twelve month employees. These deferred funds are not to be included or part of any other authorized carry forward amount.

6.11. (SDB: Sale of Property) After receiving approval from the Budget and Control Board for the sale of property, the school may retain revenues associated with the sale of property titled to or utilized by the school. These funds shall be expended on capital improvements approved by the Joint Bond Review Committee and the Budget and Control Board. For the current fiscal year, the school is authorized to use the retained revenue from the sale of donated property for educational and other operating purposes.

6.12. (SDB: USC-Upstate Visual Impairment Master of Education Program) Of the funds appropriated to the South Carolina School for the Deaf and the Blind, \$50,000 shall be used to fund the Master of

SECTION 6 - H75-SCHOOL FOR THE DEAF AND THE BLIND

Education Program In Visual Impairment at the University of South Carolina - Upstate.

6.13. (SDB: Capacity) For Fiscal Year 2013-2014, funds appropriated to the School for the Deaf and the Blind must be used to bring the school up to full capacity, to the extent possible, and the school must report electronically to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December first, on how the funds have been utilized and how many additional students have been served.

6.14. (SDB: Educational Program Initiatives) The School for the Deaf and Blind is authorized to utilize funds received from the Department of Education for vocational equipment on educational program initiatives.

6.15. (SDB: School Leave Policy) The School for the Deaf and Blind is authorized to promulgate administrative policy governing annual and sick leave relative to faculty and staff with the approval of the School's board of directors. This policy shall address the school calendar in order to comply with the instructional needs of students attending the school.

6.16. (SDB: Buildings) For the current fiscal year; the South Carolina School for the Deaf and Blind will be subject to the same requirements as a local education agency for the purposes of building renovation and construction.

SECTION 7 - L12-JOHN DE LA HOWE SCHOOL

7.1. (JDLHS: Status Offender Carry Forward) Unexpended status offender funds distributed to John de la Howe School from the Department of Education may be carried forward and used for the same purpose.

7.2. (JDLHS: Campus Private Residence Leases) John de la Howe School is authorized to lease, to its employees, private residences on the agency's campus. Funds generated may be retained and used for general operating purposes including, but not limited to, maintenance of the residences.

7.3. (JDLHS: Deferred Salaries Carried Forward) John de la Howe School is authorized to carry forward into the current fiscal year the amount of deferred salaries and employer contributions earned in the prior fiscal year for non-twelve month employees. These deferred

SECTION 7 - L12-JOHN DE LA HOWE SCHOOL

funds are not to be included or part of any other authorized carry forward amount.

7.4. (JDLHS: Capacity) For Fiscal Year 2013-2014, funds appropriated to John de la Howe School must be used to complete deferred maintenance on the residential cottages and to bring the school up to full capacity, to the extent possible. The school must not utilize the funds to hire new employees until the school has completed deferred maintenance on a cottage and requires the new employee due to a projected increase in students. Any increases in staff must be reported to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee thirty days prior to the hire. Further, the school must report electronically to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December first, on how the funds have been utilized and how many additional students have been served.

SECTION 8 - H67-EDUCATIONAL TELEVISION COMMISSION

8.1. (ETV: Grants/Contributions Carry Forward) The Educational Television Commission shall be permitted to carry forward any funds derived from grant awards or designated contributions and any state funds necessary to match such funds, provided that these funds be expended for the programs which they were originally designated.

SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION

11.1. (CHE: Contract for Services Program Fees) The amounts appropriated in this section for "Southern Regional Education Board Contract Programs" and "Southern Regional Education Board Dues" are to be used by the commission to pay to the Southern Regional Education Board the required contract fees for South Carolina students enrolled under the Contract for Services program of the Southern Regional Education Board, in specific degree programs in specified institutions and the Southern Regional Education Board membership dues. The funds appropriated may not be reduced to cover any budget reductions or be transferred for other purposes.

11.2. (CHE: Out-of-State School of the Arts) The funds appropriated herein for Out-of-State School of the Arts must be expended for an SREB Contract Program, administered by the Commission, which will offset the difference between the out-of-state

SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION

cost and in-state cost for artistically talented high school students at the North Carolina School of the Arts.

11.3. DELETED

11.4. (CHE: African-American Loan Program) Of the funds appropriated to the Commission on Higher Education for the African-American Loan Program, 73.7% shall be distributed to South Carolina State University and 26.3% shall be distributed to Benedict College, and must be used for a loan program with the major focus of attracting African-American males to the teaching profession. The Commission of Higher Education shall act as the monitoring and reporting agency for the African-American Loan Program. Of the funds allocated according to this proviso, no more than ten percent shall be used for administrative purposes.

11.5. (CHE: GEAR-UP) Funds appropriated for GEAR-UP shall be used for state grants programs to reach disadvantaged middle school students to improve their preparation for college. Eligible South Carolina public schools and public institutions of higher education shall cooperate with the Commission on Higher Education in the provision of services under the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) grant.

11.6. (CHE: EPSCoR Committee Representation) With the intent that the four-year teaching institutions receive a portion of EPSCoR funding, the State EPSCoR Committee shall have an executive committee consisting of one representative from each of the research institutions and one representative from the four-year teaching university sector.

11.7. (CHE: SREB Funds Exempt From Budget Cut) In the calculation of any across the board cut mandated by the Budget and Control Board or General Assembly, the amount which the Commission on Higher Education is appropriated for Southern Regional Education Board (SREB) Professional Scholarship Programs and Fees, Dues and Assessments shall be excluded from the Commission on Higher Education's base budget. Funds appropriated for SREB programs may be carried forward into the current fiscal year and expended for the same purpose by the Commission on Higher Education.

11.8. (CHE: Performance Improvement Pool Allocation) Of the funds appropriated to the Commission on Higher Education under Section XI. Special Items: Performance Funding, eighty percent will be allocated to the EPSCoR program under the Commission on Higher

SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION

Education to improve South Carolina's research capabilities and twenty percent will be allocated to support the management education programs of the School of Business at South Carolina State University.

11.9. (CHE: Troop-to-Teachers) Members of the Armed Forces either active-duty, retired, or separated who are admitted to and enrolled in the South Carolina Troop-to-Teachers Alternative Route to Certification program are entitled to pay in-state rates at participating state institutions for requisite program work.

11.10. (CHE: Need-Based Grants for Foster Youth) For the current academic year, youth in the custody of the Department of Social Services and attending a higher education institution in South Carolina are eligible for additional need-based grants funding of up to \$2,000 above the \$2,500 maximum. Foster youth must apply for these funds no later than May first, of the preceding year. All other grants, both state and federal, for which these foster youth are eligible must be applied first to the cost of attendance prior to using the additional need-based grant funding. If the cost of attendance for a foster youth is met with other grants and scholarships, then no additional need-based grant may be used. The Department of Social Services, in cooperation with the Commission on Higher Education, will track the numbers of recipients of this additional need-based grant to determine its effectiveness in encouraging more foster youth to pursue a secondary education. No more than \$100,000 may be expended from currently appropriated need-based grants funding for this additional assistance.

11.11. DELETED

11.12. (CHE: Tuition Age) For the current fiscal year, the age limitation for those children of certain war veterans who may be admitted to any state-supported college, university, or post high school technical education institution free of tuition is suspended for eligible children that successfully appeal the Division of Veterans Affairs on the grounds of a serious extenuating health condition.

11.13. (CHE: LIFE and Palmetto Fellows Enhancement Stipends) In the current fiscal year before fall awards are made, to continue eligibility for LIFE and Palmetto Fellows Enhancement Stipends, students shall certify and the institutions shall verify that the student is meeting all requirements as stipulated by the policies established by the institution and the academic department to be enrolled as a declared major in an eligible program and is making academic progress toward completion of the student's declared eligible major. These determinations are subject to the verification and audit of the

SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION

Commission on Higher Education. Institutions shall return funds determined to have been awarded to ineligible students.

11.14. (CHE: SmartState) The Commission on Higher Education is prohibited from expending any source of funds on the marketing of the SmartState Program.

11.15. (CHE: Higher Education Excellence Enhancement Program Additions) Converse College and Columbia College shall be eligible to receive funds under the Higher Education Excellence Enhancement Program until June 30, 2014.

11.16. (CHE: Parity Funding) The Commission on Higher Education is directed to study the issue of parity funding for all state institutions of higher learning. Findings and recommendations shall be submitted to the members of the General Assembly by January 3, 2014.

11.17. (CHE: SCNG CAP Carry Forward) Funds appropriated for the South Carolina National Guard College Assistance Program may be carried forward from the prior fiscal year into the current fiscal year and expended for the same purpose. If a mid-year budget reduction is imposed by the General Assembly or the State Budget and Control Board, the appropriations for the program are exempt.

11.18. DELETED

11.19. (CHE: College Transition Connection Need-Based Grants) Funds appropriated for the College Transition Connection shall be transferred to the Commission on Higher Education Need-Based Grant program. These funds shall be used to provide need-based grants to South Carolina resident students enrolled at a public institution of higher education in an established college transition program that serves students with intellectual disabilities. The Commission on Higher Education, in consultation with College Transition Connection, shall develop guidelines for awarding these need-based grants and shall allocate the available funds to eligible institutions on the basis of student need and enrollment in the established college transition programs. All other grants and gift aid for which these students are eligible must be applied first to the cost of attendance prior to using the need-based grant funding. If the cost of attendance for an eligible student is met with all other grants and gift aid, the need-based grant shall not be used. The participating institutions, in cooperation with the Commission on Higher Education and College Transition Connection, shall track the number of grant recipients and other information determined necessary to evaluate the effectiveness of these grants in assisting students with intellectual disabilities in college

SECTION 11 - H03-COMMISSION ON HIGHER EDUCATION

transition programs. No more than the amount transferred in Fiscal Year 2013-2014 for College Transition Connection may be expended from currently appropriated Commission on Higher Education Need-Based Grant funding for grants for students in college transition programs.

11.20. DELETED**11.21. (CHE: Inventory of State-Mandated Reporting Requirements)**

To help reduce the cost of higher education and institutions' compliance burdens by eliminating conflicting, redundant, or other excessive reporting requirements, the Commission on Higher Education is directed to work with the state's colleges and universities to prepare a report inventorying all state mandated reporting requirements, including those of the Commission on Higher Education, imposed on South Carolina's institutions of higher education. This report shall be provided to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by December 1, 2013.

**SECTION 14 - H12-CLEMSON UNIVERSITY - EDUCATIONAL
& GENERAL**

14.1. (CU: Travel Advances and Subsistence Expenses) Clemson University may advance travel and subsistence expense monies to its employees for the financing of ordinary and necessary travel required in the conducting of the business of the institution. Clemson University may develop and publish rules and regulations pertaining to the advancing of travel expenses. All advances for travel and subsistence monies shall be repaid within thirty days after the end of the trip.

SECTION 19 - H24-SOUTH CAROLINA STATE UNIVERSITY

19.1. (SCSU: BRIDGE Program) The funds appropriated to South Carolina State University for the BRIDGE Program shall be utilized to recruit minority high school students along the I-95 corridor into the teaching profession by offering them, while still in high school, access to counseling, mentoring, on campus summer enrichment programs, and opportunities for dual enrollment credits at South Carolina State University for the purpose of preparing these students to major in education and to become future teachers along the I-95 corridor.

SECTION 20 - H45-UNIVERSITY OF SOUTH CAROLINA

20.1. (USC: Palmetto Poison Center) Of the funds appropriated or authorized herein, the University of South Carolina shall expend at least \$150,000 on the Palmetto Poison Center.

20.2. (USC: School Improvement Council) Of the funds appropriated to the University of South Carolina Columbia Campus, \$100,000 shall be used for the School Improvement Council.

20.3. (USC: Child Abuse Medical Response Program) Of the funds appropriated to the University of South Carolina School of Medicine, not less than \$576,160 shall be expended for the Child Abuse and Neglect Medical Response Program. In addition, when instructed by the Budget and Control Board or the General Assembly to reduce funds by a certain percentage, the university may not reduce the funds for the Child Abuse and Neglect Medical Response Program greater than such stipulated percentage.

20.4. DELETED

**SECTION 23 - H51-MEDICAL UNIVERSITY OF
SOUTH CAROLINA**

23.1. (MUSC: Rural Dentist Program) The Rural Dentist Program, in coordination with the Department of Health and Environmental Control's Public Health Dentistry Program, is established at the Medical University of South Carolina. The funds appropriated to the Medical University of South Carolina for the Rural Dentist Program shall be administered by the South Carolina Area Health Education Consortium physician recruitment office. The costs associated with administering this program are to be paid from the funds appropriated to the Rural Dentist Program and shall not exceed four percent of the appropriation. The Medical University of South Carolina is responsible for the fiscal management of funds to ensure that state policies and guidelines are adhered to. MUSC shall be permitted to carry forward unspent general funds appropriated to the Rural Dentist program provided that these funds be expended for the program for which they were originally designated. A board is created to manage and allocate these funds to insure the location of licensed dentists in rural areas of South Carolina and on the faculty of the College of Dental Medicine at MUSC. The board will be composed of the following: the Dean, or his designee, of the MUSC College of Dental Medicine; three members from the South Carolina Dental Education

**SECTION 23 - H51-MEDICAL UNIVERSITY OF
SOUTH CAROLINA**

Foundation Board who represent rural areas; and the President of the South Carolina Dental Association. The Director of DHEC's Office of Primary Care; the Director or his designee of the Department of Health and Human Services; and the Executive Director of the South Carolina Dental Association shall serve as ex officio members without vote. This board shall serve without compensation.

23.2. (MUSC: Telemedicine) From the \$8,000,000 appropriated to the Medical University of South Carolina for the MUSC Hospital Authority, the Authority is directed to continue the development of its Telemedicine network. The MUSC Hospital Authority shall determine which hospitals are best suited for a Telemedicine partnership.

23.3. (MUSC: Rural Access Plan) The MUSC Hospital Authority, in conjunction with the Department of Health and Human Services, shall study how to partner with existing rural hospitals to ensure that these regions maintain access to medical care.

**SECTION 25 - H59-STATE BOARD FOR TECHNICAL AND
COMPREHENSIVE EDUCATION****25.1.** (TEC: Training of New & Expanding Industry) (A)

Notwithstanding the amounts appropriated in this section for the "Center for Accelerated Technology Training," it is the intent of the General Assembly that the State Board for Technical and Comprehensive Education expend the funds necessary to provide direct training for new and expanding business or industry.

(B) In the event projected expenditures are above the appropriation, the appropriation in this section for the "Center for Accelerated Technology Training" may be appropriately adjusted, if and only if, the Budget and Control Board determines that the projected expenditures are directly related to:

(1) an existing technology training program where the demand for the program exceeds the program's capacity and the additional funds are to be utilized to meet the demand; or

(2) a new program is necessary to provide direct training for new or expanding business or industry.

(C) The adjustment may occur only upon approval by the Budget and Control Board. Upon the Budget Control Board's approval of the adjustment, the Executive Director of the Budget and Control Board must certify, in writing, that the adjustment is directly related to either

**SECTION 25 - H59-STATE BOARD FOR TECHNICAL AND
COMPREHENSIVE EDUCATION**

subsection (B)(1) or (B)(2). The Executive Director must immediately provide a copy of the written certification, including the amount of the adjustment, to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

(D) Upon the Executive Director's written certification approving an adjustment, the State Board for Technical and Comprehensive Education must submit a statement to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee containing a detailed itemization of the manner in which funds initially appropriated for technology training were utilized, the specific purpose for the adjustment, and the ultimate recipient of the adjusted amount.

(E) The aggregate amount of all adjustments made pursuant to this section may not exceed ten million dollars.

(F) In the event that projected expenditures for the Center for Accelerated Technology Training exceed the amounts appropriated and the amount of any adjustments authorized, the State Board for Technical and Comprehensive Education may request a supplemental appropriation from the General Assembly.

25.2. (TEC: Training of New & Expanding Industry Carry Forward) In addition to the funds appropriated in this section, any of the funds appropriated under this section for the prior fiscal year which are not expended during that fiscal year may be carried forward and expended for direct training of new and expanding industry in the current fiscal year.

25.3. (TEC: Training of New & Expanding Industry - Payments of Prior Year Expenditures) The State Board for Technical and Comprehensive Education may reimburse business and industry for prior year training costs billed to the agency after fiscal year closing with the concurrence of the Comptroller General.

25.4. DELETED

25.5. (TEC: MSSC) The funds appropriated to the State Board for Technical and Comprehensive Education for the Manufacturing Skills Standards Council Initiative may not be used for consulting associated with the Initiative.

25.6. DELETED

**SECTION 26 - H79-DEPARTMENT OF ARCHIVES AND
HISTORY**

26.1. (AH: Use of Proceeds) The proceeds of facilities rentals, gift shop operations, training sessions, sales of publications, reproductions of documents, repair of documents, research fees, handling charges, and the proceeds of sales of National Register of Historic Places certificates and plaques by the Archives Department shall be deposited in a special account in the State Treasury, and may be used by this department to cover the cost of facility operations and maintenance, gift shop inventory, additional training sessions, publication, reproduction expenses, repair expenses, and National Register of Historic Places certificates and plaques, and selected Historic Preservation Grants.

26.2. (AH: Disposal of Materials) For the current fiscal year, the Department of Archives and History, upon prior approval of the commission, may sell from its collections certain record and non-record materials, which are not eligible for public auction, in a manner most advantageous to the department.

SECTION 27 - H87-STATE LIBRARY

27.1. (LIB: Aid to Counties Libraries Allotment) The amount appropriated in this section for "Aid to County Libraries" shall be allotted to each county on a per capita basis according to the official United States Census For 2010, as aid to the County Library. No county shall be allocated less than \$75,000 under this provision. To receive this aid, local library support shall not be less than the amount actually expended for library operations from local sources in the second preceding year.

27.2. (LIB: Information Service Fees) The State Library may charge a fee for costs associated with information delivery and retain such funds to offset the costs of maintaining, promoting and improving information delivery services.

27.3. (LIB: Continuing Education Fees) The State Library may charge a fee for costs associated with continuing education and retain such funds to offset the costs of providing continuing education opportunities.

27.4. (LIB: Books and Materials Disposal) The State Library may sell or otherwise dispose of books and other library materials that are deemed by the State Library as no longer of value to the State of South

Carolina and the State Library's collection. Funds received from the sale of books and materials shall be retained and expended to purchase new materials for the collection. Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year and be used for the same purpose.

27.5. (LIB: SCLENDS) The State Library may accept money for the South Carolina Library Evergreen Network Delivery System (SCLENDS), a consortium providing patrons access to more library materials. The consortium shall allow South Carolina libraries the ability to share resources and provide a forum for sharing expertise in technical areas such as systems administration and cataloging. Funds received by the State Library for SCLENDS shall be placed in a special account and shall only be utilized to pay for items related to SCLENDS. Unexpended funds may be carried forward from the prior fiscal year into the current fiscal year and be used for the same purpose.

27.6. (LIB: Donations) The State Library may accept donation funds to be used for administration, operation, and programs from any donor source. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year.

27.7. (LIB: Sale of Promotional Items) The State Library shall be allowed to sell promotional items with the South Carolina State Library brand and logo for the purpose of generating funds for the State Library. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year.

27.8. (LIB: Consortium Purchasing) The State Library shall be authorized to accept funds to be used for consortium purchasing between libraries (public, academic, special) that serve South Carolina residents. Funds received by the State Library for consortium purchasing agreements shall be placed in a designated account and shall only be used to pay for items related to specific consortium purchasing agreements. These funds may be retained, expended, and carried forward from the prior fiscal year into the current fiscal year and used for the same purpose.

SECTION 28 - H91-ARTS COMMISSION

28.1. (ARTS: Professional Artists Contract) Where practicable, all professional artists employed by the Arts Commission in the fields of music, theater, dance, literature, musical arts, craft, media arts and environmental arts shall be hired on a contractual basis as independent

SECTION 28 - H91-ARTS COMMISSION

contractors. Where such a contractual arrangement is not feasible employees in these fields may be unclassified, however, the approval of their salaries shall be in accord with the provisions of Section 8-11-35 of the 1976 Code.

28.2. (ARTS: Special Revolving Account) Any income derived from Arts Commission sponsored arts events or by gift, contributions, or bequest now in possession of the Arts Commission including any federal or other funds balance remaining at the end of the prior fiscal year, shall be retained by the commission and placed in a special revolving account for the commission to use solely for the purpose of supporting the programs provided herein. Any such funds shall be subject to the review procedures as set forth in Act 651 of 1978.

28.3. (ARTS: Partial Indirect Cost Waiver) The commission is allowed to apply a fifteen percent indirect cost rate for continuing federal grants for which they must compete. The commission shall apply the full approved negotiated rate to the Basic State Grant and any new grants received by the commission.

28.4. (ARTS: Grants) The Arts Commission must expend seventy percent of appropriated state funds on grants to support the statewide improvement of learning and enrichment opportunities for children and communities through educational and cultural programs with proven research based strategies.

28.5. (ARTS: Distribution to Subdivisions) Of the funds appropriated and/or authorized to the Arts Commission for Distribution to Subdivisions, the following amounts shall be distributed in the same manner as the funds were distributed in the prior fiscal year: \$11,420 for Alloc Mun-Restricted; \$3,381 for Alloc Cnty-Restricted; \$78,376 for Alloc School Dist; \$12,336 for Alloc Other State Agencies; \$429,845 for Alloc-Private Sector; \$29,494 for Alloc - Private Sector; \$31,581 for Aid Mun-Restricted; \$15,485 for Aid Cnty-Restricted; \$358,344 for Aid School Districts; \$205,138 for Aid Other State Agencies; \$794,598 for Aid To Private Sector; and \$3,168 for Aid To Private Sector-Reportable.

SECTION 29 - H95-STATE MUSEUM COMMISSION

29.1. (MUSM: Duplicate Materials) The commission may give away, but not sell, natural history materials in its possession for educational purposes, such materials being less than museum quality or duplicative of materials owned by the Museum Commission.

SECTION 29 - H95-STATE MUSEUM COMMISSION

29.2. (MUSM: Removal From Collections) The commission may remove objects from its museum collections by gift to another public or non-profit institution, by trade with another public or non-profit institution, by public sale, by transfer to the commission's education, exhibit, or study collections or to its operating property inventory; or as a last resort, by intentional destruction on the condition that the objects so removed meet with one or more of the following criteria: (1) they fall outside the scope of the South Carolina Museum Commission's collections as defined in the Collection Policy ; (2) they are unsuitable for exhibition or research; (3) they are inferior duplicates of other objects in the collection; or (4) they are forgeries or were acquired on the basis of false information; funds from the sale of such objects will be placed in a special revolving account for the commission to use solely for the purpose of purchasing objects for the collections of the State Museum.

29.3. (MUSM: Museum Store) The Museum Commission shall establish and administer a museum store in the State Museum. This store may produce, acquire, and sell merchandise relating to historical, scientific, and cultural sources. All profits received from the sale of such merchandise shall be retained by the Museum Commission in a restricted fund to be carried forward into the following fiscal year. These funds may be used for store operations, publications, acquisitions, educational programs, exhibit production and general operating expenses provided that the expenditures for such expenses are approved by the General Assembly in the annual Appropriation Act.

29.4. DELETED

29.5. (MUSM: Retention of Revenue) The Museum Commission may retain revenue received from admissions, program fees, facility rentals, professional services, donations, food service, exhibits and exhibit components, and other miscellaneous operating income generated by or for the museum and may expend such revenue for general operating expenses provided that such expenditures are approved by the General Assembly in the annual Appropriation Act. Any unexpended revenue from these sources may be carried forward into the current fiscal year to be expended for the same purposes.

29.6. (MUSM: Across-the-Board Cut Exemption) In the calculation of any across-the-board cut mandated by the Budget and Control Board or General Assembly, the amount of the museum's rent

SECTION 29 - H95-STATE MUSEUM COMMISSION

which the commission pays to General Services shall be excluded from the museum's base budget.

29.7. (MUSM: School Tour Fee Prohibition) The commission may not charge admission fees to groups of children from South Carolina who have made reservations that are touring the museum as part of a school function.

29.8. (MUSM: Dining Area Rent) Of the space currently vacant in the Columbia Mills Building, space large enough for the museum to have dining space for school-aged children shall be provided to the State Museum at no cost.

29.9. (MUSM: Remittance to General Services) The State Museum is directed to remit not less than \$1,800,000 to the Budget and Control Board, Division of General Services as compensation for expenses associated with the premises it leases in the Columbia Mills Building. In the event the General Assembly or the Budget and Control Board implements a mid-year across-the-board budget reduction, the rent that the State Museum remits to the Budget and Control Board shall be reduced by the same percentage as the assessed budget reduction.

***29.10.** *(MUSM: Admissions Tax Exemption) The State Museum is exempt from remitting Admissions Tax to the Department of Revenue on the admission fees it collects. An amount equivalent to the tax, five percent of total admissions revenue, shall be earmarked in the museum's budget for the purpose of supporting general operations.*

**SECTION 32 - H73-DEPARTMENT OF VOCATIONAL
REHABILITATION**

32.1. (VR: Production Contracts Revenue) All revenues derived from production contracts earned by people with disabilities receiving job readiness training at the agency's Work Training Centers may be retained by the State Agency of Vocational Rehabilitation and used in the facilities for Client Wages and any other production costs; and further, any excess funds derived from these production contracts may be used for other operating expenses and/or permanent improvements of these facilities.

* See note at end of Act.

**SECTION 32 - H73-DEPARTMENT OF VOCATIONAL
REHABILITATION**

32.2. (VR: Reallotment Funds) To maximize utilization of federal funding and prevent the loss of such funding to other states in the Basic Service Program, the State Agency of Vocational Rehabilitation be allowed to budget reallotment and other funds received in excess of original projections in following State fiscal years.

32.3. (VR: User/Service Fees) Any revenues generated from user fees or service fees charged to the general public or other parties ineligible for the department's services may be retained to offset costs associated with the related activities so as to not affect the level of service for regular agency clients.

32.4. (VR: Meal Ticket Revenue) All revenues generated from sale of meal tickets may be retained by the agency and expended for supplies to operate the agency's food service programs or cafeteria.

32.5. (VR: Basic Services Program - Educational Scholarships) For those persons with disabilities who are eligible for and are receiving services under an approved plan of the South Carolina Vocational Rehabilitation Department (consistent with the 1973 Rehabilitation Act, as amended) tuition costs at state supported institutions (four year, technical, or trade schools) will not increase beyond the 1998 tuition rate, will be provided, or will be waived by the respective institution after the utilization of any other federal or state student aid for which the student is eligible. Persons eligible for this tuition reduction or sponsorship must meet all academic requirements of the particular institution and be eligible for State need-based scholarships as defined in Chapter 142, Title 59, Code of Laws of South Carolina, 1976.

**SECTION 33 - J02-DEPARTMENT OF HEALTH AND HUMAN
SERVICES**

33.1. (DHHS: Recoupment/Restricted Fund) The Department of Health and Human Services shall recoup all refunds and identified program overpayments and all such overpayments shall be recouped in accordance with established collection policy. Further, the Department of Health and Human Services is authorized to maintain a restricted fund, on deposit with the State Treasurer, to be used to pay for liabilities and improvements related to enhancing accountability for future audits. The restricted fund will derive from prior year program refunds. The restricted fund shall not exceed one percent of the total

**SECTION 33 - J02-DEPARTMENT OF HEALTH AND HUMAN
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appropriation authorization for the current year. Amounts in excess of one percent will be remitted to the general fund.

33.2. (DHHS: Long Term Care Facility Reimbursement Rate) The Department, in calculating a reimbursement rate for long term care facility providers, shall obtain for each contract period an inflation factor, developed by the Budget and Control Board, Division of Budget and Analyses. Data obtained from Medicaid cost reporting records applicable to long term care providers will be supplied to the Budget and Control Board, Division of Budget and Analyses. A composite index, developed by the Budget and Control Board, Division of Budget and Analyses will be used to reflect the respective costs of the components of the Medicaid program expenditures in computing the maximum inflation factor to be used in long term care contractual arrangements involving reimbursement of providers. The Division of Budget and Analyses of the Budget and Control Board shall update the composite index so as to have the index available for each contract renewal.

The department may apply the inflation factor in calculating the reimbursement rate for the new contract period from zero percent up to the inflation factor developed by the Division of Budget and Analyses.

33.3. (DHHS: Medical Assistance Audit Program Remittance) The Department of Health and Human Services shall remit to the State Auditor's Office an amount representing fifty percent (allowable Federal Financial Participation) of the cost of the Medical Assistance Audit Program as established in the State Auditor's Office of the Budget and Control Board Section 102. Such amount shall also include appropriated salary adjustments and employer contributions allocable to the Medical Assistance Audit Program. Such remittance to the State Auditor's Office shall be made monthly and based on invoices as provided by the State Auditor's Office of the Budget and Control Board.

33.4. (DHHS: Third Party Liability Collection) The Department of Health and Human Services is allowed to fund the net costs of any Third Party Liability and Drug Rebate collection efforts from the monies collected in that effort.

33.5. (DHHS: Medicaid State Plan) Where the Medicaid State Plan has been altered to cover services that previously were provided by one hundred percent state funds, or that have been requested to be added by other state agencies, the department can bill other agencies

SECTION 33 - J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

for the state share of services provided through Medicaid. In order to comply with Federal regulations regarding allowable sources of matching funds, state agencies are authorized to make appropriation transfers to the Department of Health and Human Services to be used as the state share when certified public expenditures are not allowed for those state agency Medicaid services. The department will keep a record of all services affected and submit periodic reports to the Senate Finance and House Ways and Means Committees.

33.6. (DHHS: Medically Indigent Assistance Fund) The department is authorized to expend disproportionate share funds to all eligible hospitals with the condition that all audit exceptions through the receipt and expenditures of these funds are the liability of the hospital receiving the funds.

33.7. DELETED

33.8. DELETED

33.9. (DHHS: Registration Fees) The department is authorized to receive and expend registration fees for educational, training, and certification programs.

33.10. (DHHS: Fraud and Abuse Collections) The Department of Health and Human Services may offset the administrative costs associated with controlling fraud and abuse.

33.11. (DHHS: Provider Reimbursement Rate Report) The Department of Health and Human, in conjunction with the Office of Research and Statistics of the Budget and Control Board, shall prepare a report that compares the reimbursement rate of Medicaid providers to the reimbursement rate of the Medicare Program and the State Health Plan. This report shall be completed by January thirty-first, each year, and submitted to the Governor and the members of the General Assembly.

33.12. (DHHS: Medicaid Eligibility Transfer) The South Carolina Department of Health and Human Services (DHHS) is hereby authorized to determine the eligibility of applicants for the South Carolina Medicaid Program in accordance with the State Plan Under Title XIX of The Social Security Act Medical Assistance Program. The governing authority of each county shall provide office space and facility service for this function as they do for DSS functions under Section 43-3-65.

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33.13. (DHHS: Franchise Fees Suspension) Franchise fees imposed on nursing home beds and enacted by the General Assembly during the 2002 session are suspended.

33.14. (DHHS: Program Integrity Efforts) The Department of Health and Human Services is instructed to expand its program integrity efforts by utilizing resources both within and external to the agency including, but not limited to, the ability to contract with other entities for the purpose of maximizing the department's ability to detect and eliminate provider fraud.

33.15. (DHHS: Post Payment Review) The department is directed to perform post payment reviews as permitted under Medicaid regulations to ensure compliance with the Hyde Amendment provisions as it relates to the performance of medically necessary services under the Medicaid program. The results of such reviews shall be available to the General Assembly upon request in a format that meets the requirements of the Health Insurance Accountability and Portability Act (HIPAA) and Medicaid confidentiality regulations.

33.16. (DHHS: Long Term Care Facility Reimbursement Rates) The department shall direct staff to complete and submit its Medicaid State Plan Amendment for long term care facility reimbursement rates to the Director of the Department of Health and Human Services by August first of each year. The Director shall review the plan and submit to the Federal Government on or before August fifteenth of each year provided the State Appropriations Act has been enacted by that date. All additional requests for information from CMS concerning the plan shall be promptly submitted to CMS by the Department of Health and Human Services.

33.17. DELETED

33.18. (DHHS: Nursing Services to High Risk/High Tech Children) The Department of Health and Human Services shall continue a separate classification and compensation plan for Registered Nurses (RN) and Licensed Practical Nurses (LPN) who provide services to Medically Fragile Children, who are Ventilator dependent, Respirator dependent, Intubated, and Parenteral feeding or any combination of the above. The classification plan shall recognize the skill level that these nurses caring for these Medically Fragile Children must have over and above normal home-care or school-based nurses.

33.19. DELETED

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33.20. (DHHS: Medicaid Cost and Quality Effectiveness) The Department of Health and Human Services shall establish a procedure to assess the various forms of managed care (Health Maintenance Organizations and Medical Home Networks, and any other forms authorized by the department) to measure cost effectiveness and quality. These measures must be compiled on an annual basis. The Healthcare Effectiveness Data and Information Set (HEDIS) shall be utilized for quality measurement and must be performed by an independent third party according to HEDIS guidelines. Cost effectiveness shall be determined in an actuarially sound manner and data must be aggregated in a manner to be determined by a third party in order to adequately compare cost effectiveness of the different managed care programs versus Medicaid fee-for-service. The methodology must use appropriate case-mix and actuarial adjustments that allow cost comparison of managed care organizations, medical home networks, and fee-for-service. The department shall issue annual healthcare report cards for each participating Medicaid managed care plan and Medical Home Network operating in South Carolina and the Medicaid fee-for-service program. The report card measures shall be developed by the department and the report card shall be formatted in a clear, concise manner in order to be easily understood by Medicaid beneficiaries. The results of the cost effectiveness calculations, quality measures and the report cards shall be made public on the department's website by December thirty-first for the prior state fiscal year.

33.21. (DHHS: SCHIP Enrollment and Recertification) The Department of Health and Human Services shall enroll and recertify eligible children to the State Children's Health Insurance Program (SCHIP) and must use available state agency program data housed in the Budget and Control Board's Office of Research and Statistics, to include the Department of Social Services' Food Stamp program and the Department of Education's Free and Reduced Meal eligibility data. Use of this data and cooperative efforts between state agencies reduces the cost of outreach and maintenance of eligibility for SCHIP.

33.22. (DHHS: Carry Forward) The Department of Health and Human Services is authorized to carry forward cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a

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minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President Pro Tempore of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen days after the Comptroller General closes the fiscal year.

33.23. (DHHS: Medicaid Provider Fraud) The department shall expand and increase its effort to identify, report, and combat Medicaid provider fraud. The department shall publish on its' agency homepage by April first, of the current fiscal year, the results of these efforts, the funds recovered, and information pertaining to prosecutions of such cases, including pleas agreements entered into.

33.24. (DHHS: Community Health Plans) The Department of Health and Human Services shall oversee all community health plans approved to operate as a pilot program for the purpose of providing health care. Such oversight shall include the review and approval of the financial and business plan of the community health plan. Only those plans receiving approval from the department, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee prior to January 1, 2009 shall be authorized to operate as an approved community health plan pursuant to this provision. The department shall approve participation requirements of community health plans. An approved community health plan acting in accordance with these provisions shall not be considered as providing insurance or an unauthorized insurer.

33.25. DELETED

33.26. (DHHS: GAPS) The requirements of Title 44, Chapter 6-610 through Chapter 6-660 shall be suspended for the current state fiscal year.

33.27. (DHHS: Disproportionate Share - DMH) For the current fiscal year, the department is directed to transfer funds to the Department of Mental Health to make up any shortfall in disproportionate share funding due to rule changes from the Center for Medicare and Medicaid Services from the latest federal fiscal year

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amount. The department must also take any necessary action, including the submission of an amendment to the State Medicaid Plan, to minimize the impact of disproportionate share funding redistribution to the Department of Mental Health in future years.

33.28. DELETED

33.29. (DHHS: Medicaid Reporting) Within ninety days of the end of each quarter during the current fiscal year, the department shall report each cost-savings measure implemented. By county, the department shall report the number of enrolled and active providers by provider type, provider specialty and sub-specialty, the number of recipients, the number of recipients by provider type, the expenditures by provider type and specialty, and service level utilization trends. The department shall continue to annually report HEDIS measures, noting where measures improve or decline. Each report shall be prominently displayed on the department's website.

33.30. (DHHS: Grant Authority) The Department of Health and Human Services is authorized to make grants to community-based not-for-profit organizations for local projects that further the objectives of department programs. The department is authorized to issue a total of \$20,000,000 in grants, with no individual grant exceeding \$500,000. The department shall develop policies and procedures and may promulgate regulations to assure compliance with state and federal requirements associated with the funds used for the grants and to assure fairness and accountability in the award and administration of these grants. The department may require a match from grant recipients. The department shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committees on the grants awarded.

33.31. (DHHS: Community Health Center/FQHC) Entities receiving funding under Section 330 of the Public Health Services Act, qualify to receive funds provided in this act for Community Health Center/FQHC. FQHC Look-A-Likes are also included in the distribution of these funds. However, no entity is eligible to receive funds allocated by this proviso if the Chief Executive Officer is not an employee of the entity or is hired under a management agreement to operate the entity.

This appropriation shall be disbursed as follows: (1) thirty percent of the total appropriation will be divided among qualifying entities; and (2) the balance of the appropriation will be distributed with forty percent based on uninsured patients served and thirty percent based on the

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number of patients seen from counties with a population of less than 125,000. Any newly established Community Health Center/FQHC shall receive an amount equivalent to the average disbursement made to all Centers/FQHCs.

33.32. DELETED

***33.33. (DHHS: Non-Disabled, Childless Adults Waiver)** *Whenever the United States Secretary for the Department of Health and Human Services notifies State Medicaid Agencies that it will accept applications for waivers for Medicaid eligibility for non-disabled, childless adults whose income is up to one hundred percent of the Federal Poverty Level, the Director of the South Carolina Department of Health and Human Services may submit an application for this waiver which must include strategies for improving health outcomes, purchasing the most healthcare at the least possible cost, and continuing implementation of coordinated care.*

33.34. (DHHS: Medicaid Accountability and Quality Improvement Initiative) From the funds appropriated and authorized to the Department of Health and Human Services, the department shall implement the following accountability and quality improvement initiatives:

(A) Healthy Outcomes Initiative - Upon approval of the Centers for Medicare and Medicaid Services (CMS), the Department of Health and Human Services shall make available to participating hospitals up to a \$35,000,000 aggregate rate incentive effective October 1, 2013. This incentive shall be directly linked to a hospital's participation in initiatives designed to reduce system cost and increase health outcomes. To improve community health, the department may explore various health outreach, education and patient wellness and incentive programs. Working with Kershaw Health and its LiveWell Kershaw program, the department may pilot diabetes, smoking cessation, weight management, and heart disease interventions to identify the potential to offer such interventions as models for other hospitals to pursue. These initiatives may include, but are not limited to:

(1) entering into a Memorandum of Understanding (MOU) with selected primary health care and other providers to co-manage chronically ill uninsured high-utilizers of emergency room services; and

* See note at end of Act.

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(2) participating in price and quality transparency efforts initiated by the department.

In designing these initiatives the department shall receive public input, and make the final determination of the initiative design. The department shall, no later than August 1, 2013, publish the manner in which participation in these initiatives will correspond with incentives. If at the end of the state fiscal year the department determines that this program is not generating cost savings or increasing health outcomes the department may retract this incentive in part or full.

(B) Disproportionate Share (DSH) Payment Accountability - Upon approval of CMS, in order to increase accountability for money reimbursed to hospitals under the DSH program and to improve outcomes for the uninsured, hospitals shall:

(1) submit claims-level data for all individuals receiving uncompensated care; and

(2) obtain a patient attestation to determine whether or not the individual receiving uncompensated care has access to affordable health insurance or does not have other means to pay for services.

(C) Rural Hospital DSH Payment - Upon approval of CMS, Medicaid-designated rural hospitals in South Carolina shall receive full coverage of uncompensated care as part of the State's Medicaid Disproportionate Share (DSH) program. Funds shall be allocated from the existing DSH program and shall not exceed \$20,000,000 total funds. Rural Hospitals are ineligible for this increased coverage should they not participate in reporting and quality guidelines published by the department and outlined in the Healthy Outcomes Initiative in the Fiscal Year 2013-2014 Appropriations Act. These guidelines shall be published no later than August 1, 2013.

In addition to the requirements placed upon them by the department, rural hospitals must actively participate with the department and any other stakeholder identified by the department, in efforts to design an alternative health care delivery system in these regions.

(D) Primary Care Safety Net - The department shall develop a methodology to reimburse safety net providers to provide primary care, behavioral health services, and pharmacy services for chronically ill individuals that do not have access to affordable insurance. Qualifying safety net providers are approved, licensed, and duly organized Federally Qualified Health Centers (FQHCs), entities receiving funding under Section 330 of the Public Health Services Act, and FQHC

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Look-A-Likes), Rural Health Clinics (RHCs), Free Clinics, other clinics serving the uninsured, and Welvista. No FQHC and FQHC Look-A-Likes operating under a management agreement or operated by a Chief Executive Officer who is not an employee of the entity is eligible to receive funds allocated by this proviso.

The department shall allocate at least \$5,000,000 for baseline funding to FQHCs as defined in paragraph (D), at least \$2,000,000 for documented capital needs for FQHCs as defined in paragraph (D), at least \$2,000,000 for baseline funding for Free Clinics, and at least \$5,000,000 for innovative care strategies for qualifying safety net providers.

The department shall consult with the SC Primary Health Care Association to determine the entities with the most critical capital needs. From the aforementioned \$14,000,000, Welvista shall receive at least an additional \$600,000.

To be eligible for funds, qualifying providers shall be required to provide the department patient and service data to assist in the overall improvement of the state's health quality and when appropriate safety net providers must enter into a MOU with hospitals to co-manage chronically ill uninsured high-utilizers of emergency room services. Participants in this program shall submit evaluations of effectiveness annually to the department.

(E) Rural Provider Capacity - The department shall incentivize the development of rural physician coverage and capacity building through the following mechanisms:

(1) the department shall leverage the Graduate Medical Education program and develop a methodology to improve accountability and increased outcomes for the State's GME and Supplemental Teaching Payments investment by January 1, 2014;

(2) the department shall develop a program to leverage the use of teaching hospitals to provide rural physician coverage, expand the use of Telemedicine, and ensure targeted placement and support of OB/GYN services in at least four counties with a demonstrated lack of adequate OB/GYN resources by July 1, 2014; and

(3) during the current fiscal year the department shall allocate \$4,000,000 to the MUSC Hospital Authority for telemedicine.

(F) Community Residential Care Optional State Supplement - The department shall establish policies and procedures to include establishing a facility rate per eligible beneficiary at \$1,500 per month

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for recipients and providers who meet the requirements for the enhanced maximum OSS payment; establish eligibility criteria; and establish a methodology for increasing the personal needs allowance. The department will revise the net income limit to accommodate the change in the maximum OSS facility rate. A total of at least \$12,000,000 shall be made available for this rate increase. The facility rate shall increase a minimum of \$100 per month per eligible beneficiary. All current recipients shall remain eligible for the supplement during the fiscal year and nothing contained herein may conflict with or limit existing regulations.

In addition, the department will establish Quality of Care Standards and other requirements for facilities licensed as a Community Residential Care Facility and participating in the OSS program and Medicaid Waiver services.

(G) The department shall publish quarterly reports on the agency's website regarding the department's progress in meeting the goals established by this provision.

33.35. (DHHS: Medicaid Healthcare Initiatives Outcomes) Prior to February 15 of the current fiscal year, the Director of the Department of Health and Human Services shall make a presentation to the House Ways and Means Healthcare Budget Subcommittee on the outcomes of Medicaid healthcare initiatives enacted during Fiscal Year 2013-2014 to improve the well being of persons enrolled in the Medicaid program and receiving services from Medicaid providers.

33.36. (DHHS: Medicaid Non-Emergency Medical Transportation) The Department of Health and Human Services (department) shall procure transportation services upon the expiration of the current Medicaid non-emergency medical transportation contracts using a service model that maximizes efficiencies and cost effectiveness; improves health care outcomes; and improves member experience regarding quality and satisfaction in the Medicaid transportation program while using qualified transportation providers.

The department shall develop the policies, procedures and transportation provider performance standards with input from stakeholders. The department shall provide oversight of the implementation and operation.

The department shall collect financial and utilization data and any other data necessary to continually monitor and evaluate the cost effectiveness and productivity of the transportation services provided.

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33.37. (DHHS: Carry Forward Authorization) For the current fiscal year, the Department of Health and Human Services is authorized to carry forward and expend any General Fund balances for the Medicaid program. Within thirty days after the close of the fiscal year, the department shall report the balance carried forward to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

SECTION 34 - J04-DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

34.1. (DHEC: County Health Departments Funding) Out of the appropriation provided in this section for "Access to Care", the sum of \$25,000 shall be distributed to the county health departments by the commissioner, with the approval of the Board of Department of Health and Environmental Control, for the following purposes:

(1) To insure the provision of a reasonably adequate public health program in each county.

(2) To provide funds to combat special health problems that may exist in certain counties.

(3) To establish and maintain demonstration projects in improved public health methods in one or more counties in the promotion of better public health service throughout the State.

(4) To encourage and promote local participation in financial support of the county health departments.

(5) To meet emergency situations which may arise in local areas.

(6) To fit funds available to amounts budgeted when small differences occur.

The provisions of this proviso shall not supersede or suspend the provisions of Section 13-7-30 of the 1976 Code.

34.2. (DHEC: County Health Units) General funds made available to the Department of Health and Environmental Control for the allocation to the counties of the State for operation of county health units be allotted on a basis approved by the Board of the Department of Health and Environmental Control. The amount of general funds appropriated herein for Access to Care shall be allocated on a basis such that no county budget shall receive less than the amount received in the prior fiscal year, except when instructed by the Budget and Control Board or the General Assembly to reduce funds within the

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department by a certain percentage, the department may unilaterally reduce the county health units up to the stipulated percentage.

34.3. (DHEC: Camp Burnt Gin) Private donations or contributions for the operation of Camp Burnt Gin shall be deposited in a restricted account. These funds may be carried forward and shall be made available as needed to fund the operation of the camp. Withdrawals from this restricted account must be in accordance with approved procedures.

34.4. (DHEC: Children's Rehabilitative Services) The Children's Rehabilitative Services shall be required to utilize any available financial resources including insurance benefits and/or governmental assistance programs, to which the child may otherwise be entitled in providing and/or arranging for medical care and related services to physically handicapped children eligible for such services, as a prerequisite to the child receiving such services.

34.5. (DHEC: Cancer/Hemophilia) Notwithstanding any other provisions of this act, the funds appropriated herein for prevention, detection and surveillance of cancer as well as providing for cancer treatment services, \$545,449 and the hemophilia assistance program, \$1,186,928 shall not be transferred to other programs within the agency and when instructed by the Budget and Control Board or the General Assembly to reduce funds within the department by a certain percentage, the department may not act unilaterally to reduce the funds for any cancer treatment program and hemophilia assistance program provided for herein greater than such stipulated percentage.

34.6. (DHEC: Local Health Departments) Counties of the state will be relieved of contribution requirements for salary, fringe benefits and travel reimbursement to local health departments. The amount of \$5,430,697 is appropriated for county health department salaries, fringe benefits and travel. These funds and other state funds appropriated for county health units may, based upon need, be utilized in either salary or travel categories. Each county shall provide all other operating expenses of the local health department in an amount at least equal to that appropriated for operations for each county in Fiscal Year 1981. In the event any county makes uniform reductions in appropriations to all agencies or departments for maintenance and operations, exclusive of salaries and fringe benefits, a like reduction shall be made in funds appropriated for the operating expenses of the local health department.

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34.7. (DHEC: Insurance Refunds) The Department of Health and Environmental Control is authorized to budget and expend monies resulting from insurance refunds for prior year operations for case services in family health.

34.8. (DHEC: Emergency Medical Services) Funds appropriated herein for Emergency Medical Services, shall be allocated for the purpose of improving and upgrading the EMS system throughout the state. The monies allocated to the Counties are for the purpose of improving or upgrading the local EMS system through the licensed ambulance services, the monies allocated to the EMS Regional Councils are for the administration of training programs and technical assistance to local EMS organizations and county systems. All additional funds are to be allocated as follows: to the counties at the ratio of eighty-one percent of the additional funds appropriated herein, to the EMS Regions at a ratio of twelve percent of the additional funds appropriated herein and to the state EMS Office at the ratio of seven percent of the additional funds appropriated herein. The Department of Health and Environmental Control shall develop criteria and guidelines and administer the system to make allocations to each region and county within the state, based on demonstrated need and local match. Funds appropriated to Emergency Medical Services shall not be transferred to other programs within the department's budget. Unexpended funds appropriated to the program may be carried forward to succeeding fiscal years and expended for administrative and operational support and for temporary and contract employees to assist with duties related to improving and upgrading the EMS system throughout the state, including training of EMS personnel and administration of grants to local EMS providers. In addition, when instructed by the Budget and Control Board or the General Assembly to reduce funds by a certain percentage, the department may not reduce the funds appropriated for EMS Regional Councils or Aid to Counties greater than such stipulated percentage.

34.9. (DHEC: Rape Violence Prevention Contract) Of the amounts appropriated in Rape Violence Prevention, \$1,103,956 shall be used to support programmatic efforts of the state's rape crisis centers with distribution of these funds based on the Standards and Outcomes for Rape Crisis Centers and each center's accomplishment of a pre-approved annual action plan. For Fiscal Year 2013-2014, the

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department shall not reduce these contracts below the current funding level.

34.10. (DHEC: Sickle Cell Blood Sample Analysis) \$16,000 is appropriated in Independent Living for the Sickle Cell Program for Blood Sample Analysis and shall be used by the department to analyze blood samples submitted by the four existing regional programs - Region I, Barksdale Sickle Cell Anemia Foundation in Spartanburg; Region II, Clark Sickle Cell Anemia Foundation in Columbia; Region III, Committee on Better Racial Assurance Hemoglobinopathy Program in Charleston; and the Orangeburg Area Sickle Cell Anemia Foundation.

34.11. (DHEC: Sickle Cell Programs) \$761,233 is appropriated for Sickle Cell program services and shall be apportioned as follows:

(1) sixty-seven percent is to be divided equitably between the existing Community Based Sickle Cell Programs located in Spartanburg, Columbia, Orangeburg, and Charleston; and

(2) thirty-three percent is for the Community Based Sickle Cell Program at DHEC.

The funds shall be used for providing prevention programs, educational programs, testing, counseling and newborn screening. The balance of the total appropriation must be used for Sickle Cell Services operated by the Independent Living program of DHEC. The funds appropriated to the community based sickle cell centers shall be reduced to reflect any percent reduction assigned to the Department of Health and Environmental Control by the Budget and Control Board; provided, however, that the department may not act unilaterally to reduce the funds for the Sickle Cell program greater than such stipulated percentage. The department shall not be required to undertake any treatment, medical management or health care follow-up for any person with sickle cell disease identified through any neonatal testing program, beyond the level of services supported by funds now or subsequently appropriated for such services. No funds appropriated for ongoing or newly established sickle cell services may be diverted to other budget categories within the DHEC budget. For Fiscal Year 2013-2014, the department shall not reduce these funds below the current funding level.

34.12. (DHEC: Genetic Services) The sum of \$104,086 appearing under the Independent Living program of this act shall be appropriated to and administered by the Department of Health and Environmental

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Control for the purpose of providing appropriate genetic services to medically needy and underserved persons. Such funds shall be used by the department to administer the program and to contract with appropriate providers of genetic services. Such services will include genetic screening, laboratory testing, counseling, and other services as may be deemed beneficial by the department, and these funds shall be divided equally among the three Regional Genetic Centers of South Carolina, composed of units from the Medical University of South Carolina, the University of South Carolina School of Medicine, and the Greenwood Genetic Center.

34.13. (DHEC: Revenue Carry Forward Authorization) The Department of Health and Environmental Control is hereby authorized to collect, expend, and carry forward revenues in the following programs: Sale of Goods (confiscated goods, arm patches, etc.), sale of meals at Camp Burnt Gin, sale of publications, brochures, Spoil Easement Areas revenue, performance bond forfeiture revenue for restoring damaged critical areas, beach renourishment appropriations, photo copies and certificate forms, including but not limited to, pet rabies vaccination certificate books, sale of listings and labels, sale of State Code and Supplements, sale of films and slides, sale of maps, sale of items to be recycled, including, but not limited to, used motor oil and batteries, sale and/or licensing of software products developed and owned by the Department, and collection of registration fees for non-DHEC employees. Any unexpended balance carried forward must be used for the same purpose.

34.14. (DHEC: Medicaid Nursing Home Bed Days) Pursuant to Section 44-7-84(A) of the 1976 Code, the maximum number of Medicaid patient days for which the Department of Health and Environmental Control is authorized to issue Medicaid nursing home permits is 4,452,015. Facilities exceeding their Medicaid patient days permit by more than five percent shall be fined incrementally at the same rate established by the General Assembly for Fiscal Year 2012-2013.

34.15. (DHEC: Health Licensing Fee) Funds resulting from an increase in the Health Licensing Fee Schedule shall be retained by the department to fund increased responsibilities of the health licensing programs. Failure to submit a license renewal application or fee to the department by the license expiration date shall result in a late fee of \$75 or twenty-five percent of the licensing fee amount, whichever is

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greater, in addition to the licensing fee. Continual failure to submit completed and accurate renewal applications and/or fees by the time period specified by the department shall result in enforcement actions. The department may waive any or all of the assessed late fees in extenuating circumstances, as long as it is with public knowledge.

34.16. (DHEC: Infectious Waste Contingency Fund) The Department of Health and Environmental Control is authorized to use not more than \$75,000 from the Infectious Waste Contingency Fund per year for personnel and operating expenses to implement the Infectious Waste Act.

34.17. (DHEC: Nursing Home Medicaid Bed Day Permit) When transfer of a Medicaid patient from a nursing home is necessary due to violations of state or federal law or Medicaid certification requirements, the Medicaid patient day permit shall be transferred with the patient to the receiving nursing home. The receiving facility shall apply to permanently retain the Medicaid patient day permit within sixty days of receipt of the patient.

34.18. (DHEC: Mineral Sets Revenue) The department is authorized to charge a reasonable fee for mineral sets. Funds generated from the sale of mineral sets may be retained by the department in a revolving account with a maximum carry forward of \$2,000 and must be expended for mineral set supplies and related mining and reclamation educational products.

34.19. (DHEC: Spoil Easement Areas Revenue) The department is authorized to collect, retain and expend funds received from the sale of and/or third party use of spoil easement areas, for the purpose of meeting the State of South Carolina's responsibility for providing adequate spoil easement areas for the Atlantic Intracoastal Waterway in South Carolina.

34.20. (DHEC: Per Visit Rate) The SC DHEC is authorized to compensate non-permanent, part-time employees on a fixed rate per visit basis. Compensation on a fixed rate per visit may be paid to employees for whom the department receives per visit reimbursement from other sources. These individuals will provide direct patient care in a home environment. The per visit rate may vary based on the discipline providing the care and the geographical location of services rendered. Management may pay exempt or non-exempt employees as defined by the Fair Labor Standards Act only when they are needed to work. Individuals employed in this category may exceed twelve

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months, but are not eligible for State benefits except for the option of contributing to the State Retirement System.

34.21. (DHEC: Allocation of Indirect Cost and Recoveries) The department shall continue to deposit in the general fund all indirect cost recoveries derived from state general funds participating in the calculation of the approved indirect cost rate. Further administration cost funded with other funds used in the indirect cost calculation may, based on their percentage, be retained by the agency to support the remaining administrative costs of the agency.

34.22. (DHEC: Permitted Site Fund) The South Carolina Department of Health and Environmental Control may expend funds as necessary from the permitted site fund established pursuant to Section 44-56-160(B)(1), for legal services related to environmental response, regulatory, and enforcement matters, including administrative proceedings and actions in state and all federal courts.

34.23. (DHEC: Shift Increased Funds) The Director is authorized to shift increased appropriated funds in this act to offset shortfalls in other critical program areas.

34.24. (DHEC: Health Licensing Monetary Penalties) In the course of regulating health care facilities/services, the Division of Health Licensing (DHL) assesses civil monetary penalties against non-conforming providers. DHL shall retain up to the first \$50,000 of civil monetary penalties collected each fiscal year and these funds shall be utilized solely to carry out and enforce the provisions of regulations applicable to that Division. These funds shall be separately accounted for in the Department's fiscal records.

34.25. (DHEC: Health Facility Monetary Penalties) In the course of regulating health care facilities/services, the Bureau of Health Facilities and Services Development (BHF) assesses civil monetary penalties against non-conforming providers. BHF shall retain up to the first \$100,000 of civil monetary penalties collected each fiscal year and these funds shall be utilized solely to carry out and enforce the provisions of regulations applicable to that Bureau. These funds shall be separately accounted for in the Department's fiscal records.

34.26. (DHEC: Radiological Health Monetary Penalties) In the course of regulating health care facilities/services, the Bureau of Radiological Health (BRH) assesses civil monetary penalties against non-conforming providers. BRH shall retain up to the first \$30,000 of civil monetary penalties collected each fiscal year and these funds shall

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be utilized solely to carry out and enforce the provisions of regulations applicable to that Bureau. These funds shall be separately accounted for in the Department's fiscal records.

34.27. (DHEC: Prohibit Use of Funds) The Department of Health and Environmental Control must not use any state appropriated funds to terminate a pregnancy or induce a miscarriage by chemical means.

34.28. (DHEC: Meals in Emergency Operations) The cost of meals may be provided to state employees who are required to work during actual emergencies and emergency simulation exercises when they are not permitted to leave their stations.

34.29. (DHEC: Compensatory Payment) In the event the President of the United States has declared a state of emergency or the Governor has declared a state of emergency in a county in the State, Fair Labor Standards Act exempt employees of the department may be paid for actual hours worked in lieu of accruing compensatory time, at the discretion of the agency Director, and providing funds are available.

34.30. (DHEC: Beach Renourishment and Monitoring and Coastal Access Improvement) \$1,000,000 of funds allocated or carried forward for beach renourishment may be spent in accordance with all required state and federal permits and certifications to benefit an area in which the erosion of the beaches located in state jurisdiction is attributed to a federally authorized navigation project as documented by the findings of a Section 111 Study conducted under the authority of the federal Rivers and Harbors Act of 1968, as amended by the federal Water Resources Development Act of 1986, and approved by the United States Army Corps of Engineers and \$500,000 may be spent in accordance with all required state and federal permits and certifications for the purpose of constructing outfalls for stormwater emanating from jurisdictions where maintenance of near shore water quality is critical to tourism. If state funds are made available or carried forward from any general revenue, capital, surplus or bond funding appropriated to the department for beach renourishment and maintenance, the department shall be able to expend not more than \$100,000 of these funds annually to support annual beach profile monitoring. Additional funds made available or carried forward for beach renourishment projects that are certified by the department as excess may be spent for beach renourishment and departmental activities that advance the policy goals contained in the State Beachfront Management Plan, R.30-21.

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34.31. (DHEC: South Carolina State Trauma Care Fund) Of the funds appropriated to the South Carolina State Trauma Care Fund, \$2,268,885 shall be utilized for increasing the reimbursement rates for trauma hospitals, for trauma specialists' professional fee, for increasing the capability of EMS trauma care providers from counties with a high rate of traumatic injury deaths to care for injury patients, and for support of the trauma system, based on a methodology as determined by the department with guidance and input from the Trauma Council as established in Section 44-61-530 of the South Carolina Code of Laws. The methodology to be developed will include a breakdown of disbursement of funds by percentage, with a proposed seventy-six and one half percent disbursed to hospitals and trauma physician fees, sixteen percent of the twenty-one percent must be disbursed to EMS providers for training EMTs, Advanced EMTs and paramedics by the four regional councils of this state and the remaining five percent must be disbursed to EMS providers in counties with high trauma mortality rates, and two and one half percent allocated to the department for administration of the fund and support of the trauma system. The Department of Health and Environmental Control shall promulgate regulations as required in Section 44-61-540 of the 1976 Code for the administration and oversight of the Trauma Care Fund.

34.32. (DHEC: Pandemic Influenza) The Department of Health and Environmental Control shall assess South Carolina's ability to cope with a major influenza outbreak or pandemic influenza and maintain an emergency plan and stockpile of medicines and supplies to improve the state's readiness condition. The department shall report on preparedness measures to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Governor by November first, each year. The department, in conjunction with the Department of Health and Human Services, is authorized to establish a fund for the purpose of developing an emergency supply, stockpile, and distribution system of appropriate antiviral, antibiotic, and vaccine medicines and medical supplies. In the event the United States Department of Health and Human Services makes available medicines or vaccines for purchase by states via federal contract or federally-subsidized contract or other mechanism, the department, with Budget and Control Board approval, may access appropriated or earmarked funds as necessary to purchase an emergency supply of these medicines for the State of South Carolina.

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34.33. (DHEC: Pharmacist Services) For the current fiscal year, provisions requiring that all department facilities distributing or dispensing prescription drugs be permitted by the Board of Pharmacy and that each pharmacy have a pharmacist-in-charge are suspended. Each Department of Health and Environmental Control Public Health Region shall be required to have a permit to distribute or dispense prescription drugs. A department pharmacist may serve as the pharmacist-in-charge without being physically present in the pharmacy. The department is authorized to designate one pharmacist-in-charge to serve more than one department facility. Only pharmacists, nurses, or physicians are allowed to dispense and provide prescription drugs/products/vaccines for conditions or diseases that the department treats, monitors, or investigates. In the event of a public health emergency or upon activation of the strategic national stockpile, other medications may be dispensed as necessary.

34.34. (DHEC: Coastal Zone Appellate Panel) The Coastal Zone Appellate Panel as delineated in Section 48-39-40 of the 1976 Code under the Department of Health and Environmental Control shall be suspended for the current fiscal year.

34.35. (DHEC: Rural Hospital Grants) Rural Hospital Grants funds shall be allocated to public hospitals in very rural or rural areas whose largest town is less than 25,000 and whose licensed bed capacity does not exceed two hundred beds. Hospitals qualifying for the grants shall utilize such funds for any of the following purposes: (a) the development of preventive health programs, medical homes, and primary care diversion from emergency departments; (b) expanded health services, including physician recruitment and retention; (c) to improve hospital facilities; (d) activities involving electronic medical records or claims processing systems; (e) to enhance disease prevention activities in diabetes, heart disease, etc; and (f) activities to ensure compliance with State or Federal regulations.

34.36. (DHEC: Camp Burnt Gin) Notwithstanding any other provision of law, the funds appropriated to the department pursuant to Part IA, or funds from any other source, for Camp Burnt Gin must not be reduced in the event the department is required to take a budget reduction.

34.37. (DHEC: Metabolic Screening) The department may suspend any activity related to blood sample storage as outlined in Section 44-37-30 (D) and (E) of the 1976 Code, if there are insufficient state

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funds to support the storage requirements. In that event, the samples may be destroyed in a scientifically appropriate manner after testing. The department shall notify providers of the suspension within thirty days of its effective date.

34.38. (DHEC: Fetal Pain Awareness) (A) The department must utilize at least one hundred dollars to prepare printed materials concerning information that unborn children at twenty weeks gestation and beyond are fully capable of feeling pain and the right of a woman seeking an abortion to ask for and receive anesthesia to alleviate or eliminate pain to the fetus during an abortion procedure. The materials must be provided to each abortion provider in the State and must be placed in a conspicuous place in each examination room at the doctor's office. The materials must contain only the following information:

“Fetal Pain Awareness

An unborn child who is twenty weeks old or more is fully capable of experiencing pain. Anesthesia provided to a woman for an abortion typically offers little pain prevention for the unborn child. If you choose to end your pregnancy, you have a right to have anesthesia or analgesic administered to alleviate the pain to your unborn child during the abortion.”

(B) The materials must be easily comprehensible and must be printed in a typeface large and bold enough to be clearly legible.

34.39. (DHEC: SCHIDS) From funds appropriated for Chronic Disease Prevention, the department shall establish a South Carolina Health Integrated Data Services (SCHIDS) program to disseminate data about prevalence, treatment and cost of disease from the South Carolina Health and Human Services Data Warehouse and in particular the Medicaid System. The purpose of the program is to educate communities statewide about improving health and wellness through lifestyle changes.

The Budget and Control Board, Office of Research and Statistics shall provide data needed by the SCHIDS program to fulfill its mission, and all state agencies and public universities involved in educating South Carolinians through public programs for the purpose of improving health and wellness shall communicate with the program in order to improve collaboration and coordination and the possible use of SCHIDS to assist in the evaluation of program outcomes.

Medicaid staff shall coordinate with the SCHIDS program staff to target Prevention Partnership Grant awards to those communities

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demonstrating a prevalence of chronic disease and/or lack of access to care.

34.40. (DHEC: Abstinence Education Contract) For the current fiscal year, funds made available to the State of South Carolina under the provisions of Title V, Section 510, may only be awarded to other entities through a competitive bidding process.

****34.41. (DHEC: Vital Records) For the current fiscal year, with funding appropriated to the department through state appropriations or fees collected for services, the department shall provide vital records services in each of the forty-six county health departments throughout the state that were providing those services on January 1, 2012. The department may determine operational schedules for each location based on staffing resources in each area.***

34.42. (DHEC: Immunizations) The department is authorized to utilize the funds appropriated for immunizations to hire temporary personnel to address periods of high demand for immunizations at local health departments.

*****34.43. (DHEC: Laurens County) By August 1, 2013, the department shall transfer \$39,425 to the County of Laurens, South Carolina to reimburse the county for the expenses of reroofing a building vacated by the department.***

*****34.44. (DHEC: Cancer Early Detection/Screenings) Of the funds appropriated and/or authorized to the Department of Health and Environmental Control, excluding department Restricted fund accounts, \$1,000,000 shall be used for the Best Chance Network and \$500,000 shall be used as matching funds for the Colon Cancer Prevention Network.***

34.45. (DHEC: Obesity) The Department of Health and Environmental Control is charged with addressing the public health of our citizens and shall be the convener and coordinator of the fight against Obesity in South Carolina. Because addressing the obesity epidemic requires behavioral, educational, systemic, medical, and community involvement, the following state agencies should use their best efforts to cooperate with the requests of the department and its partners to facilitate an environment that decreases body mass index (BMI): Department of Education; Department of Health and Human Services; Department of Social Services; Department of Mental Health;

* See note at end of Act.

** See note at end of Act.

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Medical University of South Carolina; University of South Carolina Arnold School of Public Health; Department of Parks, Recreation & Tourism; Department of Commerce; Department of Transportation; and Commission for the Blind.

In addition, school districts must provide the Department of Health and Environmental Control with information regarding their progress towards meeting certain provisions of the Student Health and Fitness Act of 2005, specifically: Section 59-10-10 regarding the average number of minutes students exercise weekly; Section 59-10-50 regarding the SC Physical Education Assessment; Section 59-10-310 regarding efforts to promote healthy eating patterns; Section 59-10-320 regarding assessment of school district health education programs; Section 59-10-340 regarding snacks in vending machines; and Section 59-10-360 regarding health curriculum. The department is given the authority to collect, compile and assess the progress of the State and the School Districts in meeting the goals of this act.

34.46. DELETED

34.47. (DHEC: Residential Treatment Facilities Swing Beds) For Fiscal Year 2013-2014 in coordination with the South Carolina Health Plan and to improve access for acute psychiatric beds as patient populations demand, Residential Treatment Facilities (RTF) may swing up to 10 beds per qualifying facility to accommodate patients with a diagnosis of an acute psychiatric disorder. In order to qualify to utilize swing beds a facility must meet the following criteria: the facility must currently have both licensed acute psychiatric and residential treatment facility beds, the RTF beds must meet the same licensure requirements as the existing licensed acute psychiatric beds, and any facility utilizing swing beds must keep the acute and RTF patient populations separate and distinct. The utilization of swing beds must also comply with all federal Centers for Medicare and Medicaid Services rules and regulations.

34.48. (DHEC: Surface Water Withdrawal Permit) For purposes of compliance with the requirements of R.61-119, any existing surface water withdrawer, as defined in Section 49-4-20(9) of the 1976 Code, as amended, shall be allowed to file a permit application, pay the \$1,000 application fee and receive a permit as an existing surface water withdrawer, as long as the application is submitted prior to July 15, 2013.

34.49. DELETED

SECTION 34 - J04-DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL**34.50. DELETED**

34.51. (DHEC: Sand-scraping and Sandbagging) Sand-scraping and sandbagging is allowed as protection for golf courses, if permitted by the department, until December 31, 2013, at which time sand-scraping and sandbagging will no longer be allowed for the protection of golf courses.

34.52. (DHEC: Tuberculosis Outbreak) Upon discovery of a tuberculosis outbreak, the Department of Health and Environmental Control may expend any funds available to the agency, for the purpose of surveillance, investigation, containment, and treatment activities related thereto.

SECTION 35 - J12-DEPARTMENT OF MENTAL HEALTH

35.1. (DMH: Patient Fee Account) The Department of Mental Health is hereby authorized to retain and expend its Patient Fee Account funds. In addition to funds collected for the maintenance and medical care for patients, Medicare funds collected by the department from patients' Medicare benefits and funds collected by the department from its veteran facilities shall be considered as patient fees. The department is authorized to expend these funds for departmental operations, for capital improvements and debt service under the provisions of Act 1276 of 1970, and for the cost of patients' Medicare Part B premiums. The department shall remit \$290,963 to the General Fund, \$400,000 to the Continuum of Care, \$50,000 to the Alliance for the Mentally Ill, and \$250,000 to S.C. Share Self Help Association Regarding Emotions.

35.2. DELETED

35.3. (DMH: Institution Generated Funds) The Department of Mental Health is authorized to retain and expend institution generated funds which are budgeted.

35.4. (DMH: Practice Plan) Employees of the department affiliated with the University of South Carolina School of Medicine, who hold faculty appointments in the School, may participate in the School's Practice Plan provided that participation not take place during regular working hours. Funds generated by such participants shall be handled in accordance with University policies governing Practice Plan funds.

SECTION 35 - J12-DEPARTMENT OF MENTAL HEALTH

35.5. (DMH: Huntington's Disease) Of funds appropriated, the Department of Mental Health shall designate \$150,000 for administrative and personnel costs for Huntington's Disease clinical services within the Department of Mental Health.

35.6. (DMH: Alzheimer's Funding) Of the funds appropriated to the Department of Mental Health for Community Mental Health Centers, \$778,706 must be used for contractual services to provide respite care and diagnostic services to those who qualify as determined by the Alzheimer's Disease and Related Disorders Association. The department must maximize, to the extent feasible, federal matching dollars. On or before September thirtieth of each year, the Alzheimer's Disease and Related Disorders Association must submit to the department, Governor, Senate Finance Committee, and House Ways and Means Committee an annual financial statement and outcomes measures attained for the fiscal year just ended. These funds may not be expended or transferred during the current fiscal year until the required reports have been received by the department, Governor, Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. In addition, when instructed by the Budget and Control Board or the General Assembly to reduce funds by a certain percentage, the department may not reduce the funds transferred to the Alzheimer's Disease and Related Disorders Association greater than such stipulated percentage.

35.7. DELETED

35.8. (DMH: McCormick Satellite Clinic) The \$750,000 appropriated by Proviso 73.17 of Act 397 of 2006 for the Williams Building Cooperative Ministries Homeless Shelter Renovation & Operation shall be redirected as follows: \$250,000 shall be used for a satellite community mental health clinic in McCormick County. Unexpended funds may be carried forward into the current fiscal year to be expended for the same purpose. The City of Columbia must provide documentation annually on expenditures related to the \$500,000 transferred to the city by Proviso 10.16 of Act 117 of 2007 to benefit other homeless programs until all funds are expended.

35.9. (DMH: Crisis Intervention Training) Of the funds appropriated to the department, \$170,500 shall be utilized for the National Alliance on Mental Illness (NAMI) SC for Crisis Intervention Training (CIT).

35.10. (DMH: Uncompensated Patient Medical Care) There is created an Uncompensated Patient Care Fund to be used by the

SECTION 35 - J12-DEPARTMENT OF MENTAL HEALTH

department for medical costs incurred for patients that must be transferred to a private hospital for services. These funds may be carried forward from the prior fiscal year into the current fiscal year to be used for the same purpose.

35.11. (DMH: Meals in Emergency Operations) The cost of meals may be provided to state employees who are required to work during actual emergencies and emergency simulation exercises when they are not permitted to leave their stations.

35.12. DELETED

35.13. DELETED

35.14. (DMH: Deferred Maintenance, Capital Projects, Ordinary Repair and Maintenance) The Department of Mental Health is authorized to establish an interest bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance. These funds may be carried forward from the prior fiscal year into the current fiscal year to be used for the same purpose.

***35.15.** *(DMH: Psychiatric Day Program) Of the funds appropriated to the department, \$250,000 shall be utilized for Gateway House for general operating expenses associated with a psychiatric day program for males and females with serious mental illness and \$200,000 shall be utilized for CASA Family Systems for general operating expenses associated with the provision of mental health and related services to child and adult victims of sexual and family violence.*

35.16. (DMH: State Veterans Domiciliary Facility) The Department of Mental Health shall prepare a report evaluating the feasibility and desirability of the State furnishing domiciliary care to eligible veterans in State Veterans' Homes. Domiciliary care is the provision of shelter, sustenance, and incidental medical care on an ambulatory self-care basis to assist eligible veterans, disabled by age or illness to attain physical, mental, and social well-being through rehabilitative programs. This report must consider and discuss the feasibility of locating a facility in proximity to current State Veterans Nursing Homes, including but not limited to available space at the agency's C.M. Tucker Nursing Care Center in Columbia. The report must also consider and discuss opportunities for the private sector's role in

* See note at end of Act.

SECTION 35 - J12-DEPARTMENT OF MENTAL HEALTH

operating such facilities. This report shall be provided to the Chairman of the Senate Finance Committee, the Chairman of the Senate Medical Affairs Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the Medical, Military, Public, and Municipal Affairs Committee by January 10, 2014.

SECTION 36 - J16-DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

36.1. (DDSN: Work Activity Programs) All revenues derived from production contracts earned by mentally retarded trainees in Work Activity Programs be retained by the South Carolina Department of Disabilities and Special Needs and carried forward as necessary into the following fiscal year to be used for other operating expenses and/or permanent improvements of these Work Activity Programs.

36.2. (DDSN: Sale of Excess Real Property) The department is authorized to retain revenues associated with the sale of excess real property owned by, under the control of, or assigned to the department and may expend these funds as grants to purchase or build community residences and day program facilities for the individuals DDSN serves. The department shall follow all the policies and procedures of the Budget and Control Board and the Joint Bond Review Committee.

36.3. (DDSN: Prenatal Diagnosis) Revenues not to exceed \$126,000 from client fees, credited to the debt service fund and not required to meet the department's debt service requirement, may be expended only in the current fiscal year to promote expanded prenatal diagnosis of mental retardation and related defects by the Greenwood Genetic Center.

36.4. (DDSN: Medicaid Funded Contract Settlements) The department is authorized to carry forward and retain settlements under Medicaid-funded contracts.

36.5. (DDSN: Departmental Generated Revenue) The department is authorized to continue to expend departmental generated revenues that are authorized in the budget.

36.6. (DDSN: Transfer of Capital/Property) The department may transfer capital to include property and buildings to local DSN providers with Budget and Control Board approval.

36.7. (DDSN: Unlicensed Medication Providers) The provision of selected prescribed medications may be performed by selected unlicensed persons in community-based programs sponsored, licensed

**SECTION 36 - J16-DEPARTMENT OF DISABILITIES AND
SPECIAL NEEDS**

or certified by the South Carolina Department of Disabilities and Special Needs, provided such selected unlicensed persons have documented medication training and skill competency evaluation. Licensed nurses may train and supervise selected unlicensed persons to provide medications and, after reviewing competency evaluations, may approve selected unlicensed persons for the provision of medications. The provision of medications by selected unlicensed persons is limited to oral and topical medications and to regularly scheduled insulin and prescribed anaphylactic treatments under established medical protocol and does not include sliding scale insulin or other injectable medications. The selected unlicensed persons shall be protected against tort liability provided their actions are within the scope of their job duties and the established medical protocol.

The Department of Disabilities and Special Needs shall establish curriculum and standards for training and oversight.

This provision shall not apply to a facility licensed as a habilitation center for the mentally retarded or persons with related conditions.

36.8. (DDSN: Pervasive Developmental Disorder) The Department of Disabilities and Special Needs, as the agency authorized to treat autistic disorder, is designated for a Medicaid project to treat children who have been diagnosed by eight years of age with a pervasive developmental disorder. The project must target the youngest ages feasible for treatment effectiveness, treatment for each individual child shall not exceed three years without a special exception as defined in the waiver, and reimbursement for each individual participant may not exceed \$50,000 per year. The Department of Disabilities and Special Needs and the Department of Health and Human Services will determine the areas of the State with the greatest need and availability of providers. Children participating in the project will be selected based upon an application system developed in compliance with the Medicaid waiver. Treatment will be provided as authorized and prescribed by the department according to the degree of the developmental disability. In authorizing and prescribing treatment the department may award grants or negotiate and contract with public or private entities to implement intervention programs, which must comply with Medicaid reimbursement methodologies, for children who have been diagnosed with a pervasive developmental disorder. "Pervasive developmental disorder" means a neurological condition, including autistic disorder and Asperger's

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syndrome, as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association. The department shall report semi-annually to the General Assembly and the Governor on the developmental progress of the children participating in the project and the fiscal status of the project, to include expenditure data and appropriation balances. This provision does not establish or authorize creation of an entitlement program or benefit.

36.9. (DDSN: Modular Ramps) The Department of Disabilities and Special Needs is authorized to lease modular ramps in the event the department can foresee demonstrated cost-savings to the department.

36.10. (DDSN: Child Daycare Centers) Of the funds appropriated to the department, the department shall provide reimbursement for services provided to department eligible children at daycare centers previously under contract prior to December 31, 2008. The reimbursement shall not be less than eighty percent of the amount reimbursed in the previous fiscal year. By September fifteenth, the department must transfer \$100,000 to the Anderson County Disabilities Board for the provision of these services.

36.11. (DDSN: Debt Service Account) The department shall utilize the uncommitted dollars in their debt service account, account E164660, for operations and services that are not funded in the appropriations bill.

36.12. (DDSN: Traumatic Brain Injury) Funds appropriated to the agency for Traumatic Brain Injury/Spinal Cord Injury Post-Acute Rehabilitation shall be used for that purpose only. In the event the department receives a general fund reduction in the current fiscal year, any reductions to the post-acute rehabilitation funding shall not exceed reductions in proportion to the agency as a whole.

36.13. (DDSN: Greenwood Genetic Center Autism Research) The department is authorized to transfer up to \$500,000 of unencumbered funds from the PDD autism waiver to the Greenwood Genetic Center for autism research.

**SECTION 37 - J20-DEPARTMENT OF ALCOHOL AND OTHER
DRUG ABUSE SERVICES**

37.1. (DAODAS: Training & Conference Revenue) The department may charge fees for training events and conferences. The

**SECTION 37 - J20-DEPARTMENT OF ALCOHOL AND
OTHER DRUG ABUSE SERVICES**

revenues from such events shall be retained by the department to increase education and professional development initiatives.

37.2. (DAODAS: Gambling Addiction Services) In that gambling is a serious problem in South Carolina, the department through its local county commissions may provide, from funds appropriated to the department, information, education, and referral services to persons experiencing gambling addictions.

37.3. (DAODAS: Eligibility for Treatment Services) Upon the payment of all applicable fees, any resident of South Carolina is eligible to take part in the treatment programs offered by the Department of Alcohol and Other Drug Abuse Services during the current fiscal year.

37.4. (DAODAS: Medicaid Match Transfer) At the beginning of the fiscal year, the Department of Alcohol and Other Drug Abuse Services will transfer \$1,915,902 to the Department of Health and Human Services to meet federal Medicaid Match participation requirements for the delivery of alcohol and other drug abuse services to the Medicaid beneficiary population.

37.5. (DAODAS: Health Information Technology) The Department of Alcohol and Other Drug Abuse Services shall work with Department of Health and Human Services and each county's designated alcohol and drug abuse authorities to pursue funding to aid in purchasing the appropriate Certification Commission for Health Information Technology (CCHIT) behavioral health Electronic Health Records (EHR) system for the authorities. The new system shall streamline the 301 system and shall contain CCHIT certified programming that will have the capability of interoperability with other state agencies such as the Department of Health and Human Services and Federally Qualified Health Centers. The Department of Alcohol and Other Drug Abuse Services and the Department of Health and Human Services shall work together to determine if additional funding may be available to assist in offsetting the costs associated with the new system implementation through the Medicare and Medicaid EHR Incentive Program or any other grant programs.

37.6. DELETED

SECTION 38 - L04-DEPARTMENT OF SOCIAL SERVICES

38.1. (DSS: Fee Retention) The Department of Social Services shall recoup all refunds and identified program overpayments and all such overpayments shall be recouped in accordance with established collection policy. Funds of \$800,000 collected under the Child Support Enforcement Program (Title IV-D) which are state funds shall be remitted to the State Treasurer and credited to the General Fund of the State. All state funds above \$800,000 shall be retained by the department to fund Self-Sufficiency and Family Preservation and Support initiatives.

38.2. (DSS: Recovered State Funds) The department shall withhold a portion of the State Funds recovered, under the Title IV-D Program, for credit to the general fund in order to allow full participation in the federal "set off" program offered through the Internal Revenue Service, the withholding of unemployment insurance benefits through the Department of Employment and Workforce and reimbursement for expenditures related to blood testing. Such funds may not be expended for any other purpose. The Department of Social Services shall be allowed to utilize the State share of Federally required fees, collected from non-TANF clients, in the administration of the Child Support Enforcement Program. Such funds may not be expended for any other purpose. However, this shall not include Child Support Enforcement Program incentives paid to the program from federal funds to encourage and reward cost effective performance. Such incentives are to be reinvested in the program to increase collections of support at the state and county levels in a manner consistent with federal laws and regulations governing such incentive payments. The department shall not use clerk of court incentive funds to replace agency operating funds. Such funds shall be remitted to the appropriate state governmental entity to further child support collection efforts.

38.3. (DSS: Foster Children Burial) The expenditure of funds allocated for burials of foster children shall not exceed one thousand five hundred dollars per burial.

38.4. (DSS: Battered Spouse Funds) Appropriations included in Subprogram II.K entitled Battered Spouse shall be allocated through contractual agreement to providers of this service. These appropriations may also be used for public awareness and contracted services for victims of this social problem including the abused and children accompanying the abused. Such funds may not be expended

SECTION 38 - L04-DEPARTMENT OF SOCIAL SERVICES

for any other purpose nor be reduced by any amount greater than that stipulated by the Budget and Control Board or the General Assembly for the agency as a whole.

38.5. (DSS: Court Examiner Service Exemption) In order to prevent the loss of federal funds to the State, employees of the Department of Social Services whose salaries are paid in full or in part from federal funds will be exempt from serving as court examiners.

38.6. (DSS: TANF Advance Funds) The Department of Social Services is authorized to advance sufficient funds during each fiscal year from the Temporary Assistance for Needy Families Assistance Payments general fund appropriations to the Temporary Assistance for Needy Families Assistance Payments federal account only for the purpose of allowing a sufficient cash flow in the federal account. The advance must be refunded no later than April of the same fiscal year. Upon the advance of funds as provided herein, the Comptroller General is authorized to process the July voucher for the funding of benefit checks.

38.7. (DSS: Fee Schedule) The Department of Social Services shall be allowed to charge fees and accept donations, grants, and bequests for social services provided under their direct responsibility on the basis of a fee schedule. The fees collected shall be utilized by the Department of Social Services to further develop and administer these program efforts. The below fee schedule is established for the current fiscal year.

Day Care

Family Child Care Homes (up to six children)	\$ 15
Group Child Care Homes (7-12 children).....	\$ 30
Registered Church Child Care (13+)	\$ 50
Licensed Child Care Centers (13-49).....	\$ 50
Licensed Child Care Centers (50-99).....	\$ 75
Licensed Child Care Centers (100-199).....	\$100
Licensed Child Care Centers (200+).....	\$125

Central Registry Checks

Non-profit Entities	\$ 8
For-profit Agencies	\$ 25
State Agencies.....	\$ 8
Schools.....	\$ 8
Day Care	\$ 8
Other – Volunteer Organizations	\$ 8

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Other Children’s Services

Services Related to Adoption of Children from Other Countries.....	\$225
Court-ordered Home Studies in non-DSS Custody Cases ...	\$850
Licensing Residential Group Homes Fee for an Initial License.....	\$250
For Renewal.....	\$ 75
Licensing Child Caring Institutions Fee for an Initial License.....	\$500
For Renewal.....	\$100
Licensing Child Placing Agencies Fee for an Initial License.....	\$500
For Renewal.....	\$ 60
For Each Private Foster Home Under the Supervision of a Child Placing Agency	\$ 15

Responsible Father Registry

Registry Search	\$ 50
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38.8. (DSS: Food Stamp Fraud) The state portion of funds recouped from the collection of recipient claims in the TANF and Food Stamp programs shall be retained by the department. A portion of these funds shall be distributed to local county offices for emergency and program operations.

38.9. (DSS: TANF - Immunizations Certificates) The department shall require all TANF applicants and/or recipients to provide proof of age appropriate immunizations for children. If such immunizations have not been administered, the department shall assist in referring applicants to appropriate county health departments to obtain the immunizations.

38.10. (DSS: Fees for Court Witness in Child Welfare Services) Effective July 1, 1994, any monies appropriated for the payment of court testimony in either abuse and neglect, termination of parental rights, or judicial review cases arising under Section 20-7-480, et. seq. of the South Carolina Code of Laws, 1976, as amended, and adult protective service cases under Section 43-35-10(9), et. seq. of the South Carolina Code of Laws, 1976, as amended, shall only be paid in accordance with DSS policy which shall include limits on awards and procedures for payment, in due consideration of the agency budgetary limitations and specific funds allocated for such purposes. Provided further that DSS shall pay up to a maximum hourly rate to licensed psychologists, social workers, nurses, ministerial counseling, family

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and marriage counselors of \$60 for counseling and \$60 for expert witness fees, to include travel time and DSS shall pay up to a maximum hourly rate to physicians of \$125 for expert witness fees, to include travel time.

38.11. (DSS: County Directors' Pay) With respect to the amounts allocated to the Department of Social Services for Employee Pay Increase in this act, the Department of Social Services is authorized to allot funds for pay increases to individual county directors and regional directors in classified positions without uniformity. Pay increases for DSS county directors and regional directors shall be administered in accordance with the guidelines established by the Budget and Control Board for Executive Compensation System and other non-academic unclassified employees. Any employees subject to the provisions of this paragraph shall not be eligible for any other compensation increases provided in this act.

38.12. (DSS: Use of Funds Authorization) Department investigative units shall be authorized to receive and expend funds awarded to these units as a result of a donation, contribution, prize, grant, and/or court order. These funds shall be retained by the department on behalf of the investigative units and deposited in a separate, special account and shall be carried forward from year to year and withdrawn and expended as needed to fulfill the purposes and conditions of the donation, contribution, prize, grant, and/or court order, if specified, and if not specified, as may be directed by the Director of the Department of Social Services. These accounts shall not be used to supplant operating funds in the current or future budgets. The agency shall report to the Senate Finance Committee and Ways and Means Committee by January thirtieth of the current fiscal year on the amount of funds received and how expended.

38.13. (DSS: Use of Funds Authorization) Unless specifically directed by the General Assembly, when DSS is directed to provide funds to a not-for-profit or 501(c)(3) organization, that organization must use the funds to serve persons who are eligible for services in one or more DSS programs.

38.14. (DSS: Grant Authority) The Department of Social Services is authorized to make grants to community-based not-for-profit organizations for local projects that further the objectives of DSS programs. The department shall develop policies and procedures and may promulgate regulations to assure compliance with state and federal requirements associated with the funds used for the grants and to assure

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fairness and accountability in the award and administration of these grants. The department shall require a match from all grant recipients.

38.15. (DSS: Family Foster Care Payments) The Department of Social Services shall furnish as Family Foster Care payments for individual foster children under their sponsorship:

ages	0 - 5	\$332	per month
ages	6 - 12	\$359	per month
ages	13 +	\$425	per month

These specified amounts are for the basic needs of the foster children. Basic needs within this proviso are identified as food (at home and away), clothing, housing, transportation, education and other costs as defined in the U.S. Department of Agriculture study of "Annual Cost of Raising a Child to Age Eighteen". Further, each agency shall identify and justify, as another line item, all material and/or services, in excess of those basic needs listed above, which were a direct result of a professional agency evaluation of clientele need. Legitimate medical care in excess of Medicaid reimbursement or such care not recognized by Medicaid may be considered as special needs if approved by the sponsoring/responsible agency and shall be reimbursed by the sponsoring agency in the same manner of reimbursing other special needs of foster children.

38.16. (DSS: Penalty Assessment) The Department of Social Services may impose monetary penalties against a person, facility, or other entity for violation of statutes or regulations pertaining to programs, other than foster home licensing, that the department regulates. Penalties collected must be remitted to the State Treasurer for deposit into the State General Fund. The department shall promulgate regulations for each program in which penalties may be imposed. The regulations must include guidance on the decision to assess a penalty, the effect of failure to pay a penalty in a timely manner, and a schedule of penalty ranges that takes into account severity and frequency of violations. These regulations must provide for notice of the penalty and the right to a contested case hearing before a designee of or panel appointed by the director of the department. Judicial review of the final agency decision concerning a penalty must be in accordance with statutes or regulations that apply to judicial review of final revocation and denial decisions in that particular program. The department, in accordance with regulations promulgated pursuant to this provision, shall have discretion in determining the appropriateness of assessing a monetary penalty against a person or

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facility and the amount of the penalty. The authority to assess monetary penalties shall be in addition to other statutory provisions authorizing the department to seek injunctive relief or to deny, revoke, suspend, or otherwise restrict or limit a license or other types of operating or practice registrations, approvals, or certificates.

38.17. (DSS: Child Support Enforcement Automated System Carry Forward) The department shall be authorized to retain and carry forward any unexpended funds appropriated for the Child Support Enforcement automated system and related penalties.

38.18. (DSS: Child Support Enforcement System) From the funds appropriated in Part IA, Section 38(F), the Department of Social Services shall prepare a detailed report on the status of the Child Support Enforcement System. The report shall include, but not be limited to, actions currently being undertaken to become compliant with federal government requirements; the cost required to meet minimum federal guidelines; total funds spent so far on the system; the amount of fines assessed by the federal government associated with non-compliance; how much has been spent to satisfy actions taken by the state judicial system; and how much has been spent related to actions taken by any other entity which may have altered the amount required for meeting minimum federal guidelines. The report shall be submitted to the General Assembly by August thirty-first of the current fiscal year.

38.19. (DSS: Child Care Voucher) State funds allocated to the Department of Social Services and used for child care vouchers must be used to enroll eligible recipients within provider settings exceeding the state's minimum child care licensing standards. The department may waive this requirement on a case by case basis.

38.20. (DSS: Abstinence Until Marriage Teen Pregnancy Prevention Funding) From the monies appropriated for the Continuation of Teen Pregnancy Prevention, contracts must be awarded to separate private, non-profit 501(c)(3) entities to provide Abstinence Until Marriage teen pregnancy prevention programs and services within the State.

Contracts must be awarded utilizing a competitive approach in accordance with the South Carolina Procurement Code.

The monies appropriated will be half the amount allocated for the Continuation of Teen Pregnancy Prevention with the other half appropriated under proviso 38.25 (Comprehensive Teen Pregnancy Prevention Funding). Monies will be paid over a twelve month basis

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for services rendered. Unexpended funds shall be carried forward for the purpose of fulfilling the department's contractual agreement.

Entities that have a proven and public history of having effectively implemented abstinence programs in this State may be given a preference during the contract evaluation and awarding process. For the purposes of this proviso, a program is "effectively implemented" if the program has published positive behavioral outcomes by an independent and nationally recognized private or government agency demonstrating that a year after the program, program participants initiated sex at a rate of at least thirty percent lower than comparable non-program students.

Abstinence until marriage contracts must be awarded to programs that are consistent with the A through H legislative requirements defined in Title V, Section 510(b)(2) and are evidence-based and medically accurate.

Programs implemented by the entities awarded contracts pursuant to this proviso must be compliant with the South Carolina Comprehensive Health Education Act when implemented in a school setting. An entity that violates any portion of the South Carolina Comprehensive Health Education Act must reimburse the State for all funds disbursed.

38.21. (DSS: Meals in Emergency Operations) The cost of meals may be provided to state employees who are not permitted to leave their stations and are required to work during actual emergencies, emergency situation exercises, and when the Governor declares a state of emergency.

38.22. (DSS: Day Care Facilities Supervision Ratios) For the current fiscal year, staff-child ratios contained in Regulations 114-504(B), 114-504(C), 114-524(B), and 114-524(C) shall remain at the June 24, 2008 levels.

38.23. DELETED

38.24. (DSS: Foster Care Goals) To comply with the requirements of 42 U.S.C. Section 671(a)(14) and 45 C.F.R. Section 1356.21(n), it shall be the goal of the state that the maximum number of Title IV-E funded children who will remain in foster care for more than twenty-four months will not exceed a total of 2,617 during the fiscal year. The Department of Social Services shall develop appropriate plans for timely permanency and use appropriate data benchmarks and targets that will achieve this goal.

38.25. (DSS: Comprehensive Teen Pregnancy Prevention Funding)

(A) From the monies appropriated for the Continuation of Teen

SECTION 38 - L04-DEPARTMENT OF SOCIAL SERVICES

Pregnancy Prevention, the department must award half of the dollars allocated to a non-profit 501(c)(3) entity to provide abstinence first, age appropriate comprehensive approach to health and sexuality education with a goal of preventing adolescent pregnancy throughout South Carolina.

(B) Contracts must be awarded utilizing a competitive approach in accordance with the South Carolina Procurement Code.

(C) The monies appropriated must be paid over a twelve month basis for services rendered. Unexpended funds shall be carried forward for the purpose of fulfilling the department's contractual agreement.

(D) The programs implemented by the entity awarded a contract pursuant to this proviso may not violate any portion of the South Carolina Comprehensive Health Education Act when implemented in a school setting. An entity that violates any portion of the South Carolina Comprehensive Health Education Act must reimburse the State for all funds disbursed.

38.26. (DSS: SNAP Coupons) The Department of Social Services shall establish a program to provide coupons that will allow Supplemental Nutrition Assistance Program (SNAP) recipients to obtain additional fresh fruits and vegetables when purchasing fresh produce at grocery stores or farmers markets with SNAP benefits through their EBT cards. Each coupon shall allow the beneficiary to double the amount of produce purchased, up to five dollars. The agency shall utilize all funds received in the prior and current fiscal years from the U.S. Department of Agriculture as a bonus for reducing the error rate in processing SNAP applications to fund the program.

38.27. DELETED

SECTION 39 - L24-COMMISSION FOR THE BLIND

39.1. (BLIND: Matching Federal Funds) For the current fiscal year the amount appropriated in this section under Program II for Rehabilitative Services is conditioned upon matching by federal funds to the maximum amount available under the Federal Vocational Rehabilitation Program.

**SECTION 42 - L32-HOUSING FINANCE AND DEVELOPMENT
AUTHORITY**

42.1. (HFDA: Federal Rental Assistance Administrative Fee Carry Forward) All federal rental assistance administrative fees shall be carried forward to the current fiscal year for use by the authority in the administration of the federal programs under contract with the authority.

42.2. (HFDA: Program Expenses Carry Forward) For the prior fiscal year monies withdrawn from the authority's various bond-financed trust indentures and resolutions, which monies are deposited with the State Treasurer to pay program expenses, may be carried forward by the authority into the current fiscal year.

42.3. (HFDA: Advisory Committee Mileage Reimbursement) Members of the nine member South Carolina Housing Trust Fund Advisory Committee are eligible for mileage reimbursement at the rate allowed for state employees as established in Proviso 117.21(J) (Travel-Subsistence Expenses & Mileage) in this act.

42.4. (HFDA: Allocation of Indirect Cost Recoveries) The authority shall deposit in the state general fund indirect cost recoveries for the authority's portion of the Statewide Central Services Cost Allocation Plan (SWCAP). The authority shall retain recoveries in excess of the SWCAP amount to be deposited in the state general fund.

SECTION 43 - P12-FORESTRY COMMISSION

43.1. (FC: Grant Funds Carry Forward) The Forestry Commission is authorized to use unexpended federal grant funds in the current year to pay for expenditures incurred in the prior year.

43.2. (FC: Retention of Emergency Expenditure Refunds) The Forestry Commission is authorized to retain all funds received as reimbursement of expenditures from other state or federal agencies when personnel and equipment are mobilized due to an emergency.

43.3. (FC: Commissioned Officers' Physicals) The Forestry Commission is authorized to pay the cost of physical examinations for agency personnel who are required to receive such physical examinations prior to receiving a law enforcement commission.

43.4. (FC: Compensatory Payment) In the event a State of Emergency is declared by the Governor, exempt employees of the Forestry Commission may be paid for actual hours worked in lieu of

SECTION 43 - P12-FORESTRY COMMISSION

accruing compensatory time, at the discretion of the agency director, and providing funds are available.

SECTION 44 - P16-DEPARTMENT OF AGRICULTURE

44.1. (AGRI: Market Bulletin) The Market Bulletin shall be mailed only to those persons who request it in writing and a record of each request shall be maintained by the department. Provided further, that the Department of Agriculture is authorized to charge a yearly subscription fee to each person requesting the bulletin and may charge for classified advertisements printed in the bulletin. The funds collected pursuant to this provision shall be retained by the department to defray the costs of publication and related incidental expenses.

44.2. (AGRI: Fruit/Vegetable Inspectors Subsistence) A daily subsistence allowance of up to \$30.00 may be allowed for temporarily employed fruits and vegetables inspectors from funds generated by fruits and vegetables inspection fees and budgeted under other funds in Program IV Marketing Services, D. Inspection Services, in lieu of reimbursements for meals and lodging expense.

44.3. (AGRI: Warehouse Receipts Guaranty Fund) The Department of Agriculture may retain and expend fifty thousand dollars from the Warehouse Receipts Guaranty Fund established by Section 39-22-150 of the 1976 Code as is necessary for the department to administer the funding of the program.

44.4. (AGRI: Weights & Measures Registration) All servicepersons required to be registered with the Department of Agriculture pursuant to the provisions of Section 39-9-65 of the 1976 Code shall pay to the department a registration fee of \$25.00. Revenues generated by this provision shall be for use by the Department of Agriculture to offset expenses incurred in administering this registration program.

44.5. (AGRI: Sale of Property Revenue) The department may retain revenues associated with the sale of the property titled to or utilized by the department, except for the State Farmers Market property, and must expend these funds on capital improvements approved by the Joint Bond Review Committee and the Budget and Control Board. The department must continue to occupy any property until replacement capital improvements are completed.

44.6. (AGRI: Farmers Market Revenue) The revenues associated with the sale of the State Farmers Market shall be deposited into a

SECTION 44 - P16-DEPARTMENT OF AGRICULTURE

separate restricted special account under the authority of the Budget and Control Board. These funds and accrued interest may only be expended for relocating and reestablishing the State Farmers Market after approval by the Joint Bond Review Committee and the Budget and Control Board.

44.7. (AGRI: Export Certification) The Department of Agriculture is allowed to charge up to \$250 for each export certification of agricultural products and to retain revenues to offset expenses incurred in performing certifications.

44.8. (AGRI: Feed Label Registration) The Department of Agriculture is authorized to require the annual registration of feed labels by manufacturers and to charge a fee of \$15.00 for such registrations. Revenues generated by these fees shall be retained and used by the department to offset expenses incurred in operating the Feed Inspection Program.

44.9. DELETED

44.10. DELETED

44.11. (AGRI: Farmers Market Appraisal) The department shall remit to the general fund any remaining funds from the appropriation received by Act 290 of 2012 for the Farmers Market Phase II Property Acquisition and Expansion and used for the state farmers market appraisal.

44.12. (AGRI: Farmers Market Purchase) The Department of Agriculture, while negotiating the purchase of any property located at the State Farmers Market in Lexington County, shall work with the Attorney General's office to ensure that no new acquisition of property will restrict the department from facilitating the sale of market-related products on any property owned by the department. The department shall forward to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee copies of any recorded changes to the original farmers market development agreement or the declaration of covenants, conditions and restrictions for the wholesalers section. Any contract for the acquisition of property at the State Farmers Market is subject to approval of the Joint Bond Review Committee and the Budget and Control Board.

SECTION 45 - P20-CLEMSON UNIVERSITY - PSA

45.1. (CU-PSA: Phytosanitary Certificates) Revenues collected from the issuance of phytosanitary certificates shall be retained by the

SECTION 45 - P20-CLEMSON UNIVERSITY - PSA

Division of Regulatory and Public Service for the purpose of carrying out phytosanitary inspections.

45.2. (CU-PSA: Witness Fee) The Public Service Activities of Clemson University are hereby authorized to charge a witness fee of \$100.00 per hour up to \$400.00 per day for each employee testifying as an expert witness in civil matters which do not involve the State as a party in interest. This fee shall be charged in addition to any court prescribed payment due as compensation or reimbursement for judicial appearances and deposited into a designated revenue account.

45.3.(CU-PSA: Nursery/Nursery Dealer Registration Fee) The Division of Regulatory and Public Service Programs is authorized to retain up to \$92,000 of revenue collected from the issuance of Nursery/Nursery Dealer Fees for the purpose of carrying out nursery/nursery dealer inspections. Revenue collected from this fee above \$92,000 shall be deposited into the general fund.

45.4. (CU-PSA: Retention of Fees) All revenues collected from the regulatory programs of agrichemical, plant industry and crop protection including: fertilizer, lime, and soil amendments registration fees; pesticide licensing fees; seed certification fees; and fertilizer tax/inspection fees must be retained by Clemson University PSA regulatory programs.

45.5. (CU-PSA: Pesticide Registration) All revenues collected from pesticide registration fees and revenue collected from structural pest control businesses for business licensing must be retained by Clemson University PSA Regulatory and Public Service Programs to support general regulatory, enforcement, and education programs and to carry out provisions of the South Carolina Pesticide Control Act and regulations related to it.

45.6. (CU-PSA: Fertilizer Inspection Fee) For the current fiscal year Clemson Public Service Activities is authorized to charge an inspection fee of \$1.50 per ton of commercial fertilizer sold or distributed in this state. Clemson University-PSA may retain, expend, and carry forward these funds to maintain its programs.

45.7. (CU-PSA: Lime Inspection Fee) The Public Service Activities of Clemson University are hereby authorized to charge an inspection fee of \$0.50 per ton on Agricultural Liming Materials sold or distributed in this state. Clemson University-PSA may retain, expend, and carry forward these funds to maintain its programs.

45.8. (CU-PSA: Livestock-Poultry Health Programs) For the current fiscal year Clemson University Public Service Activities shall

SECTION 45 - P20-CLEMSON UNIVERSITY - PSA

maintain operation of the state Meat Inspection Program. All revenues and recoveries from USDA Food Safety Inspection Services and from USDA Animal and Plant Health Inspection Services for Clemson University PSA's Livestock-Poultry Health Programs and its departments shall be retained by Clemson University-PSA's Livestock-Poultry Health Program for purposes of carrying out the operation of its programs.

45.9. (CU-PSA: Boll Weevil Eradication) For the current fiscal year Clemson University Public Services Activities shall maintain operation of the Boll Weevil Eradication Program. In the calculation of any across-the-board budget reduction mandated by the Budget and Control Board or the General Assembly, the amount appropriated for the Boll Weevil Eradication Program shall be excluded from Clemson PSA's base budget. In the event of such a reduction Clemson PSA may reduce the amount of funds appropriated for this program by an amount not to exceed the percentage associated with the mandated reduction.

45.10. (CU-PSA: Landplaster Inspection Fee) For the purpose of regulating its use as applied to land for crop production, landplaster (gypsum), shall be defined as a product consisting chiefly of calcium sulfate with two combined water ($\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$) and is incapable of neutralizing soil acidity. It shall contain not less than seventy percent $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$. All registrants of landplaster who sell or distribute in this state that previously were required to pay an inspection fee of \$1.50 per ton shall now pay to Clemson University Regulatory Services an inspection fee of fifty cents for each ton sold. Clemson University-PSA may retain, expend, and carry forward these funds from the prior fiscal year into the current fiscal year to maintain its programs.

45.11. (CU-PSA: Broadcasting Wheat) Clemson University PSA is directed to use existing funds to start a pilot study on the effectiveness of broadcasting wheat for use as a cover crop.

SECTION 47 - P24-DEPARTMENT OF NATURAL RESOURCES

47.1. (DNR: Publications Revenue) For the current fiscal year all revenue generated from the sale of the "South Carolina Wildlife" magazine, its by-products and other publications, shall be retained by the department and used to support the production of same in order for the magazine to be self-sustaining. In addition, the department is

SECTION 47 - P24-DEPARTMENT OF NATURAL
RESOURCES

authorized to sell advertising in the magazine and to increase the magazine's subscription rate, if necessary, to be self-sustaining. No general funds may be used for the operation and support of the "South Carolina Wildlife" magazine.

47.2. (DNR: Casual Sales Tax Collection) The Department of Natural Resources shall continue to collect the casual sales tax as contained in the contractual agreement between the Department of Revenue and the Department of Natural Resources and the State Treasurer is authorized to reimburse the department on a quarterly basis for the actual cost of collecting the casual sales tax and such reimbursement shall be paid from revenues generated by the casual sales tax.

47.3. (DNR: Proportionate Funding) Each of South Carolina's forty-six soil and water conservation districts shall receive a proportionate share of funding set aside for Aid to Conservation Districts at \$13,674 per district for general assistance to the district's program. Available funding above \$13,674 for each district will be apportioned by the Department of Natural Resources based upon local needs and priorities as determined by the board. During the fiscal year, the districts' funding may only be reduced in an amount not to exceed the percentage of each agency budget reduction. No district shall receive any funds under this provision unless the county or counties wherein the district is located shall have appropriated no less than three hundred dollars to the district from county funds for the same purposes.

47.4. (DNR: Carry Forward - Contract for Goods & Services) If any funds accumulated by the Department of Natural Resources Geology Program, under contract for the provision of goods and services not covered by the department's appropriated funds, are not expended during the preceding fiscal years, such funds may be carried forward and expended for the costs associated with the provision of such goods and services.

47.5. (DNR: Revenue Carry Forward) The department may collect, expend, and carry forward revenues derived from the sale of goods and services in order to support aerial photography, map services, climatology data, and geological services. The department shall annually report to the Senate Finance and Ways and Means Committees the amount of revenue generated from the sale of these goods and services.

**SECTION 47 - P24-DEPARTMENT OF NATURAL
RESOURCES**

47.6. (DNR: Clothing Allowance) The Department of Natural Resources is hereby authorized to provide Natural Resource Enforcement Officers on special assignment with an annual clothing allowance (on a prorata basis) not to exceed \$600 per officer for required clothing used in the line of duty.

47.7. (DNR: Commissioned Officers' Physicals) The department is authorized to pay for the cost of physical examinations for department personnel who are required to receive such physical examinations prior to receiving a law enforcement commission.

47.8. (DNR: Cormorant Control) The Department of Natural Resources is directed, through the use of existing funds, to develop regulations in conjunction with the US Fish and Wildlife Service to allow public participation in Cormorant control activities on Lake Marion and Lake Moultrie providing that impacts are positive to the fisheries and vegetation.

47.9. DELETED

SECTION 48 - P26-SEA GRANT CONSORTIUM

48.1. (SGC: Publications Revenue) Funds generated by the sale of pamphlets, books, and other promotional materials, the production of which has been paid for by non-state funding, may be deposited in a special account by the consortium and utilized as other funds for the purchase of additional pamphlets, books, and other promotional materials for distribution to the public.

**SECTION 49 - P28-DEPARTMENT OF PARKS, RECREATION
AND TOURISM**

49.1. (PRT: Tourism and Promotion) The funds appropriated in this Act for Regional Promotions shall be distributed equally to the eleven Regional Tourism groups, except that the Grandstrand Tourism Region's funds shall be divided, with \$50,000 distributed to the Myrtle Beach Chamber of Commerce, \$115,000 distributed to the Georgetown Chamber of Commerce, \$20,000 distributed to the City of Georgetown, and \$20,000 distributed to the Williamsburg Chamber of Commerce for tourism related activities. The Myrtle Beach Chamber of Commerce and the Georgetown Chamber of Commerce shall submit a report to the Senate Finance Committee and the House Ways and

**SECTION 49 - P28-DEPARTMENT OF PARKS, RECREATION
AND TOURISM**

Means Committee by December first each year describing how these funds were expended in the prior fiscal year.

49.2. (PRT: Destination Specific Tourism Marketing) The minimum grant awarded by the Destination Specific Tourism Program shall be \$250,000. Each state dollar must be matched with two dollars of private funds. An organization receiving a state grant must certify that, as of the date of the application: (i) the private funds are new dollars specifically designated for the purpose of matching state funds; (ii) the private funds have not been previously allocated or designated for tourism-related destination marketing; (iii) the organization has on hand or has an approved line of credit of not less than the amount of private funds needed to provide the required match. Organizations applying for a grant must include in the grant application, information on how the organization proposes to measure the success of the marketing and public relations program, including the estimated return on investment to the state. Promotional programs proposed by an applicant must be based on research-based outcomes. Grants must be made only to organizations that have a proven record of success in creating and sustaining new and repeat visitation to its area and must have sufficient resources to create, plan, implement, and measure the marketing and promotional efforts undertaken as a part of the program. The department must award a grant only to one qualified destination marketing organization within their tourism region where the organization's private funds are raised. An organization receiving a grant must use the public and private funds only for the purpose of destination specific marketing and public relations designed to target international and/or domestic travelers outside the state to destinations within the state. All grants that qualify under the program must be funded if funds are available. Funding of all qualified grants will be on a first come first served basis with such basis retained throughout the term of this proviso. No organization shall receive in the first quarter more than fifty percent of the state dollars allocated to the program. If by the end of the third quarter matching funds are still available with no other organizations meeting the criteria for funding, the funds will be distributed to the organization or organizations that have and can meet all of the requirements of this proviso. Grant recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the director of the Department of Parks, Recreation and Tourism

**SECTION 49 - P28-DEPARTMENT OF PARKS, RECREATION
AND TOURISM**

on the expenditure of the grants funds and on the proposed outcome measures.

49.3. (PRT: Advertising Funds Carry Forward) The Department of Parks, Recreation and Tourism may carry forward any unexpended funds appropriated on the Advertising line within Program II. A. Tourism Sales and Marketing from the prior fiscal year into the current fiscal year to be used for the same purposes which include the Tourism Partnership Fund, Destination Specific Marketing Grants and the agency advertising fund.

49.4. DELETED

49.5. (PRT: Film Marketing) From the funds authorized to the Department of Parks, Recreation and Tourism in Section 49, Part IA of this act for the South Carolina Film Commission, the department may use the film marketing funds for the following purposes: (1) to allow for assistance with recruitment and infrastructure development of the film industry; (2) to develop a film crew base; (3) to develop ally support in the film industry; (4) marketing and special events; and (5) to allow for assistance with the auditing and legal service expenses associated with the Motion Picture Incentive Act.

49.6. (PRT: Motion Picture Administration Application Fee) The Department of Parks, Recreation and Tourism may charge an application fee for the Motion Picture Incentive programs and may retain and expend these funds for the purposes of meeting administrative, data collection, credit analysis, cost-benefit analysis, reporting and auditing, and other statutory obligations. A fee schedule must be established and approved by the Director of the Department of Parks, Recreation and Tourism.

49.7. (PRT: Gift Shops) At the discretion of the Department of Parks, Recreation and Tourism, the State House Gift Shop may close on weekends.

49.8. (PRT: PARD Interest) The department is hereby prohibited from utilizing the interest generated in the PARD program for anything other than the uses authorized by the law creating PARD. Should the PARD account not reach the required amount of \$920,000 to activate the minimum \$20,000 per county distribution, the department shall carry forward the funding until such time as the funds are sufficient to distribute as originally intended.

49.9. (PRT: Destination Specific, Tourism and Marketing Transfer) From the funds set aside pursuant to the Motion Picture Incentive

**SECTION 49 - P28-DEPARTMENT OF PARKS, RECREATION
AND TOURISM**

Wage Rebate, for Fiscal Year 2013-2014 unexpended funds carried forward from the prior fiscal year shall be transferred from the Department of Revenue to the Department of Parks, Recreation and Tourism and may be utilized for the Destination Specific Tourism Program. The Destination Specific program shall not exceed twelve million dollars when combining all source of funds. Any unexpended wage rebate carry forward funds not used for the Destination Specific program can be used by the department for capital improvements to the state's Welcome Centers, for deferred maintenance and capital projects at state parks, and for Marketing/Advertising. From the funds set aside pursuant to the Motion Picture Incentive Supplier Rebate, for Fiscal Year 2013-2014 unexpended funds carried forward from the prior fiscal year shall be transferred from the Department of Revenue to the Department of Parks, Recreation and Tourism and may be utilized for Marketing/Advertising, for capital improvements to the state's Welcome Centers, and for deferred maintenance and capital projects at state parks. These funds shall be carried forward from the prior fiscal year into the current fiscal year and be expended for the same purpose.

49.10. (PRT: Funds Exempt from Budget Cut) In the calculation of any across the board cut mandated by the Budget and Control Board or the General Assembly, any amounts appropriated for pass through, special items, or other items specified in any general proviso, which are exempt from reduction, shall be excluded from the Department of Parks, Recreation and Tourism's base budget.

49.11. (PRT: PARD) The Department of Parks, Recreation, and Tourism shall be authorized to expend restricted funds for the Parks and Recreation Development Fund (PARD) in accordance with the Section 51-23-20 of the 1976 Code, Regulations, and generally accepted accounting standards. The department is allowed to reimburse PARD grantees from current year funds for prior year expenditures for a period of three years as allowed in Section 51-23-30 of the 1976 Code.

49.12. (PRT: Admission Fees and Charges) The department may impose reasonable fees and charges for admission to and/or use of park and recreational facilities and the revenues from such fees and charges must be used for park and recreational uses.

49.13. DELETED

SECTION 50 - P32-DEPARTMENT OF COMMERCE

50.1. (CMRC: Development - Publications Revenue) The proceeds from the sale of publications may be retained in the agency's printing, binding, and advertising account to offset increased costs.

50.2. (CMRC: Economic Dev. Coordinating Council - Set Aside Fund) From the amount set aside in Section 12-28-2910, the council is authorized to use up to ten percent of such amount for actual operating expenses in support of administrative program costs and business recruitment and retention and up to \$60,000 to support the Geographic Information Systems (GIS) program, as approved by council. Any balance on June thirtieth of the prior fiscal year may be carried forward and expended for the same purposes in the current fiscal year.

50.3. (CMRC: Coordinating Council Funds) In order to provide maximum flexibility to encourage the creation of new jobs and capital investment, the Coordinating Council for Economic Development has the authority to transfer economic development funds at its disposal to the Closing Fund, provided the transfer is approved by a majority vote of the Coordinating Council members in a public meeting. Any unexpended balance on June thirtieth, of the prior fiscal year may be carried forward and expended in the current fiscal year by the Department of Commerce for the same purpose.

50.4. (CMRC: Export Trade Show Funds) Funds collected from South Carolina companies for offsetting costs associated with participation in future trade shows may be carried forward from the prior fiscal year to the current fiscal year and used for that purpose.

50.5. (CMRC: Special Events Advisory Committee) The Department of Commerce is required to establish a Special Events Advisory Committee to provide oversight to the department as it relates to the department's Special Events Fund. The Advisory Committee shall be made up of contributors to the Fund appointed by the Secretary of Commerce and shall consist of no fewer than eight members, including a chairman. The Advisory Committee shall establish guidelines for the use of these funds. The Department of Commerce shall prepare a detailed report and have an independent audit of all expenditures of the fund during the previous calendar year. None of these funds shall be used for operating expenses. The report shall be submitted to the Governor, the Speaker of the House, the President of Pro Tempore of the Senate, the Chairman of the House Ways and Means Committee, and Chairman of the Senate Finance Committee.

SECTION 50 - P32-DEPARTMENT OF COMMERCE

50.6. (CMRC: Development-Rental Revenue) Revenue received from the sublease on non-state owned office space may be retained and expended to offset the cost of the department's leased office space.

50.7. (CMRC: Development-Ad Sales Revenue) The department may charge a fee for ad sales in department authorized publications and may use these fees to offset the cost of printing and production of the publications. Any revenue generated above the actual cost shall be remitted to the General Fund.

50.8. (CMRC: Foreign Offices) The Secretary of Commerce shall be authorized to appoint the staff of the department's foreign offices on a contractual basis on such terms as the Secretary deems appropriate, subject to review by the Office of Human Resources of the Budget and Control Board.

50.9. (CMRC: Funding For I-73) Of the funds authorized for the Coordinating Council Economic Development, \$500,000 shall be made available for the routing, planning and construction of I-73.

50.10. (CMRC: Closing Fund) In order to encourage and facilitate economic development, funds appropriated for the Closing Fund for competitive recruitment purposes shall be used as approved by the Coordinating Council for Economic Development. Any unexpended at the end of the prior fiscal year may be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

50.11. DELETED

50.12. (CMRC: Coordinating Council - Application Fee Deposits) Application fees received by the department must be deposited within five business days from the Coordinating Council application approval date.

50.13. (CMRC: Recycling Advisory Council Reporting) The Recycling Market Development Advisory Council must submit an annual report outlining recycling activities to the Governor and members of the General Assembly by March fifteenth each year.

50.14. DELETED

50.15. DELETED

50.16. DELETED

50.17. (CMRC: Regional Economic Development Organizations) The Department of Commerce shall utilize the \$5,000,000 appropriated in Fiscal Year 2013-2014 for Regional Economic Development Organizations to provide funds to the following economic development organizations.

SECTION 50 - P32-DEPARTMENT OF COMMERCE

Of the \$5,000,000 appropriated for this purpose, \$4,350,000 must be disbursed as follows:

- (1) Upstate Alliance, \$750,000;
- (2) Central SC Economic Development Alliance, \$750,000;
- (3) North Eastern Strategic Alliance (NESA), \$650,000;
- (4) Charleston Regional Development Alliance, \$650,000;
- (5) I-77 Alliance, \$575,000;
- (6) Economic Development Partnership, \$500,000; and
- (7) Southern Carolina Alliance, \$475,000.

Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development.

The remaining \$650,000 shall be provided to counties as follows, provided they meet the requirements established above:

- (1) Beaufort County, \$250,000;
- (2) Sumter County, \$250,000;
- (3) Lancaster County, \$75,000; and
- (4) Saluda County, \$75,000.

Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.

Funds recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures.

Any unexpended or undistributed funds appropriated in prior fiscal years for Regional Economic Development Organizations shall be transferred to the Rural Infrastructure Fund at the Department of Commerce.

50.18. (CMRC: Research Funds) Funds appropriated to the Department of Commerce as a special item or nonrecurring appropriation for Research shall be used to fund, upon approval of the Secretary of Commerce and the Coordinating Council for Economic Development, partnerships between the Department of Commerce, higher education institutions, either collectively or individually, and South Carolina-based industry with significant investment in the state. These partnerships shall be in Distribution and Logistics Sciences, or any other science, technology, research, development, or industry that

SECTION 50 - P32-DEPARTMENT OF COMMERCE

creates well-paying jobs and enhanced economic opportunities for the State as determined by the Secretary of Commerce. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year and may be used for the same purpose or to fund economic development projects.

50.19. (CMRC: SC Mfg Extension Partnership) No funds appropriated to the department that are designated for the SC Manufacturing Extension Partnership may be utilized to compensate employees or individuals who engage in lobbying services on behalf of the department or the partnership. In addition, the department shall prepare an annual report on the SC Manufacturing Extension Partnership's expenditures for the prior fiscal year and shall submit the report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by November first.

50.20. DELETED

50.21. DELETED

50.22. (CMRC: Council on Competitiveness) The Department of Commerce shall utilize \$650,000 appropriated in Fiscal Year 2013-2014 for the South Carolina Council on Competitiveness to provide funds for existing business economic development activities. Each dollar of state funds disbursed must be matched equally with private funds and prior to the disbursement of funds, the Council on Competitiveness must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development. The Council on Competitiveness shall provide a report on the expenditure of the funds and on the outcome measures by January 1, 2014, to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee and the Secretary of Commerce.

SECTION 53 - P40-S.C. CONSERVATION BANK

53.1. (CB: Conservation Bank Trust Fund) All revenues designated for the South Carolina Conservation Bank pursuant to Sections 12-24-95 and 12-24-97 of the 1976 Code must be credited to the South Carolina Conservation Bank Trust Fund.

SECTION 54 - P45 - RURAL INFRASTRUCTURE AUTHORITY

54.1. (RIA: Rural Infrastructure Fund Carry Forward) The Rural Infrastructure Authority may carry forward from the prior fiscal year into the current fiscal year, funds appropriated to the Rural Infrastructure Fund. The authority shall retain any unexpended funds at the close of the fiscal year and these funds shall be carried forward from the prior fiscal year into the current fiscal year.

SECTION 57 - B04-JUDICIAL DEPARTMENT

57.1. (JUD: Prohibit County Salary Supplements) County salary supplements of Judicial Department personnel shall be prohibited.

57.2. (JUD: County Offices For Judges) Every county shall provide for each circuit and family judge residing therein an office with all utilities including a private telephone, and shall provide the same for Supreme Court Justices and Judges of the Court of Appeals upon their request.

57.3. (JUD: Commitments to Treatment Facilities) The appropriation for continued implementation of Article 7, Chapter 17, Title 44 of the 1976 Code, Chapter 24, Title 44 of the 1976 Code, and Chapter 52, Title 44 of the 1976 Code, relating to commitments, admissions and discharges to mental health facilities, or treatment facility for the purpose of alcohol and drug abuse treatment, shall be expended for the compensation of court appointed private examiners, guardians ad litem, and attorneys for proposed patients, and related costs arising from the filing, service and copying of legal papers and the transcription of hearings or testimony. Court appointed private examiners, guardians ad litem and attorneys shall be paid at such rates or schedules as are jointly determined to be reasonable by the South Carolina Association of Probate Judges, the State Court Administrator, and the South Carolina Department of Mental Health with the approval of the Attorney General. The Judicial Department shall notify the Senate Finance Committee and the House Ways and Means Committee of any fee adjustment or change in schedule before implementation.

57.4. (JUD: Judicial Commitment) Except as otherwise provided in Section 117.5, no money appropriated pursuant to Item VI, Judicial Commitment shall be used to compensate any state employees appointed by the court as examiners, guardians ad litem, or attorneys nor shall such funds be used in payment to any state agency for providing such services by their employees.

SECTION 57 - B04-JUDICIAL DEPARTMENT

57.5. (JUD: Judicial Expense Allowance) Each Supreme Court Justice, Court of Appeals Judge, Family Court Judge and Circuit Court Judge and any retired judge who receives payment for performing full-time judicial duties pursuant to Section 9-8-120 of the South Carolina Code of Laws, shall receive five hundred dollars per month as expense allowance.

57.6. (JUD: Special Judge Compensation) In the payment of funds from "Contractual Services", and "Administrative Fund", that no special judge shall be paid for more than a two week term within a fiscal year except that this restriction will not apply in case of an ongoing trial.

57.7. (JUD: BPI/Merit) Judicial employees shall receive base and average merit pay in the same percentages as such pay are granted to classified state employees.

57.8. (JUD: Supreme Court Bar Admissions) Any funds collected from the Supreme Court Bar Admissions Office in excess of the amount required to be remitted to the general fund may be deposited into an escrow account with the State Treasurer's Office. The department is authorized to receive, expend, retain, and carry forward these funds.

57.9. (JUD: Travel Reimbursement) State employees of the Judicial Department traveling on official state business must be reimbursed in accordance with Section 117.21(J) of this act.

57.10. (JUD: Interpreters) The funds appropriated in this section for "Interpreters" shall be used to offset costs associated with interpreters appointed in judicial proceedings under Sections 17-1-50, 15-27-155, and 15-27-15. The selection, use, and reimbursement of interpreters shall be determined under such guidelines as may be established by the Chief Justice of the Supreme Court. Interpretive services for hearing impaired persons shall be obtained through contract with the South Carolina School for the Deaf and the Blind, provided that if the Chief Justice determines, for any reason, that adequate services are not available through the South Carolina School for the Deaf and the Blind, the Judicial Department may secure interpretive services from any qualified vendor.

57.11. (JUD: Reimbursement Receipt Deposit) Amounts received as payment for reproducing, printing, and distributing copies of court rules and other department documents shall be retained for use by the department.

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57.12. (JUD: Surplus Property Disposal) Technology equipment that has been declared surplus may be donated directly to counties for use in court-related activities.

57.13. (JUD: Judicial Carry Forward) In addition to the funds appropriated in this section, the funds appropriated for the Judicial Department in the prior fiscal year which are not expended during that fiscal year may be carried forward to be expended in the current fiscal year.

57.14. (JUD: Case Management Services) The Judicial Department shall retain revenue generated by charging a fee for technology support services provided to users of the State case management system. These funds may be expended and carried forward to offset the costs of supporting and maintaining the case management system.

57.15. (JUD: Magistrates' Training) From the funds appropriated to the Judicial Department, the department shall provide magistrates annual continuing education on domestic violence, which may include, but is not limited to:

- (1) the nature, extent, and causes of domestic and family violence;
- (2) issues of domestic and family violence concerning children;
- (3) prevention of the use of violence by children;
- (4) sensitivity to gender bias and cultural, racial, and sexual issues;
- (5) the lethality of domestic and family violence;
- (6) legal issues relating to domestic violence and child custody;
- (7) procedures, penalties, programs, and other issues relating to criminal domestic violence, including social and psychological issues relating to such violence, the vulnerability of victims and volatility of perpetrators, and the court's role in ensuring that the parties have appropriate and adequate representation;
- (8) procedures and other matters relating to issuing orders of protection from domestic violence.

57.16. (JUD: Judges Salary Exemption) For the current fiscal year, judges' salaries and related employer contributions in Part IA, Section 57, are exempt from mid-year across-the-board reductions.

57.17. DELETED

SECTION 58 - C05-ADMINISTRATIVE LAW COURT

58.1. (ALC: Copying Costs Revenue Deposit) The Administrative Law Court shall retain and expend, for the same purpose for which it is generated, all revenue received during the current fiscal year as payment for printing and distributing copies of court rules and other agency documents.

58.2. (ALC: County Office Space for Judges) Every county shall provide for each Administrative Law Judge residing therein, upon their request, an office within the existing physical facilities if space is available, to include all utilities and a private telephone. The request shall only be made provided that the judge's residence is not within fifty miles of the official headquarters of the agency by which the Administrative Law Judge is employed.

58.3. (ALC: ALJ Travel) While holding court or on other official business outside the county in which he resides, within fifty miles of his residence, an Administrative Law Judge is entitled to a subsistence allowance in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. While holding court or on other official business at a location fifty miles or more from his residence, an Administrative Law Judge is entitled to a subsistence allowance in the amount as provided in this act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State. However, notwithstanding any other provision of law, the allowance as provided shall not exceed \$8,000 per judge in a fiscal year.

SECTION 59 - E20-OFFICE OF THE ATTORNEY GENERAL

59.1. (AG: Prior Year Expenditures) The Office of the Attorney General is authorized to use unexpended federal funds in the current fiscal year to pay for expenditures incurred in the prior fiscal year.

59.2. (AG: Other Funds Carry Forward) Any balance of unexpended funds, not including general fund appropriations, may be carried forward for the operation of the Office of Attorney General.

59.3. (AG: Reimbursement for Expenditures) The Office of the Attorney General may retain for general operating purposes, any reimbursement of funds for expenses incurred in a prior fiscal year.

59.4. (AG: Donation Carry Forward) All revenue derived from donations received at the Office of the Attorney General shall be

SECTION 59 - E20-OFFICE OF THE ATTORNEY GENERAL

retained, carried forward, and expended according to agreement reached between the donor, or donors, and the Attorney General.

59.5. (AG: Water Litigation) Unexpended Water Litigation funds must be transferred to the Tax Relief Reserve Fund.

59.6. (AG: Securities Fee Revenue) After the provisions of Section 35-1-702(b) of the 1976 Code have been satisfied, and upon notification to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee that such provisions have been satisfied, the next \$20,500,000 of Securities Fee revenues collected during the current fiscal year by the Office of the Attorney General shall be remitted to the General Fund of the State. The Office of the Attorney General may retain the next \$300,000 collected and may utilize these funds for operations to include expert witness expenses, investigative costs, trial preparation, and other related expenses associated with the increase in licensed securities agents. These funds may be carried forward from the prior fiscal year into the current fiscal year and utilized for the same purpose.

Remaining Securities Fee revenues collected during the current fiscal year shall be remitted to the General Fund of the State.

59.7. (AG: Savannah River Maritime Commission Funds) The Office of the Attorney General is authorized to use funds appropriated for litigation expenses related to the Savannah River Maritime Commission to reimburse litigation expenditures incurred by the Office of the Attorney General on behalf of the Savannah River Maritime Commission during the current fiscal year. Following the conclusion of these litigation matters any remaining funds shall be deposited in the General Fund.

59.8. (AG: Gang Violence Prevention/Youth Mentor) The Office of the Attorney General may expend other funds to implement and maintain gang prevention and youth mentoring programs in conjunction with Section 63-19-1430 of the 1976 Code, the Youth Mentor Act.

**SECTION 60 - E21-PROSECUTION COORDINATION
COMMISSION**

60.1.(PCC: Solicitor Salary) The amount appropriated in this section for salaries of solicitors shall be paid to each full-time solicitor. Each full-time circuit solicitor shall earn a salary not less than each full-time circuit court judge.

**SECTION 60 - E21-PROSECUTION COORDINATION
COMMISSION**

60.2.(PCC: Solicitor Expense Allowance) Each solicitor shall receive five hundred dollars (\$500.00) per month as expense allowance.

60.3.(PCC: Judicial Circuits State Support) The amount appropriated and authorized in this section for Judicial Circuits (16) State Support shall be apportioned among the circuits. The first \$4,692,961 shall be distributed on a per capita basis based upon the current official census. The next \$1,179,041 shall be distributed on a pro-rata basis. Payment shall be made as soon after the beginning of each quarter as practical.

60.4.(PCC: Solicitor Carry Forward) Any unexpended balance on June 30, of the prior fiscal year, may be carried forward into the current fiscal year and expended for the operation of the solicitor's office relating to operational expenses.

60.5.(PCC: Solicitor's Office - County Funding Level) It is the intent of the General Assembly that the amounts appropriated for solicitors' offices shall be in addition to any amounts presently being provided by the county for these services and may not be used to supplant funding already allocated for such services without any additional charges. If the county reduces the amount of support provided to solicitors' offices below the level provided in the prior fiscal year, the Solicitor shall notify the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee of the amount of such reduced support.

60.6.(PCC: Solicitors Victim/Witness Assistance Programs) When funds are available, the amount appropriated and authorized in Part IA, Section 60 for Solicitors Victim/Witness Assistance Programs shall be apportioned among the circuits on a per capita basis and based upon the current official census . Payment shall be made as soon after the beginning of each quarter as practical.

60.7. (PCC: CDV Prosecution) The amount appropriated and authorized in this section for Criminal Domestic Violence Prosecution shall be apportioned among the circuits on a pro-rata basis. If not privileged information, the Prosecution Coordination Commission shall collect and retain information and data regarding Criminal Domestic Violence Prosecution and shall include: the number of dispositions, types of dispositions and county in which the disposition took place and shall provide the General Assembly with an annual report no later than sixty days after the conclusion of the fiscal year.

**SECTION 60 - E21-PROSECUTION COORDINATION
COMMISSION**

60.8. (PCC: Victim Assistance Programs) It is the intent of the General Assembly that the amounts appropriated in this section for victim assistance programs in solicitors' offices shall be in addition to any amounts presently being provided by the county for these services and may not be used to supplant funding already allocated for such services. Any reduction by any county in funding for victim assistance programs in solicitors' offices shall result in a corresponding decrease of state funds provided to the solicitors' office in that county for victim assistance services. Each solicitor's office shall submit an annual financial and programmatic report which describes the use of these funds. The report shall be submitted to the Governor, the Attorney General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on October first, for the preceding fiscal year.

60.9. (PCC: Establish Victim/Witness Program) The funds appropriated in this section for Victim/Witness Program must be equally divided among the judicial circuits, less any adjustments made for budget reductions. The funds for each circuit must be distributed to the solicitor's office of that circuit and only used by the solicitor for the purpose of establishing a Victim/Witness Program in the circuit which shall provide, but not be limited to, the following services:

(1) Make available to victims/witnesses information concerning their cases from filing in general sessions court through disposition.

(2) Keep the victim/witness informed of his rights and support his right to protection from intimidation.

(3) Inform victims/witnesses of and make appropriate referrals to available services such as medical, social, counseling, and victims' compensation services.

(4) Assist in the preparation of victims/witnesses for court.

(5) Provide assistance and support to the families or survivors of victims where appropriate.

(6) Provide any other necessary support services to victims/witnesses such as contact with employers or creditors.

(7) Promote public awareness of the program and services available for crime victims.

The funds may not be used for other victim-related services until the above functions are provided in an adequate manner.

60.10. (PCC: DUI Prosecution) The amount appropriated and authorized in this section for Driving Under the Influence Prosecution

**SECTION 60 - E21-PROSECUTION COORDINATION
COMMISSION**

shall be apportioned among the circuits on a pro-rata basis. If not privileged information, the Prosecution Coordination Commission shall collect and retain information and data regarding Driving Under the Influence Prosecution and shall include: the number of dispositions, types of dispositions and county in which the disposition took place and shall provide the General Assembly with an annual report no later than sixty days after the conclusion of the fiscal year.

SECTION 61 - E23-COMMISSION ON INDIGENT DEFENSE

61.1. (INDEF: Defense of Indigents Formula) The amount appropriated in this Act for "Defense of Indigents" shall be apportioned among counties in accord with Section 17-3-330, 1976 Code, but on a per capita basis and based upon the most current official decennial census of the United States; provided that no county shall receive funding in an amount less than the amount apportioned to it as of July 1, 2005. The level of contribution of each county as of July 1, 2001, must be maintained. No county shall be permitted to contribute less money than the amount the county contributed in the prior fiscal year. Within the amount of money established for indigent defense services, the State shall set aside \$3,000,000 (Death Penalty Trial Fund) annually exclusively for use of the defense in capital cases pursuant to Section 16-3-26 of the 1976 Code, and for the expenses of the operation of the Commission on Indigent Defense to include salaries and operations expenses of the Death Penalty Trial Division. The State also shall set aside \$2,500,000 annually to pay fees and expenses of private counsel appointed in non-capital cases pursuant to Section 17-3-50 (Conflict Fund). Of the funds generated from the fees imposed under Sections 14-1-206(C)(4), 14-1-207(C)(6) and 14-1-208(C)(6) and the application fee provided in Section 17-3-30(B), on a monthly basis, fifty percent must be deposited into the Death Penalty Trial Fund, fifteen percent must be deposited into the Conflict Fund, and the remaining funds each month must be apportioned among the counties' public defender offices pursuant to Section 17-3-330. At the end of each fiscal year any leftover funds shall carryover to the next fiscal year. All applications for the payment of fees and expenses in capital cases shall be applied for from the Death Penalty Trial Fund which shall be administered by the Commission on Indigent Defense. All applications for the payment of fees and expenses of private counsel or

SECTION 61 - E23-COMMISSION ON INDIGENT DEFENSE

expenses of public defenders pursuant to Section 17-3-50 shall be applied for from the Conflict Fund administered by the Commission on Indigent Defense. Reimbursement in excess of the hourly rate and limit set forth in Section 17-3-50 is authorized only if the court certifies, in a written order with specific findings of fact, prior to the fees being incurred, that reimbursement in excess of the rates or limit is necessary to provide reimbursement adequate to ensure effective assistance of counsel and reimbursement in excess of the limit is appropriate because the services to be provided are reasonable and necessary. If prior approval by written order of the court is not obtained, no additional fees shall be paid under any circumstances.

Upon a finding in ex parte proceedings that investigative, expert, or other services are reasonable and necessary for the representation of the defendant, the court shall authorize the defendant's attorney to obtain such services on behalf of the defendant and shall authorize the payment, from funds available to the Commission on Indigent Defense, of fees and expenses not to exceed five hundred dollars as the court considers appropriate. Payment in excess of the five hundred dollar limit is authorized only if the court certifies, in a written order with specific findings of fact, prior to the expense being incurred, that payment in excess of the limit is appropriate because the services to be provided are reasonable and necessary to provide adequate defense. Payments shall be made from funds appropriated for this purpose from the Commission of Indigent Defense. If prior approval by written order of the court is not obtained, no additional expenses shall be paid under any circumstances.

Indigent defense vouchers authorized in this provision must be reviewed and paid pursuant to procedures and policies established by the Commission on Indigent Defense. The commission shall provide a copy of the established procedures and policies to the Senate Finance Committee and the House Ways and Means Committee.

61.2. (INDEF: State Employee Compensation Prohibited) Except as otherwise provided in Section 117.5, no money appropriated pursuant to Defense of Indigents shall be used to compensate any state employees appointed by the court as examiners, guardians ad litem or attorneys nor shall such funds be used in payment to any state agency for providing such services by their employees.

61.3. (INDEF: Appellate Conflict Fund) The purpose of the Appellate Conflict Fund is to provide money to pay attorneys for representing indigent defendants on appellate review when the Office

SECTION 61 - E23-COMMISSION ON INDIGENT DEFENSE

of Appellate Defense is unable to do so. Funds designated for appellate use in conflict cases shall be administered by the Commission on Indigent Defense. The Office of Appellate Defense must first determine that it is unable to provide representation. Fees shall be \$40 per hour for out of court work and \$60 for in court work, with a maximum of \$3,500 per case for non-capital appeals. Fees shall be \$50 per hour for out of court work and \$75 per hour for in court work in capital appeals with a maximum of \$10,000 per capital appeal. The appropriate appellate court shall review and approve vouchers for payment for appellate conflict cases. The Office of Appellate Defense shall continue to provide printing and other support functions currently provided from their resources. On June thirtieth of each year, the Commission on Indigent Defense shall review all outstanding obligations in this fund. Any unspent and unobligated money shall be used to pay outstanding vouchers in the Death Penalty Trial Fund or the Conflict Fund, provided the designated fund has become exhausted during the year.

61.4. (INDEF: SC Appellate Court Rule 608 Appointments) The funds appropriated under "SC Appellate Court Rule 608 Appointments" shall be used for Civil Court Appointments including Termination of Parental Rights, Abuse and Neglect, Probate Court Commitments, Sexually Violent Predator Act, and Post Conviction Relief (PCR) and Criminal Conflict appointments to reimburse court appointed private attorneys and for other expenditures as specified in this provision. SC Appellate Court Rule 608 Appointments funds may not be transferred or used for any other purpose.

A portion of the funds appropriated under "SC Appellate Court Rule 608 Appointments" shall be used for "Termination of Parental Rights" cases and "Abuse and Neglect" cases to reimburse private attorneys who are appointed by the Family Court to represent guardians ad litem, children, or parents under the provisions of S.C. Code Sections 20-7-110 et seq., 20-7-1570 et seq., 20-7-1695 (A)(2) et seq., 20-7-7205 et seq., and 20-7-8705 (4)(a) et seq.; for "Probate Court Commitment" cases to reimburse private attorneys who are appointed by the Probate Court to represent indigent persons; and for "Sexually Violent Predator" cases to reimburse private attorneys who are appointed by the Circuit Court pursuant to Sections 44-48-10, et seq., to represent indigent persons. When private counsel is appointed pursuant to these provisions, counsel shall be reimbursed a reasonable fee to be determined on the basis of fifty dollars per hour or reimbursement may

SECTION 61 - E23-COMMISSION ON INDIGENT DEFENSE

also be made on the basis of a set (flat) fee. The method of payment and the amount of the set fee will be determined by the Commission on Indigent Defense. Attorney fees shall not exceed two thousand dollars for any case under which such private attorney is appointed.

A portion of the funds appropriated under "SC Appellate Court Rule 608 Appointments" shall be used for non-capital Post Conviction Relief Cases. Any attorney appointed shall be compensated at a rate not to exceed forty dollars per hour for time expended out of court and sixty dollars per hour for time expended in court, or on the basis of a set (flat) fee. The method of payment and amount of set (flat) fee will be determined by the Commission on Indigent Defense. Attorney fees shall not exceed one thousand dollars in any single case.

A portion of the funds appropriated under "SC Appellate Court Rule 608 Appointments" shall be used for non capital criminal cases pursuant to Section 17-3-50 (Conflict Fund). Any attorney appointed shall be compensated at a rate not to exceed forty dollars per hour for time expended out of court and sixty dollars per hour for time expended in court, or on the basis of a set (flat) fee. The method of payment and amount of set (flat) fee will be determined by the Commission on Indigent Defense. Attorney fees shall not exceed three thousand five hundred dollars in any single felony case or one thousand dollars in any single misdemeanor case.

Reimbursement in excess of the hourly rate and limit set forth herein is authorized only if the court certifies, in a written order with specific findings of fact, prior to the fees being incurred, that reimbursement in excess of the rates or limit is necessary to provide reimbursement adequate to ensure effective assistance of counsel and reimbursement in excess of the limit is appropriate because the services to be provided are reasonable and necessary. If prior approval by written order of the court is not obtained, no additional fees shall be paid under any circumstances.

Upon a finding in ex parte proceedings that investigative, expert, or other services are reasonable and necessary for the representation of the defendant, the court shall authorize the defendant's attorney to obtain such services on behalf of the defendant and shall authorize the payment, from funds available to the Commission on Indigent Defense, of fees and expenses not to exceed five hundred dollars as the court considers appropriate. Payment in excess of the five hundred dollar limit is authorized only if the court certifies, in a written order with specific findings of fact, prior to the expense being incurred, that

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payment in excess of the limit is appropriate because the services to be provided are reasonable and necessary to provide adequate defense. Payments shall be made from funds appropriated for this purpose from the Commission of Indigent Defense. If prior approval by written order of the court is not obtained, no additional expenses shall be paid under any circumstances.

Indigent defense vouchers authorized in this provision must be reviewed and paid pursuant to procedures and policies established by the Commission on Indigent Defense. The commission shall provide a copy of the established procedures and policies to the Senate Finance Committee and the House Ways and Means Committee.

A portion of the funds appropriated under “ SC Appellate Court rule 608 Appointments” may be used by the Commission on Indigent Defense to retain, on a contractual basis, the services of attorneys qualified to handle civil and criminal court appointments, to be reimbursed in accordance with applicable provisos and statutes.

61.5. (INDEF: Volunteer Guardian Ad Litem Appointments and Attorney Representation) The Commission on Indigent Defense working with the Guardian ad Litem’s Office of the Division of Children’s Services, shall allocate a portion of the funds provided for SC Appellate Court Rule 608 Appointments for payments of contracts with attorneys who agree to represent volunteer Guardians ad Litem in child abuse and neglect and termination of parental rights actions in Family Court, based on the rate of \$100 per completed hearing. In determining the amount to be allocated, the commission must take into account the total funds appropriated and weigh this sum against the other demands and obligations of the SC Appellate Court Rule 608 Appointment Fund. The Commission on Indigent Defense shall report to the Senate Finance Committee and the House Ways and Means Committee any payments to individual guardians ad litem from funds provided from the SC Appellate Court Rule 608 Appointment Fund.

61.6. (INDEF: Carry Forward) To offset budget reductions, the Commission on Indigent Defense may carry forward and utilize any unencumbered balances available in the Appellate Conflict Fund and the SC Appellate Court Rule 608 Appointment Fund at the end of the prior fiscal year.

61.7. (INDEF: Public Defender Fee) Every person placed on probation on or after July 1, 2003, who was represented by a public defender or appointed counsel, shall be assessed a fee of five hundred dollars. The revenue generated from this fee must be collected by the

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clerk of court and sent on a monthly basis to the Commission on Indigent Defense. However, if a defendant fails to pay this fee, this failure alone is not sufficient basis for incarceration for a probation violation. This assessment shall be collected and paid over before any other fees.

61.8. (INDEF: Defense of Indigents Civil Action Application Fee)

(A) A person requesting appointment of counsel in any termination of parental rights (TPR), abuse and neglect, or any other civil court action in this state shall execute an affidavit that the person is financially unable to employ counsel and that affidavit shall set forth all of the person's assets. This affidavit must be completed before counsel may be appointed. If it appears that the person has some assets but they are insufficient to employ private counsel, the court, in its discretion, may order the person to pay these assets or a portion thereof to the Commission on Indigent Defense.

(B) A forty dollar application fee for appointed counsel services must be collected from every person who executes an affidavit that they are financially unable to employ counsel. The person may apply to the court, the clerk of court, or other appropriate official for a waiver or reduction in the application fee. If it is determined that the person is unable to pay the application fee, the fee may be waived or reduced, provided that if the fee is waived or reduced, the clerk or appropriate official shall report the amount waived or reduced to the trial judge and the trial judge shall order the remainder of the fee paid by a time payment method or such method as the trial judge deems appropriate. The clerk of court or other appropriate official shall collect the application fee imposed by this section and remit the proceeds to the Commission on Indigent Defense on a monthly basis. The monies must be deposited in an interest-bearing account separate from the general fund and used only to provide for indigent defense services. The monies shall be administered by the Commission on Indigent Defense. The clerk of court or other appropriate official shall maintain a record of all persons applying for representation and the disposition of the application and shall provide this information to the Commission on Indigent Defense on a monthly basis as well as reporting the amount of funds collected or waived.

(C) In matters in which a juvenile is brought before a court, the parents or legal guardian of such juvenile shall execute the above affidavit based upon their financial status and shall be responsible for paying any fee. In matters concerning juveniles, the parents or legal

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guardians of said juvenile, shall be advised in writing of this requirement at the earliest stage of the proceedings against said juvenile.

(D) Nothing contained above shall restrict or hinder a court from appointing counsel in any emergency proceedings or where existing statutes do not provide sufficient time for an individual to complete the application process.

(E) The appointment of counsel, as herein before provided, creates a claim against the assets and estate of the person who is provided counsel or the parents or legal guardians of a juvenile in an amount equal to the costs of representation as determined by a voucher submitted by the appointed counsel and approved by the court, less that amount that the person pays to the appointed counsel.

(F) Such claim shall be filed in the office of the clerk of court in the county where the person is assigned counsel, but the filing of a claim shall not constitute a lien against real or personal property of the person unless, in the discretion of the court, part or all of such claim is reduced to judgment by appropriate order of the court, after serving the person with at least thirty days' notice that judgment will be entered. When a claim is reduced to judgment, it shall have the same effect as judgments, except as modified by this provision.

61.9. (INDEF: Exemption for Pass Through Funding) The funds distributed by the Commission on Indigent Defense to the Legal Services Corporation in accordance with Section 14-1-204 of the 1976 Code shall not be considered part of the commission's budget for purposes of calculating budget reductions.

61.10. (INDEF: Reporting Requirement) Circuit Public Defenders shall provide, in a manner and form as the agency head requires, information and data concerning caseloads, dispositions, and other information as required by the agency head or General Assembly. The agency shall withhold payments and transfers to Circuit Public Defenders who are not in compliance with the agency reporting requirements.

61.11. (INDEF: Donation Carry Forward) The Commission on Indigent Defense may accept donations for the publication of "The South Carolina Juvenile Collateral Consequences Checklist." All revenue derived from donations received at the Commission on Indigent Defense shall be retained, carried forward and expended according to agreement reached between the donor, or donors, and the Commission on Indigent Defense.

SECTION 62 - D10-STATE LAW ENFORCEMENT DIVISION

62.1. (SLED: Special Account Carry Forward) Funds awarded to the State Law Enforcement Division by either court order or from donations or contributions shall be deposited in a special account with the State Treasurer, and shall be carried forward from year to year, and withdrawn from the Treasurer as needed to fulfill the purposes and conditions of the said order, donations or contributions, if specified, and if not specified, as may be directed by the Chief of the State Law Enforcement Division. Funds expended from the special account must be annually reported by October first to the Senate Finance Committee and the Ways and Means Committee.

62.2. (SLED: Computer/Communications Center Carry Forward) Revenue generated from the operation of the division's criminal justice computer/communications center and not expended during the prior fiscal year may be carried forward and expended for the same purpose during the current fiscal year.

62.3. (SLED: Agents Operations Carry Forward) Any unexpended balance on June thirtieth, of the prior fiscal year, in Part IA, subsection 62 of the section "Agents Operations" may be carried forward and expended for the same purpose in the current fiscal year.

62.4. (SLED: Match for Federal Grants Carry Forward) State appropriations to SLED that are required to provide match for federal grant programs in the prior fiscal year may be carried forward into the current fiscal year and expended for the same purpose as originally appropriated.

62.5. (SLED: Clothing Allowance) The State Law Enforcement Division is hereby authorized to provide agents and criminalists with an annual clothing allowance (on a pro rata basis) not to exceed \$600 per agent/criminalist for required clothing used in the line of duty.

62.6. (SLED: Witness Fee) The State Law Enforcement Division is hereby authorized to charge a witness fee of \$130.00 per hour up to \$1,000 per day for each employee testifying in civil matters which do not involve the State as a part in interest. This fee shall be charged in addition to any court prescribed payment due as compensation or reimbursement for judicial appearances and deposited into a designated revenue account.

62.7. (SLED: Commissioned Officers' Physicals) The department is authorized to pay for the cost of physical examinations for department personnel who are required to receive such physical examinations prior to receiving a law enforcement commission.

SECTION 62 - D10-STATE LAW ENFORCEMENT DIVISION

62.8. (SLED: Meals in Emergency Operations) The State Law Enforcement Division may provide meals to employees of SLED who are not permitted to leave assigned duty stations and are required to work during deployment, emergency simulation exercises and when the Governor declares a state of emergency.

62.9. (SLED: Hazardous Materials Security Detail) The State Law Enforcement Division (SLED) is authorized to be reimbursed for security related law enforcement services provided to entities authorized to transport sensitive materials within the borders of South Carolina. SLED shall determine all costs associated with security details and is authorized to coordinate the collection, retention, and distribution to any assisting agency. SLED and each assisting agency shall expend any funds associated with minimizing risks related to the transportation of these hazardous materials for the implementation of homeland security initiatives.

62.10. (SLED: Sex Offender Registry Fee) Each Sheriff is authorized to charge and collect an annual amount of one hundred fifty dollars from each sex offender required to register by law. If such sex offender has been declared indigent by the Sheriff of the county in which the offender must register and provides proof of the declaration at the time of registration, the fee will automatically be waived. If an offender is not declared indigent and fails to pay the fee, he is officially declared unregistered. This fee shall be divided between the Sheriffs and the State Law Enforcement Division with one hundred dollars of the fee retained by the Sheriffs and the remaining fifty dollars remitted by the Sheriffs to SLED on a quarterly basis. These funds must be used to support the Statewide Sex Offender Registry.

62.11. (SLED: Private Detective Fees Criminal History Checks) The State Law Enforcement Division is authorized to charge private detective companies, individual private detectives, private security companies, armed security guards, and proprietary security companies a fee of twenty-five dollars to process state criminal history checks and fifty dollars for federal fingerprint based criminal history checks. These funds shall be collected, retained, expended and carried forward by the State Law Enforcement Division.

62.12. (SLED: CWP Instructors Certification) The State Law Enforcement Division is authorized to charge one hundred dollars for the issuance of a Certified Concealable Weapons Permit Instructor certificate, and one hundred dollars every three years for each renewal.

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These funds shall be collected, retained, expended and carried forward by the State Law Enforcement Division.

62.13. (SLED: Expungement Requests) The State Law Enforcement Division is authorized to collect a twenty-five dollar expungement fee for each request to expunge criminal records. These funds shall be used to offset the operational and research expenses associated with processing these expungement requests. SLED is authorized to collect, retain, expend, and carry forward these funds. Persons found not guilty by a court of competent jurisdiction or where charges have been dismissed or nolle prossed shall be excluded from the fee requirement.

62.14. (SLED: Retention of Funds Reimbursed by State or Federal Agencies) The State Law Enforcement Division is authorized to collect, expend, retain, and carry forward all funds received from other state or federal agencies in the current fiscal year as reimbursement of expenditures incurred in the current or prior fiscal year.

62.15. (SLED: Monies Associated with Illegal Gaming Devices) The State Law Enforcement Division is authorized to retain, expend, and carry forward all monies associated with illegal gaming devices seized by the division, once orders of destruction and awarding of these monies have been received from a court of competent jurisdiction.

62.16. (SLED: Use of PIP Funds) The agency is authorized to use approved permanent improvement funds for projects 9807 and 9845 toward construction of a storage and logistics facility.

62.17. (SLED: Private Detective/Security Fee) The license and registration fees set by the State Law Enforcement Division for private detective businesses, private security businesses, including employees of these businesses, and companies which provide private security on their own premises must not exceed those fees set by regulation as of January 1, 2011, unless otherwise approved by the General Assembly. From the funds collected from these fees, the State Law Enforcement Division must transfer \$480,000 to the Department of Public Safety which shall be used for the purpose of providing security in the Capitol Complex area.

62.18. (SLED: Criminal Record Search Fees) The State Law Enforcement Division is authorized to charge and collect a fee of eight dollars for a criminal record search for local park and recreation volunteers through a commission, municipality, county, or the South Carolina Department of Parks, Recreation, and Tourism. Any organization that is authorized to receive the reduced fee must not

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charge the volunteer, mentor, member, or employee more than the eight dollars or any additional fee that is not required by the State Law Enforcement Division. All criminal record searches conducted under this provision must be for a volunteer, mentor, member or employee performing in an official capacity of the organization and must not be resold.

62.19. (SLED: Compensatory Payment) In the event a State of Emergency is declared by the Governor, exempt employees of the State Law Enforcement Division may be paid for actual hours worked in lieu of accruing compensatory time, at the discretion of the Chief, and providing funds are available.

62.20. (SLED: Meth Lab Clean Up Carry Forward) Any unexpended balance on June thirtieth of the prior fiscal year, in the special line "Meth Lab Clean Up" may be carried forward and expended for the same purpose in the current fiscal year.

62.21. DELETED

62.22. (SLED: CWP Renewal and Replacement) A concealed weapons permit may not be suspended by a state official, agent, or employee supported by state funds if the permit holder has initiated a renewal or replacement application and the processing and issuance of a renewal or replacement permit is delayed for administrative reasons. A concealed weapons permit remains valid during the pendency of the renewal or replacement process so long as the application for replacement renewal is submitted prior to the expiration of the permit.

62.23. (SLED: Alcohol Enforcement) Of new funds appropriated in Fiscal Year 2013-2014, the State Law Enforcement Division shall use up to \$448,000 for Alcohol Enforcement.

SECTION 63 - K05-DEPARTMENT OF PUBLIC SAFETY

63.1. (DPS: Special Events Traffic Control) The highway patrol must not charge any fee associated with special events for maintaining traffic control and ensuring safety on South Carolina public roads and highways unless approved by the General Assembly. Nothing shall prohibit the Treasury of the State from accepting voluntary payment of fees from private or public entities to defray the actual expenses incurred for services provided by the Department of Public Safety.

63.2. (DPS: Retention of Private Detective Fees) The Department of Public Safety is hereby authorized to receive, expend, retain, and carry forward all funds transmitted from SLED related to fees charged

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and collected by SLED from license and registration fees for private detective businesses, private security businesses, including employees of these businesses, and companies which provide private security on their own premises. The funds transferred are to be used in the Bureau of Protective Services Program to provide security for state agencies and the Capitol Complex.

63.3. (DPS: Motor Carrier Advisory Committee) From the funds appropriated and/or authorized to the Department of Public Safety and the Department of Motor Vehicles, the departments are directed to jointly establish a Motor Carrier Advisory Committee to solicit input from the Trucking Industry and other interested parties in developing policies and procedures for the regulation of this industry. The members of the advisory committee shall serve without compensation.

63.4. (DPS: Sale of Real Property) At such time as any portion of the Laurens Road property in Greenville is declared to be surplus by the agency or agencies which occupy said portion, and after receiving approval from the Budget and Control Board for the sale of the property, the Department of Public Safety, the Department of Transportation, and the Department of Motor Vehicles are authorized to receive, retain, expend, and carry forward funds derived from the sale of the real property in which each agency holds an interest or title. No portion of the property may be declared as surplus by one agency if another agency is occupying said property. The Department of Public Safety is directed to use these funds to defray the operating expenses of the Highway Patrol and the Department of Transportation and the Department of Motor Vehicles are directed to use their portion of these funds for department operating expenses.

63.5. (DPS: CMV Driver Rest Areas) A joint working group is to be established between the Department of Transportation, Department of Public Safety, State Transport Police and the South Carolina Trucking Association to review and evaluate where critical rest areas may be made available for commercial motor vehicle drivers to park and obtain their federally mandated required rest.

63.6. (DPS: SC Law Enforcement Officers Hall of Fame Scholarships) The Department of Public Safety is hereby authorized to accept donations from the public in order to provide scholarships to the children of law enforcement officers killed in the line of duty. The South Carolina Law Enforcement Officers Hall of Fame Advisory Committee is authorized to set the criteria for awarding such scholarships. All revenue received for this purpose shall be used to

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provide scholarships and shall be retained, carried forward, and expended for the same purpose.

63.7. DELETED

**SECTION 64 - N20-LAW ENFORCEMENT TRAINING
COUNCIL**

64.1. (LETC: CJA-Federal, Other Flow Through Funds) In order to complete projects begun in a prior fiscal year, the Law Enforcement Training Council, Criminal Justice Academy is authorized to expend federal and earmarked funds in the current fiscal year for expenditures incurred in the prior fiscal year.

64.2. (LETC: CJA-Retention of Emergency Expenditure Refunds) The Law Enforcement Training Council, Criminal Justice Academy is authorized to collect, expend, retain, and carry forward all funds received from other state or federal agencies in the current fiscal year as reimbursement of expenditures incurred in the current or prior fiscal year when personnel and equipment are mobilized and expenses incurred due to an emergency.

SECTION 65 - N04-DEPARTMENT OF CORRECTIONS

65.1. (CORR: Canteen Operations) Revenue derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The canteen operation is to be treated as an enterprise fund within the Department of Corrections and is not to be subsidized by state appropriated funds.

65.2. (CORR: E.H. Cooper Trust Fund) Any unclaimed funds remaining in any inmate account, after appropriate and necessary steps are taken to determine and contact a rightful owner of such funds, shall be deposited into the Inmate Welfare Fund.

65.3. (CORR: Instructional Salaries) The certified instructional personnel of the Department of Corrections shall receive a percentage increase in their annual salary for the current fiscal year equal to the percentage allocated to the instructional personnel throughout the State.

65.4. (CORR: Funding Through State Criminal Assistance Program) All funds received by the State from the United States

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Department of Justice, State Criminal Alien Assistance Program, for care and custody of illegal aliens housed in the state correctional facilities shall be retained by the South Carolina Department of Corrections to offset incurred expenses.

65.5. (CORR: Remedial Education Funding) A criminal offender committed to the custody of the Department of Corrections, who has been evaluated to function at less than an eighth grade educational level, or less than the equivalent of an eighth grade educational level, may be required by department officials to enroll and actively participate in academic education programs. Funds appropriated to the Department of Corrections for educational programs shall be prioritized to assure such remedial services are provided.

65.6. (CORR: Tire Retreading Program Restriction) The tire retreading program at the Lieber Correctional Institution shall be limited to the marketing and sale of retreads to state governmental entities.

65.7. (CORR: Social Security Administration Funding) All funds received by the South Carolina Department of Corrections from the Social Security Administration under Section 1611 (e)(1)(I) of the Social Security Act, which provides payment for information regarding incarcerated Social Security Insurance recipients, shall be retained by the South Carolina Department of Corrections and credited to a fund entitled "Special Social Security" for the care and custody of inmates housed in the state correctional facilities.

65.8. (CORR: Medical Expenses) The Department of Corrections shall be authorized to charge inmates a nominal fee for any medical treatment or consultation provided at the request of or initiated by the inmate. A nominal co-pay shall be charged for prescribed medications. Inmates shall not be charged for psychological or mental health visits.

65.9. (CORR: Prison Industry Funds) The Director of the Department of Corrections, at his discretion, is hereby authorized to utilize prison industry funds for projects or services benefiting the general welfare of the inmate population or to supplement costs of operations.

65.10. (CORR: Reimbursement for Expenditures) The Department of Corrections may retain for general operating purposes any reimbursement of funds for expenses incurred in a prior fiscal year.

65.11. (CORR: Sale of Real Property) Funds generated from the sale of real property owned by the Department of Corrections shall be

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retained by the department to offset renovation and maintenance capital expenditures.

65.12. (CORR: Major Renovations and Repairs) The Department of Corrections may utilize any existing bond funds approved by the 1997 Bond Act for major renovations and repairs and/or the construction of new beds as the budget and inmate population dictate.

65.13. (CORR: Funds From Vehicle Cleaning) Monies generated by inmates engaged in the cleaning and waxing of private vehicles, or any other adult work activity center, shall be placed in a special account and utilized for the welfare of the inmate population.

65.14. (CORR: Release of Inmates) The Director of the Department of Corrections and other persons having charge of prisoners who are required to serve a period of six months or more, may release all such prisoners, including prisoners to whom Section 24-13-150, subsection (A) of the 1976 Code applies, on the first day of the month in which their sentences expire, and if the first day of the month falls on a Saturday, Sunday, or a legal holiday, such prisoners may be released on the last weekday prior to the first of the month which is not a holiday.

65.15. (CORR: Western Union Funding) All funds received by the South Carolina Department of Corrections from the Western Union Quick Collect Revenue Sharing Program or similar private sector entities, which provides payment for processing electronic transfers into the E.H. Cooper Trust Fund, shall be retained by the South Carolina Department of Corrections and credited to a fund entitled "Inmate Welfare Fund" to be expended for the benefit of the inmate population.

65.16. (CORR: Monitoring Fees) The Department of Corrections is authorized to charge an inmate who participates in community programs a reasonable fee for the cost of supplying electronic and telephonic monitoring. The fees charged may not exceed the actual cost of the monitoring.

65.17. (CORR: Inmate Insurance Policies) The Department of Corrections may collect and record private health insurance information from incarcerated individuals. The department may file against any private insurance policy covering an inmate to recoup any health care expenditures covered by the policy. Health care will be provided in accordance with law and standards regardless of whether or not an inmate is covered by insurance.

65.18. (CORR: Work Release Transportation Fee) The South Carolina Department of Corrections is authorized to charge a \$4.00

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per-day transportation fee to participants in the work release program only when such transportation is provided by the department. Monies collected shall be credited to the South Carolina Department of Corrections, and utilized solely to fund transportation of work release participants and vehicle replacement for the work release program.

65.19. (CORR: Special Assignment Pay Level 2 & 3 Facilities) Funds appropriated for special assignment pay at the Department of Corrections are for the purpose of addressing vacancies and turnover of staff by providing a pay differential for certain employees assigned to institutions with a Level II or Level III security designation. The funds are to be used for special assignment pay only and may not be transferred to any other program. If the employee leaves one of the qualifying job classes or leaves a Level II or Level III institution for a non-Level II or non-Level III facility, they shall no longer be eligible for this special assignment pay. Only employees in full-time equivalent positions are eligible for this special assignment pay.

The special assignment pay is not a part of the employee's base salary, but is a percentage thereof, and is to be paid as follows:

(A) At Level II institutions:

- (1) 4% for Correctional Officers including Class Code JD-30 (cadets and Officer I and II positions) and Corporals I and II;
- (2) 2% for Sergeants and Lieutenants;
- (3) 1% for Captains and Majors;
- (4) 2% for Nursing staff; and
- (5) 2% for Food Service staff.

(B) At Level III institutions:

- (1) 8% for Correctional Officers including Class Code JD-30 (cadets and Officer I and II positions) and Corporals I and II;
- (2) 3% for Sergeants and Lieutenants;
- (3) 1% for Captains and Majors;
- (4) 3% for Nursing staff; and
- (5) 3% for Food Service staff.

65.20. (CORR: Quota Elimination) Pursuant to Section 24-3-60 of the 1976 Code, upon notification by the county, the Department of Corrections shall accept newly sentenced inmates from each local jail and detention center.

For sentenced inmates who the county is willing to transport, the department may limit the acceptance at the Kirkland Correctional

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Institution to the hours of 8:00 a.m. to 1:00 p.m., Monday through Friday, excluding holidays, and at the Perry and Lieber Correctional Institutions to the hours of 8:00 a.m. to 10:30 a.m., Monday through Friday, excluding holidays.

By mutual agreement between the Department of Corrections and a local jail or detention center, the department may establish an alternate admissions schedule for receiving inmates at the Reception and Evaluation Center.

At the time of transfer of the inmate to the department, the county shall provide the sentencing order, and if available copies of medical screening records, booking reports, and other documents to assist the department in its intake processing. Counties that have not completed medical screenings at the time of transfer shall not be required to do so.

In the event there are inadequate beds within the Reception and Evaluation Center, the Department of Corrections may create a "jail" within the Kirkland Correctional Institution using one or more of the available 192-bed housing units to accept newly sentenced state inmates who are awaiting R & E processing. The department may operate such "jail," to the extent feasible, in accordance with standards applicable to the local jails.

The department shall use the funds appropriated in this Act for "Quota Elimination" to accomplish this initiative and to open a 96-bed unit at the MacDougall Correctional Institution and the 192-bed housing units at Kirkland Correctional Institution. The funds may not be transferred to any other program or used for any other purpose.

65.21. (CORR: Public/Private Partnerships for Construction) Funds appropriated in Act 407 of 2006, Item 23, shall be used to construct as many multi-purpose buildings at Department of Corrections institutions as possible. For such facilities at Lieber, McCormick, Leath, or Allendale Correctional Institution, at least \$150,000 in matching funds and/or construction materials or services must be donated before construction of the facility may begin. At other Department of Corrections locations, the Director may require that donated funds and/or materials or services equal one-half of the cost of construction, including design and engineering costs.

65.22. (CORR: Inmate Barbering Program) Inmate barbers in the Inmate Barbering Program at the Department of Corrections, shall not be subject to the licensing requirement of Section 40-7-30 of the 1976 Code.

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65.23. (CORR: Executed Inmate Autopsy) For the current fiscal year, the autopsy requirements of Section 17-7-10 of the 1976 Code are suspended when an inmate is executed by the Department of Corrections pursuant to a valid order of the Supreme Court of South Carolina.

65.24. (CORR: Recoupment of Expenses Associated with Inmate Cremation) If the Department of Corrections incurs expenses for cremating and disposing of an unclaimed deceased inmate, the department may recoup all associated costs of cremation, including transportation, through the deceased inmate's E.H. Cooper account, providing funds are available.

65.25. (CORR: Credited Jail Time; DNA Sample Collection) Inmates committed to the Department of Corrections for sentences greater than ninety days, but who have credit for jail time in excess of their sentence to incarceration are not required to be transported to the Reception and Evaluation Center of the Department of Corrections. Cities and counties housing inmates who have credit for jail time in excess of their sentence may, through written agreement with the Department of Corrections, transfer required commitment records to the department electronically or by other means. The Department of Corrections must establish reasonable documentation requirements to facilitate the implementation of this cost savings measure. Employees of the Department of Probation, Parole, and Pardon Services assigned to the court or employees of the Department of Corrections, as applicable, shall obtain DNA samples from the offenders who are required to submit DNA samples. This provision does not exempt the above referenced inmates from the \$250 DNA fee as required by Section 23-3-670 of the 1976 Code. The \$250 fee shall be collected in the same manner as other fines and fees and submitted to the State Treasurer for remittance to SLED.

65.26. (CORR: Cell Phone Interdiction) The Director of the Department of Corrections is granted the right to add a surcharge to all inmate pay phone calls to offset the cost of equipment and operations of cell phone interdiction measures. The surcharge will be added to the cost per call, collected by chosen telephone vendor and paid to the department on a monthly basis. The department is authorized to retain the funds to pay, either directly or through the State lease program, for equipment required to enact cell phone interdiction. When the equipment has been paid in full, the surcharge amount will be reviewed and adjusted to cover the cost of ongoing operational expenses of the

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interdiction equipment. Any unexpended balance may be carried forward from the prior fiscal year into the current fiscal year and be used for the same purpose.

65.27. (CORR: Wateree River Correctional Institution) The Department of Corrections may utilize inmate labor to perform any portion of the work which will be installed on the Wateree River Correctional Institution property for the Wateree River Correctional Institution Radium - Drinking Water Compliance Project.

65.28. (CORR: Meals in Emergency Operations) The Department of Corrections may provide meals to public employees who are not permitted to leave their stations and are required to work during actual emergencies, emergency simulation exercises, or when the Governor declares a state of emergency.

65.29. (CORR: Prohibition on Funding Certain Surgery) (A) The Department of Corrections is prohibited from using state funds or state resources to provide a prisoner in the state prison system sexual reassignment surgery; however, if a person is taking hormonal therapy at the time the person is committed to the Department of Corrections, the department shall continue to provide this therapy to the person as long as medically necessary for the health of the person.

(B) As used in this provision:

(1) 'Hormonal therapy' means the use of hormones to stimulate the development or alteration of a person's sexual characteristics in order to alter the person's physical appearance so that the person appears more like the opposite gender;

(2) 'Sexual reassignment surgery' means a surgical procedure to alter a person's physical appearance so that the person appears more like the opposite gender.

**SECTION 66 - N08-DEPARTMENT OF PROBATION, PAROLE,
AND PARDON SERVICES**

66.1. (DPPP: Sale of Equipment) All revenue generated by the Department of Probation, Parole and Pardon Services from the sale of various equipment in excess of \$575, less the cost of disposition incurred by the Budget and Control Board, Division of Operations, may be retained and carried forward into the current fiscal year and expended for the purpose of purchasing like items.

66.2. (DPPP: Interstate Compact Application Fee) The department may charge offenders an application fee set by the department, not to

**SECTION 66 - N08-DEPARTMENT OF PROBATION, PAROLE,
AND PARDON SERVICES**

exceed \$100, to offenders applying for transfers out of or into the state under the Interstate Compact Act. The application fee shall be retained by the department to offset the cost of the Interstate Compact Act. All unexpended funds at year-end may be retained and carried forward by the department to be expended for the same purpose.

66.3. (DPPP: GED Learn and Earn Program) From the funds appropriated in Part IA, the department may enter into agreements with statewide colleges, technical colleges, and school districts for the purpose of providing GED and GED Prep education to offenders. Offenders of the department enrolled in the program must repay the department the cost of the course and materials within six months of obtaining their GED.

66.4. (DPPP: Sex Offender Monitoring Carry Forward) The Department of Probation, Parole and Pardon Services is authorized to carry forward any unexpended funds in the Sex Offender Monitoring program. These funds must be used for the sex offender monitoring program. For the purpose of calculating the amount of funds which may be carried forward by the department, Sex Offender Monitoring program funds carried forward by this provision shall be excluded from the calculation of the carry forward authorized by provision elsewhere in this Act.

66.5. (DPPP: Offender Drug Testing Fee) The department may charge offenders a fee set by the department, not to exceed \$50, for the purpose of drug testing. If it is determined that the offender is indigent, this fee must be waived. The fee shall be retained by the department to offset the cost of drug testing. All unexpended funds at year-end may be retained and carried forward by the department to be expended for the same purpose.

66.6. (DPPP: Public Service Employment Set-Up Fee) In addition to any other fee, the department may charge an adult offender placed under the jurisdiction of the department, who is ordered to public service employment by the court, a twenty-five dollar Public Service Employment set-up fee. The fee must be retained by the department and applied to the department's supervision process. The department shall submit a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the number of offenders who were assessed the set-up fee and the amount of funds collected.

SECTION 67 - N12-DEPARTMENT OF JUVENILE JUSTICE

67.1. (DJJ: Meal Ticket Revenue) The revenue generated from sale of meal tickets by the Department of Juvenile Justice shall be retained and carried forward into the current fiscal year by the agency and expended for the operation of the agency's cafeterias and food service programs.

67.2. (DJJ: Interstate Compact Revenue) The revenue returned to the Interstate Compact Program shall be retained and carried forward into the current fiscal year by the agency and expended for the operation of the program.

67.3. (DJJ: Children's Projects Revenue) Funds generated from the projects undertaken by children under the supervision of the Department of Juvenile Justice may be retained by the department and utilized for the benefit of those children. Such funds may be carried forward into the following fiscal year.

67.4. (DJJ: Instructional Salaries) The certified instructional personnel of the Department of Juvenile Justice shall receive a percentage increase in their annual salary for the current fiscal year equal to the percentage allocated to the instructional personnel throughout the State.

67.5. (DJJ: Reimbursements for Expenditures) The Department of Juvenile Justice may retain for general operating purposes any reimbursement of funds for expenses incurred in a prior fiscal year.

67.6. (DJJ: Juvenile Arbitration/Community Advocacy Program) The amount appropriated and authorized in this section for the Juvenile Arbitration Program shall be retained and expended by the Department of Juvenile Justice for the purpose of providing juvenile arbitration services through the sixteen (16) Judicial Circuit Solicitors' offices in the state and used to fund necessary administrative and personnel costs for the programs.

The Department of Juvenile Justice shall contract with Solicitors to administer the Juvenile Arbitration Program and disburse up to \$60,000 per Judicial Circuit based on services rendered. The amount payable to Solicitors may vary based on consistent adherence to established statewide program guidelines to assess program performance.

The \$250,000 appropriated for the Community Advocacy Program in the first Judicial Circuit, will be used to fund necessary administrative and personnel costs for this status offender diversion program. The Department of Juvenile Justice shall monitor and provide support to this program.

SECTION 67 - N12-DEPARTMENT OF JUVENILE JUSTICE

All unexpended funds may be retained and carried forward from the prior fiscal year to be used for the same purposes.

67.7. (DJJ: Sale of Real Property) After receiving approval from the Budget and Control Board for the sale of property, the department is authorized to retain revenues associated with the sale of department-owned real property and may expend these funds on capital improvements reviewed by the Joint Bond Review Committee and approved by the Budget and Control Board.

67.8. (DJJ: Sale of Timber) The Department of Juvenile Justice is hereby authorized to sell mature trees and other timber suitable for commercial purposes from lands owned by the department. Prior to such sales, the director shall consult with the State Forester to determine economic and environmental feasibility and to obtain approval for such sales. Funds derived from timber sales shall be retained and utilized for family support services after setting aside a reasonable amount, as determined by the State Forester, for reforestation of the lands from which the trees and timber are sold.

67.9. (DJJ: Drug Free Workplace) The critical mission of the Department of Juvenile Justice requires a safe and drug free work environment. In order to accomplish this, the department may conduct and pay for the cost of pre-employment drug testing and random employee drug testing. The department is authorized to expend funds in order to provide or procure these services.

67.10. (DJJ: Definition of Juveniles) The Department of Juvenile Justice is authorized to place juveniles in marine and wilderness programs or other community residence programs operated by non-governmental entities. Juveniles receiving services in these community residence programs must either be referred to such a program by the Family Court as a condition of probation, released to such a program by the Board of Juvenile Parole, or voluntarily agree to be assigned and released to such a program by the Department of Juvenile Justice.

67.11. (DJJ: Adult Education - GED) Juveniles committed to the Department of Juvenile Justice who have been enrolled in, but not yet completed, a GED educational program while at the department, at the discretion of the local school district, upon release from the department shall be allowed to enroll in either the juvenile's local school district's regular education program, in their appropriate grade placement, or allowed to enroll in that district's or county's adult education program. If enrolled in an adult education program, the juvenile's eligibility for taking the GED shall be based upon the regulations promulgated by the

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Department of Education for youth who are confined in, or under the custody of, the Department of Juvenile Justice.

67.12. (DJJ: Local District Effort) Upon commitment or confinement to a Department of Juvenile Justice facility, the school district in which that child resides shall pay an amount equivalent to the statewide average of the local base student cost (thirty percent), multiplied by the appropriate pupil weighting set forth in Section 59-20-40, for instructional services provided to out-of-district students to the Department of Juvenile Justice for the time period in which the child is committed or confined to a department facility. EFA funding for school districts is provided for a one hundred eighty day school year. The billing provided by the department shall be calculated by dividing the local base student cost by two hundred twenty-five days to determine the daily rate. The department shall notify the school district in writing within forty-five calendar days that a student from the non-resident district is receiving education services pursuant to this provision. The notice shall also contain the student's name, date of birth, disabling condition if available, and dates of service.

The invoice shall be paid within sixty days of billing, provided the department has provided a copy of the invoice to both the superintendent and the finance office of the school district being invoiced. Should the school district fail to pay the invoice within sixty days, the department can seek relief from the Department of Education. The Department of Education shall withhold EFA funding equal to the billing from the district refusing to pay and submit the funding (equal to the invoice) to the department. If adequate funding is not received, the department shall have the flexibility to use funds from other programmatic areas to maintain an appropriate level of service.

67.13. DELETED

67.14. DELETED

67.15. DELETED

67.16. (DJJ: Early Release Authorization) In order to avoid unconstitutional levels of overcrowding and other unconstitutional conditions from occurring in facilities operated by the department and in residential programs operated for the department, the number of children housed in residential placements (either committed to the custody of the Department of Juvenile Justice or who are under the department's supervision) shall not exceed the number of beds available to the department to house them. Should appropriation reductions necessitate that the department close any additional facility,

SECTION 67 - N12-DEPARTMENT OF JUVENILE JUSTICE

program, or housing unit it operates, or to be unable to fund any additional residential program operated for its benefit, the department is authorized and empowered to release from its residential placements sufficient numbers of children committed to its custody or supervision for a status offense, a misdemeanor offense, other than Assault and Battery of a High and Aggravated Nature and Assault with Intent to Kill, or for violation of probation/contempt of a status offense or a misdemeanor offense, other than Assault and Battery of a High and Aggravated Nature and Assault with Intent to Kill, so that the number of children in its custody or under its supervision and placed in these residential placements does not exceed the number of housing units/beds available to properly house those children. No child adjudicated delinquent for a violent crime as defined in Section 16-1-60 of the 1976 Code, a felony offense as defined in Section 16-1-90 of the 1976 Code, or a sexual offense shall be released pursuant to this proviso.

SECTION 70 - L36-HUMAN AFFAIRS COMMISSION

70.1. (HAC: Human Affairs Forum Carry Forward) All revenue derived from donations and registration fees received for attendance at Human Affairs Forums shall be retained and carried forward and expended for the purpose of general operations of the Human Affairs Commission.

70.2. (HAC: Training Revenue) All revenue derived from fees received from training and technical assistance provided by the Human Affairs Commission to entities other than state agencies shall be retained, carried forward, and expended for the purpose of general operations of the Human Affairs Commission.

70.3. (HAC: Revenue from Copying Fees) All revenue derived from providing requested copies of commission files, final opinions, orders, and determinations shall be retained, carried forward, and expended for the purpose of general operations of the Human Affairs Commission.

SECTION 71 - L46-COMMISSION FOR MINORITY AFFAIRS

71.1. (CMA: Private Contributions and Sponsorship) Monies derived from private sources for agency research, forums, training, and institutes may be retained and expended by the commission for the said

SECTION 71 - L46-COMMISSION FOR MINORITY AFFAIRS

purpose. Any remaining balance may be carried forward and expended for the same purpose.

71.2. (CMA: Carry Forward Registration Fees) Revenue derived from registration fees received from training and institutes may be retained and carried forward for the purpose of conducting future training and institutes.

71.3. (CMA: Carry Forward Grant Awards) Revenues pooled from public and private sources for the purpose of awarding grants to address problems in the minority community may be retained and carried forward by the commission.

71.4. (CMA: Carry Forward Bingo Revenues) Bingo revenues received by the commission in the prior fiscal year pursuant to Section 12-21-4200(3) of the 1976 Code which are not expended during that fiscal year may be carried forward to be expended in the current fiscal year.

71.5. (CMA: Retention of Photocopy Fees) Revenue derived from photocopy fees and other fees related to Freedom of Information Act requests from the general public may be retained and carried forward by the Commission.

SECTION 73 - R06-OFFICE OF REGULATORY STAFF

73.1. (ORS: Transportation Fee Refund) The Transportation Department of the Office of Regulatory Staff is hereby authorized to make refunds of fees which were erroneously collected.

73.2. (ORS: Assessment Certification) Office of Regulatory Staff shall certify to the Department of Revenue the amounts to be assessed to cover appropriations in this section as follows: (1) the amount applicable to the assessment on public utility, telephone utility, radio common carrier and electric utility companies as provided for by Section 58-4-60, Code of Laws of 1976, (2) the amount to be assessed against gas utility companies as provided for in Section 58-5-940, Code of Laws of 1976, (3) the amount to be assessed against electric light and power companies as provided for in Sections 58-4-60 and 58-27-50, Code of Laws of 1976, and (4) the amount to be covered by revenue from motor transport fees as provided for by Section 58-23-630, and other fees as set forth in Section 58-4-60, Code of Laws of 1976. The amount to be assessed against railroad companies shall consist of all expenses related to the operations of the Railway subprogram of the Agency's Transportation Division, to include the

SECTION 73 - R06-OFFICE OF REGULATORY STAFF

related distribution of salary increments and employer contributions not reflected in the related subprogram of this act as set forth in Section 58-4-60, Code of Laws of 1976.

73.3. (ORS: Assessment Adjustments) If the Office of Regulatory Staff determines that a person or entity subject to Title 58 of the 1976 Code has been assessed an amount greater than that authorized by Sections 58-4-60, 58-3-100 and 58-3-540, the Office of Regulatory Staff shall, at its discretion:

- (a) refund the person or entity the amount of over collection using funds from the current fiscal year;
- (b) refund the person or entity the amount of over collection using any unexpended funds from the prior fiscal year;
- (c) credit the amount the person or entity will be assessed in the next fiscal year for the amount of over collection; or
- (d) any combination of these.

The Office of Regulatory Staff, when determining the amount to be assessed in the next fiscal year, may take into consideration any underpayment or overpayment by a person or entity during a given year. Any unexpended funds from revenue generated pursuant to this section may be retained and carried forward and expended for the same purposes.

**SECTION 74 - R08-WORKERS' COMPENSATION
COMMISSION**

74.1. (WCC: Medical Services Provider Manual Revenue) All revenue earned from the sale of the commission's publication Medical Services Provider Manual shall be retained by the agency to be used for the printing and distribution of subsequent revised editions of the schedule.

74.2. (WCC: Educational Seminar Revenue) All revenue earned from educational seminars shall be retained by the agency to be used for the printing of educational materials and other expenses related to conducting the seminar.

74.3. (WCC: Retention of Filing Fees) The Workers' Compensation Commission is authorized to retain and expend all revenues received as a result of a \$25.00 filing fee for each requested hearing, settlement, or motion. If it is determined that the individual is indigent, this filing fee must be waived.

SECTION 75 - R12-STATE ACCIDENT FUND

75.1. (SAF: Educational Seminar Revenue) The State Accident Fund is authorized to set and collect fees for educational seminars. All revenue earned from educational seminars shall be retained by the agency and used for supplies, materials, and other expenses relating to the seminars.

SECTION 78 - R20-DEPARTMENT OF INSURANCE

78.1. (INS: Examiners Travel/Subsistence Reimbursement) Notwithstanding the limitations in this act as to amounts payable or reimbursable for lodging, meals, and travel, the Department of Insurance is authorized to reimburse department examiners in accordance with guidelines established by the National Association of Insurance Commissioners only when the State is reimbursed by an insurance company for the travel and subsistence expenses of Insurance Department examiners pursuant to Section 38-13-10 of the 1976 Code.

78.2. (INS: Reimbursement Carry Forward) Reimbursements received for Data Processing Services, Revenue, Miscellaneous Revenue and Sale of Listings and Labels shall be retained for use by the department. These funds may be carried forward in the current fiscal year. The Department of Insurance is authorized to pay the annual dues, not to exceed \$10,000 for the South Carolina Senate and the South Carolina House of Representatives for membership in the National Council of Insurance Legislators from funds collected under this proviso.

78.3. (INS: Fees for Licenses) The Department of Insurance shall be authorized to charge a twenty-five dollar initial producer license fee; a twenty-five dollar biennial producer license renewal fee; and a two hundred-fifty dollar penalty fee for late appointment renewals. The director shall specify the time and manner of payment of these fees. These fees shall be retained by the department for the administration of Title 38.

78.4. DELETED

78.5. DELETED

SECTION 79 - R23-BOARD OF FINANCIAL INSTITUTIONS

79.1. (FI: Supervisory Fees) The Board of Financial Institutions shall fix supervisory fees of banks, savings and loan associations and credit unions on a scale which, together with fees collected by the Consumer Finance Division will fully cover the total funds expended under this section.

79.2. (FI: National Mortgage Settlement Carry Forward) Funds received by the Consumer Finance Division pursuant to the State-Federal National Mortgage Settlement for enforcement and regulation may be retained, expended, and carried forward from the prior fiscal year into the current fiscal year and used for the same purposes.

SECTION 80 - R28-DEPARTMENT OF CONSUMER AFFAIRS

80.1. (CA: Consumer Protection Code Violations Revenue) Funds, paid to the department in settlement of cases involving violations of the South Carolina Consumer Protection Code and other statutes enforced by the department be retained and expended within the agency's budget to help offset the costs of investigating, prosecuting, and the administrative costs associated with these violations, may be carried forward and expended for the same purposes in the current fiscal year.

80.2. (CA: Student Athlete/Agents Registration) Funds received by the department of Consumer Affairs pursuant to registrations under Chapter 102, Title 59 of the 1976 Code may be retained by the department for its enforcement duties relating to athlete agents and student athletes under that chapter.

80.3. (CA: Expert Witness/Assistance Carry Forward) Unexpended encumbered appropriated funds for the Consumer Advocacy expert witness/assistance program (under Section 37-6-603) may be carried forward into the next fiscal year to meet contractual obligations existing at June thirtieth and not paid by July thirty-first.

80.4. (CA: Registered Credit Grantor Notification and Maximum Rate Filing Fees Retention) The Department of Consumer Affairs may retain all Consumer Credit Grantor Notification filing fees collected under Section 37-6-203 and all Maximum Rate Schedules filing fees collected under Section 37-2-305 and Section 37-3-305. These fees shall be used to offset the cost of administering and enforcing Chapters 2 and 3, Title 37 of the 1976 Code and may be applied to the cost of operations. Unexpended balances may be carried forward for the prior

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fiscal year into the current fiscal year and be utilized for the same purposes.

80.5. (CA: Retention of Fees) For Fiscal Year 2013-2014, the department may retain all fees collected pursuant to Sections 39-61-80, 39-61-120, 40-39-120, and 44-79-80 of the 1976 Code. The funds retained shall be utilized to implement the requirements of the programs mandated by those sections of the code.

**SECTION 81 - R36-DEPARTMENT OF LABOR, LICENSING
AND REGULATION**

81.1. (LLR: Fire Marshal - Authorization to Charge Fees for Training) The Fire Academy may charge participants a fee to cover the cost of education, training programs, and operations. The revenue generated may be applied to the cost of operations, and any unexpended balance may be carried forward to the current fiscal year and utilized for the same purposes.

81.2. (LLR: Real Estate - Special Account) Revenue in the Real Estate Appraisal Registry account shall not be subject to fiscal year limitations and shall carry forward each fiscal year for the designated purpose.

81.3. (LLR: POLA - Ten Percent, Other Funds) The Professional and Occupational Offices in Program II.F. Professional and Occupational Licensing must remit annually an amount equal to ten percent of the expenditures to the general fund. The Contractor's Licensing Board must remit all revenues above their expenditures to the general fund. The revenue remitted by the Contractor's Licensing Board to the general fund includes the ten percent.

81.4. (LLR: Fire Marshal Fallen Firefighters Memorial) The Department of Labor, Licensing and Regulation - Division of the State Fire Marshal is authorized to accept gifts or grants of services, properties, or monies from individuals or public and private organizations to honor South Carolina firefighters who have died in the line of duty. All excess monies collected to erect a memorial are to be placed in a fund for upkeep and maintenance. Any later contributions are to be used for upkeep and maintenance.

81.5. (LLR: Firefighter Mobilization Project) The Department is directed to utilize \$165,000 of the funds derived under Section 2 of Act 1377 of 1968, as amended by Act 60 of 2001 from the tax of thirty-five one-hundredths percent imposed annually on the gross premium

**SECTION 81 - R36-DEPARTMENT OF LABOR, LICENSING
AND REGULATION**

receipts less premiums returned on canceled policy contracts and less dividends and returns of unabsorbed premium deposits of all fire insurance companies doing business in the State to fund the Firefighter Mobilization Project.

81.6. (LLR: Match for Federal Funds) State appropriations to the Department of Labor, Licensing, and Regulation that are required to provide match for federal grant programs in the prior fiscal year may be carried forward into the current fiscal year and expended for the same purpose as originally appropriated.

81.7. (LLR: Flexibility) In order to provide maximum flexibility in absorbing the general fund reductions to the OSHA and OSHA Voluntary Programs, the Department of Labor, Licensing, and Regulation shall be authorized to spend agency earmarked and restricted accounts to maintain these critical programs previously funded with general fund appropriations. Any increase in spending authorization for these purposes must receive the prior approval of the Office of State Budget.

81.8. (LLR: Immigration Bill Funding Report) Prior to any funds carried forward from the prior fiscal year in Subfund 3135 being transferred to fund any other purpose, \$250,000 must be retained by the Department of Labor, Licensing, and Regulation to fund the department's responsibilities under the South Carolina Illegal Immigration Reform Act. The department shall compile an accountability report outlining expenditures of the Immigration Bill funding to be issued to the President Pro Tempore of the Senate, the Chairman of the Senate Finance Committee, the Chairman of the Senate Finance Natural Resources and Economic Development Subcommittee, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, and the Chairman of the House Ways and Means Transportation and Regulatory Subcommittee. Said report must be issued on the first Tuesday of February 2014.

81.9. (LLR: Authorized Reimbursement) The Director of the Department of Labor, Licensing, and Regulation cannot authorize reimbursement under Section 40-1-50(A) of the 1976 Code to members of any board listed in Section 40-1-40(B) for meetings held at any location other than the offices of the department unless there has been a determination that the department is unable to provide space for the

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AND REGULATION**

meeting in a state owned or leased facility in Richland or Lexington County.

81.10. (LLR: Illegal Immigration Hotline Assistance) Upon the request of the Commission on Minority Affairs, the Department of Labor, Licensing, and Regulation shall provide assistance to establish and maintain a twenty-four hour toll free telephone number and electronic website to receive, record, collect, and report allegations of violations of federal immigration laws or related provisions of South Carolina law by any non-United States citizen or immigrant, and allegations of violations of any federal immigration laws or related provisions in South Carolina law against any non-United States citizen or immigrant.

Such violations shall include, but are not limited to, E-Verify or other federal work authorization program violations, violations of Chapter 83, Title 40 of the 1976 Code relating to immigration assistance services, or any regulations enacted governing the operation of immigration assistance services, false or fraudulent statements made or documents filed in relation to an immigration matter, as defined by Section 40-83-20, violation of human trafficking laws, as defined in Section 16-3-930, landlord tenant law violations, or violations of any law pertaining to the provision or receipt of public assistance benefits or public services.

81.11. (LLR: Board of Pharmacy) The Board of Pharmacy must accept affidavits of practical experience from interns whose practical experience internships occurred in this State. The affidavit must provide that the supervising pharmacist and the site of experience is licensed and in good standing with the board and that the internship falls within the criteria for internships set by the board. The affidavit must be accompanied by a ten dollar fee to cover administrative costs associated with compliance with this proviso.

81.12. (LLR: Office of State Fire Marshal - Clothing) The Department of Labor, Licensing, and Regulation is authorized to purchase and issue clothing to the non-administrative staff of the Office of the State Fire Marshal that are field personnel working in a regulatory aspect and/or certified to be a resident state fire marshal.

SECTION 82 - R40-DEPARTMENT OF MOTOR VEHICLES

82.1. (DMV: Miscellaneous Revenue) Revenue received from the sale of legal manuals and other publications, postal reimbursement, third party commercial driver license testing, photo copying, sale of miscellaneous refuse and recyclable materials, insurance claim receipts, and tuition from non-mandated, advanced, or specialized courses shall be retained by the department and expended in budgeted operations and other related services or programs as the Director of the Department of Motor Vehicles may deem necessary. The Department of Motor Vehicles shall report annually to the General Assembly the amount of miscellaneous revenue retained and carried forward.

82.2. (DMV: Federal, Other Flow Through Funds) In order to complete projects begun in a prior fiscal year, the Department of Motor Vehicles is authorized to expend federal and earmarked funds in the current fiscal year for expenditures incurred in the prior fiscal year.

82.3. (DMV: Publish County DMV Local Telephone Number) From the funds appropriated in Part IA, Section 82 to the Department of Motor Vehicles, it is the intent of the General Assembly that the Department of Motor Vehicles in each county should have a local telephone number that is published.

82.4. (DMV: Cost Recovery Fee/Sale of Photos or Digitized Images) The Department of Motor Vehicles may collect processing fees and fees to recover the costs of the production, purchase, handling and mailing of documents, publications, records and data sets. The amount charged by the Department of Motor Vehicles for any fees collected pursuant to this proviso may not exceed the rates that the department charged as of February 1, 2001. The Department of Motor Vehicles may not sell, provide or otherwise furnish to private parties, copies of photographs, whether digitized or not, taken for the purpose of a driver's license or personal identification card. Photographs and digitized images from a driver's license or personal identification card are not considered public records. Funds derived from these sources shall be retained by the department.

82.5. (DMV: DPPA Compliance Audit) The Department of Motor Vehicles may charge fees to defray the costs associated with auditing and enforcing compliance of all Federal or State statutes and regulations pertaining to personal information for customers receiving information disseminated by the department as allowed by law. This provision does not pertain to state agencies. The Comptroller General

SECTION 82 - R40-DEPARTMENT OF MOTOR VEHICLES

shall place the funds into a special restricted account to be used by the department.

82.6. DELETED

82.7. (DMV: Underutilized Offices) The Director of the Department of Motor Vehicles is authorized to develop and implement a plan to reduce the hours of operation in underutilized DMV field offices; however the legislative delegation of the county in which the affected field office is located must be notified prior to implementation of the plan. In addition, the director shall review field offices which have a high volume of traffic to determine whether it would be beneficial to expand the hours of operation.

82.8. (DMV: Facial Recognition Program) The Department of Motor Vehicles is directed to utilize the funds authorized for the agency to continue the Facial Recognition Program.

82.9. (DMV: Five Year Eye Exam Suspension) For the current fiscal year, Section 56-1-220(B), relating to the requirement for a vision screening certificate during the fifth year of a ten-year driver's license, is suspended. The department may use the savings recognized from the suspension of this requirement to support necessary technology upgrades.

**SECTION 83 - R60-DEPARTMENT OF EMPLOYMENT AND
WORKFORCE**

83.1. (DEW: SCOICC User Fee Carry Forward) All user fees collected by the South Carolina Occupational Information Coordinating Committee through the Department of Employment and Workforce may be retained by the SCOICC to be used for the exclusive purpose of operating the South Carolina Occupational Information System. All user fees not expended in the prior fiscal year may be carried forward for use in the current fiscal year.

83.2. (DEW: Consortium Contracts: Training-Development Sessions and Media Services) All earmarked funds collected for the LMI - Training-Development Sessions; Media Services and Program Contracts through the Department of Employment and Workforce may be retained by the agency to be used for the exclusive purpose of operating these programs. All funds not expended in the prior fiscal year may be carried forward for use in the current fiscal year.

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WORKFORCE**

83.3. (DEW: Federal and Earmarked Prior Year Payments) The Department of Employment and Workforce shall be allowed to pay federal and earmarked prior year obligations with current year funds.

83.4. (DEW: WIA Prior Year Payments) The Department of Employment and Workforce shall be allowed to pay Workforce Investment Act prior-year obligations with current year funds.

83.5. (DEW: Transparency of Funding Appropriation) In order to promote accountability and transparency, the Department of Employment and Workforce must provide and release to the public via the agency's website, a report of all aggregate amounts of taxes, fees and payments that were charged, collected and paid by that state agency in the prior fiscal year. For the purpose of efficiency and conservation of resources, this report shall be incorporated into the Trust Fund Report due by October first as required by Section 41-33-45 of the 1976 Code. In addition to the requirements of Section 41-33-45, the Trust Fund Report shall include, but not be limited to: (1) SUTA taxes collected per Tier; (2) unemployment benefit claims paid; (3) how many unemployment claims were made in error; (4) loan repayments made to the federal government; and (5) the amount of funds left in the agency's account at the end of the fiscal year. The report must be posted online by October first of the current fiscal year. Additionally, the report must be delivered to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by October first. Funds appropriated to and/or authorized for use by the department shall be used to accomplish this directive.

83.6. (DEW: SUTA Contingency Assessment Funds) Thirty percent of the funds appropriated through the contingency assessment funds collected on taxable wages paid by employers shall be spent on enforcement of Section 41-35-110(3) and Section 41-35-120(5) of the 1976 Code, via Eligibility Reviews, Random Verification of Job Contacts and Wage Cross Matches during those weeks covered by the South Carolina State Unemployment Tax Authority (SUTA), and to ensure seated meetings with Unemployment Insurance claimants and requiring that one of the four job search contacts required per week be conducted through SC Works Online System (SCWOS), so that it can be electronically verified. The agency must also inform claimants in advance that Eligibility Reviews and Random Verification of Job

**SECTION 83 - R60-DEPARTMENT OF EMPLOYMENT AND
WORKFORCE**

Contacts will be used by the Department to verify compliance with laws administered by the agency.

83.7. (DEW: Negotiation of Interest) By October 1, 2013, the Department of Employment and Workforce must develop and implement a plan to seek a waiver of interest on the state's FUA loan debt in order to mitigate the impact of the interest payments on South Carolina employers.

***83.8.** *(DEW: Local Offices) Of the funds appropriated to or authorized for the Department of Employment and Workforce within the Unemployment Insurance division, the department is given flexibility to use funds from available areas to maintain funding for the administrative and operating costs of Unemployment Insurance centers in each county. The department shall use up to \$1,500,000 to provide all counties affected by the February 2013 regionalization of unemployment services with a functioning Unemployment Insurance center for claimants in every county to assist with both unemployment insurance claims and reemployment training. These centers may share office space with other state or local government agencies. The department shall make known to the public the location and regular operating hours of the centers for each county.*

SECTION 84 - U12-DEPARTMENT OF TRANSPORTATION

84.1. (DOT: Expenditure Authority Limitation) The Department of Transportation is hereby authorized to expend all cash balances brought forward from the previous year and all income including all federal funds, unexpended general funds and proceeds from bond sales accruing to the Department of Transportation, but in no case shall the expenditures of the Department of Transportation exceed the amount of cash balances brought forward from the preceding year plus the amount of all income including federal funds, general funds and proceeds from bond sales.

84.2. (DOT: Special Fund Authorization) The Department of Transportation with the approval of the State Treasurer, is hereby authorized to set up with the State Treasurer such special funds out of the Department of Transportation funds as may be deemed advisable for proper accounting purposes.

* See note at end of Act.

SECTION 84 - U12-DEPARTMENT OF TRANSPORTATION

84.3. (DOT: Secure Bonds & Insurance) The Department of Transportation is hereby authorized to secure bonds and insurance covering such activities of the department as may be deemed proper and advisable, due consideration being given to the security offered and the service of claims.

84.4. (DOT: Benefits) Employees of the Department of Transportation shall receive equal compensation increases, health insurance benefits and employee bonuses provided in this act for employees of the State generally. The amount will be funded from Department of Transportation funding sources.

84.5. (DOT: Document Fees) The Department of Transportation is hereby authorized to establish an appropriate schedule of fees to be charged for copies of records, lists, bidder's proposals, plans, maps, etc. based upon approximate actual costs and handling costs of producing such copies, lists, bidder's proposals, plans, maps, etc.

84.6. (DOT: Meals in Emergency Operations) The Department of Transportation may provide meals to employees of the department who are not permitted to leave assigned duty stations and are required to work during deployment, emergency simulation exercises, and when the Governor declares a state of emergency.

84.7. (DOT: Rest Area Water Rates) For the current fiscal year, rest areas of the Department of Transportation shall be charged in-district water rates by providers of water and sewer services, unless the rate currently charged by the provider is less than in-district rates.

84.8. (DOT: Shop Road Farmers Market Bypass Carry Forward) Unexpended funds appropriated for the Shop Road Farmers Market Bypass may be carried forward into the current fiscal year and expended for the matching requirement for the widening and expansion of Leesburg Road from Fairmont to Wildcat Road (Lower Richland roads-Phase I).

84.9. DELETED

84.10. DELETED

84.11. DELETED

84.12. DELETED

84.13. (DOT: Hanahan Permit Negotiation) With the funds authorized for the Department of Transportation, the department shall initiate negotiations between the City of Hanahan, the United States Army Corps of Engineers, CSX Railroad, and other applicable entities to demonstrate the valid purpose and need for the necessary permit required to complete the Railroad Avenue Extension project in the City

SECTION 84 - U12-DEPARTMENT OF TRANSPORTATION

of Hanahan. The department shall provide a report to the members of the Berkeley County Delegation and the Berkeley, Charleston, and Dorchester Council of Governments and CHATS detailing the history of the project, status of the negotiations, and a plan for completion. The report shall be completed by June 30, 2014.

84.14. (DOT: Tree Removal) The Department of Transportation is prohibited from using funds authorized by this act for tree removal, or other similar activities, in the median of Interstate 26 from approximately mile marker 170 to approximately mile marker 199 between Summerville and Interstate 95 until approval is given by the BCD Council of Governments.

84.15. DELETED

SECTION 87 - U30 - DIVISION OF AERONAUTICS

87.1. (AERO: Reimbursement for Services Carry Forward) The Division of Aeronautics may retain and expend reimbursements derived from charges to other government agencies for service and supplies for operating purposes and that a reserve not to exceed \$300,000 may be carried forward to the current fiscal year for the replacement of time limit aircraft components.

87.2. (AERO: Office Space Rental) Revenue received from rental of Division of Aeronautics office space may be retained and expended to cover the cost of building operations.

87.3. (AERO: Funding Sequence) All General Aviation Airports will receive funding prior to the four air carrier airports (i.e. Columbia, Charleston, Greenville-Spartanburg, Myrtle Beach Jetport) as these qualify for special funding under the DOT/FAA appropriations based on enplanements in South Carolina. This policy may be waived to provide matching state funds for critical FAA safety or capacity projects at air carrier airports.

87.4. (AERO: Hangar/Parking Facilities) The Division of Aeronautics will provide hangar/parking facilities for government owned and/or operated aircraft on a first come basis. Funds shall be retained by the division for the purpose of hangar and parking facility maintenance. The Hangar Fee Schedule shall be determined by the division and shall not exceed local average market rates.

Personnel from the agencies owning and/or operating aircraft will be responsible for ground movement of their aircraft.

87.5. DELETED

SECTION 87 - U30 - DIVISION OF AERONAUTICS

87.6. DELETED

87.7. (AERO: Aviation Grants) The funds appropriated for Aviation Grants, in this bill or any bill supplemental thereto, shall be credited to the State Aviation Fund within the Division of Aeronautics for the following purposes:

- (1) to allow the maximization of grant funds available through the Federal Aviation Administration for capital improvement projects;
- (2) for maintenance projects of general aviation airports; and or
- (3) for aviation education related programs including, but not limited to, educating young people about careers in the aviation industry and/or the promotion of aviation in general.

Sponsors of publicly owned airports for public use are eligible to receive grants pursuant to this provision, but the airport must have a current development plan that meets the planning requirements of the National Plan of Integrated Airports Systems.

The Aeronautics Commission shall promulgate regulations establishing the grants program that, at a minimum, address: (1) priorities among improvements qualifying for grants; (2) an airport selection process to ensure an equitable distribution of funds among eligible airports; and (3) the criteria for distribution of funds among eligible airports.

Enabling airport sponsors to meet basic Federal Aviation Administration safety guidelines for obstruction clearance must be a major factor in the priority guidelines established by the Aeronautics Commission pursuant to this provision. The Commission also shall have discretion consistent with Section 55-5-170 of the 1976 Code to establish a program to grant Aviation Fund dollars for these purposes at the ratio of eighty percent from the fund to twenty percent from the local airport sponsor, or any ratio with a smaller relative contribution from the fund.

A report on the expenditure of these funds shall be submitted to the Senate Finance Committee and the House Ways and Means Committee.

Unspent funds from the prior fiscal year may be carried forward to the current fiscal year and spent for like purposes.

87.8. DELETED

87.9. (AERO: Capital Improvement Projects) *The Division of Aeronautics is authorized to use the State Aviation Fund to pay for

* See note at end of Act.

SECTION 87 - U30 - DIVISION OF AERONAUTICS

capital improvement projects associated with the premises it occupies at the Columbia Metropolitan Airport.

SECTION 88 - Y14-STATE PORTS AUTHORITY

88.1. (SPA: Charleston Cooper River Bridge Project) The State Ports Authority shall, from other general fund or operating fund surplus available and any funds appropriated to the authority in prior fiscal years and left unexpended as of July 1, 2013, pay to the State Transportation Infrastructure Bank one million dollars before June 30, 2014, to continue the Charleston Cooper River Bridge Project.

88.2. (SPA: Georgetown Port Marketing) The State Ports Authority will continue its cargo diversification strategy which enhances the marketing of all terminal capabilities in Charleston and Georgetown highlighting cruise, breakbulk, bulk, and roll on/roll-off.

88.3. (SPA: Harbor Deepening Reserve Fund) The State Ports Authority shall maintain the Harbor Deepening Reserve Fund. This fund shall be separate and distinct from the General Fund and interest accrued by the fund must remain in the fund. This fund must be used exclusively by the South Carolina Ports Authority for the activities associated with deepening the state's harbors. Prior to expending any amount from the fund, the State Ports Authority must present a comprehensive plan for the use of the fund for harbor deepening to the Joint Bond Review Committee for review and comment. These funds shall be carried forward from the prior fiscal year into the current fiscal year and must be used for the same purpose.

SECTION 91 - A99-LEGISLATIVE DEPARTMENT

91.1. (LEG: Legislative Employee Designations) The positions included in this section designated (P) shall denote a permanent employee and the salary is an annual rate. The positions designated (T) shall denote a temporary employee and the salary is for a period of six months to be paid at that rate only while the General Assembly is in session. The positions designated as (Interim) shall denote a temporary employee and the salary is for a period of six months to be paid at that rate while the General Assembly is not in session. The positions designated (PTT) shall denote part-time temporary employees on a twelve-months basis. The positions designated (PPT) shall denote permanent part-time employees retained for full-time work for a period

SECTION 91 - A99-LEGISLATIVE DEPARTMENT

of months or the duration of the legislative session. The House of Representatives shall maintain an internal record denoting permanent, temporary, interim, part-time temporary, and permanent part-time employees.

91.2. (LEG: Legislative Employee BPI/Merit) Legislative employees designated (P) or (PPT) shall receive base pay and average merit pay in the same manner as such pay is granted to classified state employees, but for purposes of this paragraph, the term "legislative employees" does not include employees of the House of Representatives. From the funds appropriated for Employee Pay Increases, the Speaker of the House and the President Pro Tempore of the Senate shall determine the amount necessary for compensation of the employees of the House and Senate.

91.3. (LEG: Interim Expenses Allowance) The Chairman of the Standing House and Senate Committees shall each be allowed the sum of six hundred and fifty dollars for expenses during the interim, between sessions of the General Assembly, to be paid from the House or Senate approved accounts, with each body paying the expense allowance of the chairman in its membership. The Speaker of the House is authorized to approve not more than six hundred and fifty dollars for expenses during the interim for Chairmen of the Standing Committees of the House.

91.4. (LEG: Subsistence/Travel Regulations) (A) Members of the General Assembly shall receive subsistence for each legislative day that the respective body is in session and in any other instance in which a member is allowed subsistence expense. No member of the General Assembly except those present are eligible for subsistence on that day. Legislative day is defined as those days commencing on the regular annual convening day of the General Assembly and continuing through the day of adjournment sine die, excluding Friday, Saturday, Sunday, and Monday.

(B) Standing Committees of the Senate and House of Representatives are authorized to continue work during the interim; however, House members must receive advanced approval by the Speaker of the House and Senate members must receive advanced approval by the President Pro Tempore of the Senate or Standing Committee Chairman to meet. If such advanced approval is not received, the members of the General Assembly shall not be paid the per diem authorized in this provision. When certified by the Speaker of the House, President Pro Tempore of the Senate, or Standing

SECTION 91 - A99-LEGISLATIVE DEPARTMENT

Committee Chairman, the members serving on such committees shall receive a subsistence and mileage at the rate provided for by law, and the regular per diem established in this act for members of boards, commissions, and committees while attending scheduled meetings. Members may elect to receive actual expenses incurred for lodging and meals in lieu of the allowable subsistence expense. The funds for allowances specified in this proviso shall be paid to the members of the Senate or House of Representatives from the Approved Accounts of the respective body except as otherwise may be provided.

(C) Joint Study Committees created pursuant to Acts and Resolutions of the General Assembly are authorized to continue work during the interim to secure such information and complete such investigations as may be assigned to the respective committees; however, House members must receive advanced approval by the Speaker of the House and Senate members must receive advanced approval by the President Pro Tempore of the Senate or Standing Committee Chairman to meet. If such advanced approval is not received, the House and Senate members of the Joint Study Committee shall not be paid the per diem authorized in this provision. When certified by the appropriate authority, the members appointed to such committees shall receive a subsistence and mileage at the rate provided for by law, and the regular per diem established in this act for members of boards, commissions, and committees while attending scheduled meetings. Members may elect to receive actual expenses incurred for lodging and meals in lieu of the allowable subsistence expense. The allowances specified in this proviso shall be paid from funds appropriated to the respective committees for such purposes, or from Approved Accounts of the respective body of the General Assembly if no funds have been appropriated to such a committee for these purposes.

(D) Members of the Senate and the House of Representatives when traveling on official State business shall be allowed a subsistence and transportation expenses as provided for by law, and the regular per diem established in this act for members of boards, commissions, and committees upon approval of the appropriate chairman. When traveling on official business of the Senate or the House of Representatives not directly associated with a committee of the General Assembly, members shall be paid the same allowance upon approval of the President Pro Tempore of the Senate or the Speaker of the House of Representatives. In either instance, the members may elect to receive

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actual expenses incurred for lodging and meals in lieu of the allowable subsistence expense. The funds for the allowances specified in this proviso shall be paid from the Approved Accounts of the Senate or the House of Representatives or from the appropriate account of the agency, board, commission, task force or committee upon which the member serves.

(E) Members of the House of Representatives shall not be reimbursed for per diem, subsistence, or travel in connection with any function held outside of the regular session of the General Assembly unless prior approval has been received from the Speaker of the House.

(F) Notwithstanding any other provision of law, subsistence and mileage reimbursement for members of the General Assembly shall not exceed the level authorized by the Internal Revenue Service for the Columbia area.

91.5. (LEG: Senate Voucher Approval) All payroll vouchers, disbursement vouchers, and interdepartmental transfers of the Senate shall only require the approval of the Clerk of the Senate.

91.6. (LEG: Supplies Approval) All supplies for the Senate shall be purchased only upon the authority of the Clerk of the Senate and all supplies for the House of Representatives shall be purchased only upon the authority of the Clerk of the House.

91.7. (LEG: House Pages) Up to one hundred forty-four Pages may be appointed pursuant to House policies and procedures and they shall be available for any necessary service to the House of Representatives.

91.8. (LEG: Senate Research Personnel Compensation) Senate Research personnel other than Directors of Research and the committee research staff shall be paid from funds appropriated for Senate Research at the direction of the Clerk of the Senate.

91.9. (LEG: Contract for Services) The Standing Committees of the Senate may, upon approval of the President Pro Tempore, contract with state agencies and other entities for such projects, programs, and services as may be necessary to the work of the respective committees. Any such projects, programs, or services shall be paid from funds appropriated for contractual services.

91.10. (LEG: Jt. Leg. Committee Operational Authorization) Only the Joint Legislative Committees for which funding is provided herein are authorized to continue operating during the current fiscal year under the same laws, resolutions, rules or regulations which provided for their operations during the prior fiscal year.

SECTION 91 - A99-LEGISLATIVE DEPARTMENT

91.11. (LEG: Legislative Carry Forward) In addition to the funds appropriated in this section, the funds appropriated under Part IA, Sections 91A, 91B, 91C, 91D, and 91E for the prior fiscal year which are not expended during that fiscal year may be carried forward to be expended for the same purposes in the current fiscal year.

91.12. (LEG: Senate Expenditures/O&M Committee) Notwithstanding any limitation or other provisions of law to the contrary, funds expended by the Senate for salary adjustments, professional fees and dues, and necessary expenses, supplies, and equipment for Senate employees, must be paid from funds appropriated to the Senate Operations and Management Committee and funds available in approved accounts of the Senate, and shall be authorized and allocated in such manner as determined by the Senate Operations and Management Committee. From the funds annually allocated to each Senator and Representative for postage and telephone, \$250 may be used to purchase American and State flags.

91.13. (LEG: In-District Compensation) All members of the General Assembly shall receive an in-district compensation of \$1,000 per month .

91.14. (LEG: Additional House Support Personnel) From the funds appropriated to the House of Representatives in Part IA, \$287,500 shall be dedicated for the administration and operation of the Legislative Aide program pursuant to the policies and procedures as determined by the House Operations and Management Committee.

91.15. (LEG: House Postage) The Speaker of the House is authorized to approve no more than \$600 per member per fiscal year for postage.

91.16. (LEG: Legislative Dual Employment) Each committee and joint legislative committee provide a list to the members of the General Assembly of all employees who hold dual positions of state employment.

91.17. (LEG: Code of Law Reimbursement) The Legislative Council may require reimbursement from public sector recipients except for the General Assembly of its cost of acquiring codes of law, supplements, or replacement volumes distributed to them.

91.18. (LEG: Bonded Indebtedness Oversight Study) The Senate Finance Committee shall undertake a study of the state's processes for oversight of bonded indebtedness. Funds provided herein for this purpose shall be used to enable the committee to obtain assistance and expertise as necessary to fully evaluate the processes. The Chairman of

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the Senate Finance Committee may engage consultants or experts in the field of bond financing or in other fields of expertise as necessary to provide the committee with timely and accurate information.

91.19. (LEG: Statewide Acts Availability) From the funds appropriated in Part IA, Section 91D of this Act, for the current fiscal year the clerks of the House of Representatives and the Senate are to make all statewide Acts available to the public electronically. The provisions of this section are in lieu of the House and Senate Clerks' duties related to the printing and mailing of acts as set forth in Sections 2-13-190, 2-13-210, and 11-25-640 through 11-25-680 of the 1976 Code.

91.20. (LEG: LAC Matching Federal Funds) The Legislative Audit Council is authorized to use funds appropriated in this act as state matching funds for federal funds available for audits and reviews. The council is also authorized to charge state agencies for federal funds, if available, for the costs associated with audits and reviews. Agencies shall remit the federal funds to the Legislative Audit Council as reimbursement for the costs of audits and reviews.

91.21. (LEG: Other Funds Oversight Committee) There is created a joint committee of the Senate and of the House of Representatives entitled the Other Funds Oversight Committee. The committee shall consist of eight members as follows: the Chairman of the Senate Finance Committee, or his designee; one member of the Senate Finance Committee appointed by the Chairman of the Senate Finance Committee; the Chairman of the House of Representatives Ways and Means Committee, or his designee; one member of the House Ways and Means Committee appointed by the Chairman of the House Ways and Means Committee; the Senate Majority Leader, or his designee; the Senate Minority Leader, or his designee; the House Majority Leader, or his designee; and the House Minority Leader, or his designee.

The committee shall review and examine the source of other funds in this State and recommend to the General Assembly the appropriate policy for the receipt, appropriation, expenditure, and reporting of other funds. In making its determination, the committee shall solicit and receive testimony from state agencies, departments, boards or commissions regarding the status of the receipt of other funds, the conditions of receipt, the expenditure of other funds, and any relevant statistic or measurement. The committee shall make recommendations to the General Assembly regarding any necessary action.

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Each state agency, department, board, or commission shall cooperate with the committee and provide any information the committee determines is necessary.

The Office of State Budget must notify the committee of any request for an increase in interim budget authorization resulting from other funds collections that is made by any state agency, department, board, or commission. The committee shall review each request and recommend appropriate action.

Members of the committee shall serve without compensation, but are allowed the usual per diem and mileage as provided by law for members of boards, commissions, and committees while on official business.

For purposes of the proviso, 'other funds' means any revenues received by an agency which are not federal funds and are not general funds appropriated by the General Assembly in the appropriations act.

91.22. (LEG: Suspend LAC Evaluation) For Fiscal Year 2013-2014, the provisions of Section 43-5-1285 of the 1976 Code are suspended. Any savings generated by the suspension of the evaluation of the South Carolina Family Independence Act of 1995 shall be used to conduct audits required by Section 2-15-60 of the 1976 Code.

91.23. (LEG: DMV Audit Review) For Fiscal Year 2013-2014, the provisions of Section 56-1-5(F) are suspended. Any savings generated by not conducting the review shall be used to conduct audits required by Section 2-15-60 of the 1976 Code.

91.24. (LEG: Electronic Correspondence) For Fiscal Year 2013-2014, the House of Representatives may not expend any funds for the printing or mailing of bills, summaries, committee agendas, etc. to committee members. The House of Representatives shall send all relevant information concerning committee meetings to committee members via electronic means.

91.25. DELETED

***91.26.** (LEG: EOC Efficiency Review) *Funds appropriated to the Education Oversight Committee for the School District Efficiency Review Pilot Program shall be used to review certain school districts' central operations with a focus on non-instructional expenditures so as to identify opportunities to improve operational efficiencies and reduce costs for the district. The Education Oversight Committee shall make the school districts aware of the pilot program, and accept applications to participate in the program. In the current fiscal year,*

* See note at end of Act.

SECTION 91 - A99-LEGISLATIVE DEPARTMENT

the Education Oversight Committee shall select at least three applicant school districts to participate. The Education Oversight Committee may contract with an independent entity to perform the review. The review shall include, but not be limited to, examinations of (i) overhead, (ii) human resources, (iii) procurement, (iv) facilities use and management, (v) financial management, (vi) transportation, (vii) technology planning, and (viii) energy management. The review shall not address the effectiveness of the educational services being delivered by the district. The review shall be completed no later than June 30, 2014. Upon completion, the Education Oversight Committee shall submit a report to the Chairman of the Senate Finance Committee, Chairman of the Senate Education Committee, Chairman of the House Ways and Means Committee, Chairman of the House Education and Public Works Committee, and the Governor detailing the findings of the review including the estimated savings that could be achieved, the manner in which the savings could be achieved, and the districts' plan for implementation of the recommendations. Unexpended funds appropriated for this purpose may be carried forward from the prior fiscal year into the current fiscal year and expended for the same purpose.

**91.27.(LEG: Committee Member Purchases) House of Representatives Ways and Means Committee members shall be permitted to purchase new chairs for the committee room from their personal accounts.*

91.28. (LEG: Technology Panel) Of the funds appropriated in XII.E.2. for Technology the K-12 Technology Initiative partnership shall provide a report to the House Education and Public Works Committee, the House Ways and Means Committee, the Senate Education Committee and the Senate Finance Committee, describing the state's efforts to facilitate the cost effective provision of connectivity and internet bandwidth to schools and libraries on a statewide basis, regardless of location, activities to assist schools and libraries in minimizing and detecting internet security threats, the development and utilization of technological and online resources to support student development and achievement, the development and utilization of curriculum and professional training to support the use of instructional technology in schools and libraries, and other educational technology related activities engaged in by the partnership. The report shall be submitted no later than February 1, 2014.

* See note at end of Act.

SECTION 92 - D21-OFFICE OF THE GOVERNOR

92.1. (GOV: OEPP - Grant Funds Carry Forward) Any unexpended balance on June thirtieth, of the prior fiscal year, in Part IA, Section 92B "Implementing Federal Programs" may be carried forward to the current fiscal year and used for matching committed and/or unanticipated grant funds.

92.2. (GOV: OEPP - Development Disabilities Case Coordination System) Of the funds appropriated to the Governor's Office of Executive Policy and Programs, \$50,000 must be used as state match for the Developmental Disabilities Council federal grant. These funds shall be excluded from the Governor's Office of Executive Policy and Programs' base budget calculation of any across-the-board agency base reductions mandated by the Budget and Control Board or General Assembly.

92.3. (GOV: OEPP - CCRS Evaluations & Placements) The amount appropriated in this section under Special Items Children's Case Resolution System for Private Placement of Handicapped School-Age Children must be used for expenses incurred in the evaluation of children referred to the CCRS to facilitate appropriate placement and to pay up to forty percent when placement is made in-state and up to thirty percent when placement must be made out-of-state of the excess cost of private placement over and above one-per-pupil share of state and local funds generated by the Education Finance Act, and the one-per-pupil share of applicable federal funds; provided it has been established that all other possible public placements are exhausted or inappropriate. The balance of funding responsibility necessary to provide the child with services must be determined by the Children's Case Resolution System (CCRS) and apportioned among the appropriate public agencies on the basis of the reasons for the private placement. When the amount appropriated in this section is exhausted, the funding responsibility must be apportioned according to the procedures of the CCRS.

92.4. (GOV: OEPP - CCRS Significant Fiscal Impact) In accordance with Section 20-7-5240(e) of the 1976 Code, "significant fiscal impact" in the current fiscal year shall be defined for each designated agency as the greater of (1) funds appropriated by the General Assembly for the current fiscal year on cases referred to, decided or placed through the Children's Case Resolution System or (2) that agency's assigned shares in the current fiscal year of five cases decided by the Children's Case Resolution System.

SECTION 92 - D21-OFFICE OF THE GOVERNOR

92.5. (GOV: Governor's Office Budget) All other provisions of law notwithstanding, the Executive Control of State section and Mansion and Grounds section shall be treated as a single budget section for the purpose of transfers and budget reconciliation.

92.6. (GOV: OEPP - Victim/Witness Program Formula Distribution) If funds in the South Carolina Victims' Compensation Fund exceed the amount required to operate the State Office of Victims Assistance and pay claims of crime victims the first \$650,000 of such excess must be used for Victim/Witness programs by distribution to Judicial Circuits based on a formula and criteria developed by the policy committee, and otherwise subject to requirements of Section 60.8 and 60.9.

92.7. (GOV: OEPP - Physical Abuse Examinations) Of the funds appropriated in this section for Victims' Rights, up to \$120,000 may be expended for physical abuse examinations.

92.8. (GOV: OEPP - Foster Care-Private Foster Care Reviews) The Division of Foster Care is authorized to restructure its programs, including but not limited to, suspending reviews of children privately placed in private foster care and/or changing the location of reviews of children in public foster care, to maintain continuous operations within existing resources as dictated by recent budget reductions. These decisions must be based upon the availability of existing funds. This provision supersedes any previous statutory or regulatory mandate.

92.9. (GOV: M&G - Mansion and Grounds Budget) The Governor's Office of Mansion and Grounds shall not exceed ten percent of its quarterly allocation of funds so as to provide for agency operations on a uniform basis throughout the fiscal year.

92.10. (GOV: OEPP - Guardian Ad Litem Program) Both the program and the funds appropriated to the Governor's Office, Division of Children's Services, Guardian ad Litem Program must be administered separately from other programs within the Division of Children's Services and must be expended for the exclusive use of the Guardian ad Litem Program.

For the current fiscal year, the Department of Revenue is directed to reduce the rate of interest paid on eligible refunds by two percentage points. The revenue resulting from this reduction must be used exclusively for operations of the Guardian ad Litem program and be deposited in the State Treasury in a separate and distinct fund known as the "South Carolina Guardian ad Litem Trust Fund. Unexpended revenues in this fund carry forward to succeeding fiscal years, and

SECTION 92 - D21-OFFICE OF THE GOVERNOR

earnings in this fund must be credited to it. The Guardian ad Litem program may carry forward the other funds authorized herein for its operations from the prior fiscal year into the current fiscal year.

92.11. (GOV: OEPP - Continuum of Care Carry Forward) The Division of Continuum of Care may carry forward funds appropriated herein to continue services.

92.12. (GOV: OEPP - Procuring Services) In order to maximize services for victims of crime, if the fulfilling of requirements pursuant to Section 16-3-1410 of the 1976 Code, necessitates hiring any outside entities, the State Office of Victims' Assistance must follow procedures established by the SC Consolidated Procurement Code. Any entity contracting with the agency will submit an annual report by August first to the Governor's Office and to the Chairmen of the Senate Finance Committee and House Ways and Means Committee detailing expenditures from the prior fiscal year in accordance with the State Office of Victims' Assistance. The Governor's Office of Executive Policy and Programs is directed to transfer \$122,032 of the funds carried forward from the prior fiscal year in the Victims' Compensation Fund, and up to \$41,892 from general funds from Program III.A.1 to pay for any contracts or services procured.

92.13. (GOV: OEPP - M.J. "Dolly" Cooper Veterans Cemetery Carry Forward) The Governor's Office of Executive Policy and Programs, Veterans' Affairs Program may carry forward unexpended funds appropriated and/or authorized for the M.J. "Dolly" Cooper Veterans Cemetery from the prior fiscal year and shall use such funds for the same purpose. In addition, any unexpended funds in the Veterans' Affairs Program, including Special Line Items, shall be carried forward from the prior fiscal year into the current fiscal year and used for operation of the M.J. "Dolly" Cooper Veterans Cemetery. Funds carried forward in excess of the amount needed for the operation of the Cemetery may be used for other expenses of the Veterans' Affairs Program. Funds carried forward may not be transferred to any other Governor's Office programs.

92.14. (GOV: M&G - Mansion and Grounds Maintenance and Complex Facilities) Revenue collected from rental of Mansion Complex facilities and grounds must be retained and expended by the Governor's Office, Mansion and Grounds to support its operations. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year and be utilized for the same purposes.

SECTION 92 - D21-OFFICE OF THE GOVERNOR

92.15. (GOV: OEPP - Crime Victims Ombudsman) For the current fiscal year, the State Office of Victims Assistance shall transfer \$71,000 to the Crime Victims Ombudsman's Office to be used for administrative and operational support.

92.16. (GOV: OEPP - Veterans' Affairs Budget Reduction Exemption) Funds appropriated for the Veterans' Affairs Program shall be excluded from the Governor's Office of Executive Policy and Programs base budget in the calculation of any across-the-board agency base reductions mandated by the Budget and Control Board or General Assembly.

92.17. (GOV: Use of Funds Report) In order to ensure transparency and accountability, the Governor's Office of Executive Control of State shall report quarterly to the Senate Finance Committee and House Ways and Means Committee on financial transactions that have taken place between Executive Control of State, Office of Executive Policy and Programs, and Mansion and Grounds. These transactions shall include, but are not limited to, any transfer of funds or payments or reimbursements for services rendered. For each transfer, payment, or reimbursement the report must specify the amount, the reason for, or circumstance that necessitated the transaction, and the source of funds used. In the event federal or other funds were utilized, the source from which the revenue was generated must also be included. The report must be submitted as soon after the end of each quarter as practicable.

92.18. DELETED

SECTION 93 - D25-OFFICE OF INSPECTOR GENERAL

93.1. (SIG: Coordination with State Auditor) The State Inspector General will prepare an annual report to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee and the Governor detailing all written referrals of fraud, waste, and abuse from the State Auditor and all corresponding actions taken by the State Inspector General.

**SECTION 94 - E04-OFFICE OF THE LIEUTENANT
GOVERNOR**

94.1. (LTG: State Matching Funds Carry Forward) Any unexpended balance on June thirtieth of the prior fiscal year of the required state matching funds appropriated in Part IA, Section 94,

SECTION 94 - E04-OFFICE OF THE LIEUTENANT
GOVERNOR

Distribution to Subdivisions, shall be carried forward into the current fiscal year to be used as required state match for federal funds awarded to subdivisions on or before September thirtieth of the current fiscal year.

94.2. (LTG: State Match Funding Formula) Of the state funds appropriated under "Distribution to Subdivisions", the first allocation by the Office on Aging shall be for the provision of required State matching funds according to the Office on Aging formula for distributing Older Americans Act funds. The balance of this item shall be distributed to the planning and service areas of the State. In the event state appropriations are reduced, reductions to the planning and service areas shall be based on amounts distributed in accordance with the previous requirements.

94.3. (LTG: Registration Fees) The Office on Aging is authorized to receive and expend registration fees for educational, training and certification programs.

94.4. (LTG: Loan Forgiveness Carry Forward) Any unexpended balance on June thirtieth of the prior fiscal year of funds appropriated in Part IA, Section 94, Geriatric Physician Loan Program, shall be carried forward and used for the same purpose as originally appropriated.

94.5. (LTG: Council Meeting Requirements) The duties and responsibilities, including the statutory requirement to hold meetings of the Coordinating Council established pursuant to Section 43-21-120 and of the Long Term Care Council established pursuant to Section 43-21-130, both under the Office on Aging in the Office of the Lieutenant Governor, are suspended for the current fiscal year.

94.6. (LTG: Home and Community Based Services Carry Forward) Unexpended funds from appropriations to the Lieutenant Governor's Office on Aging for Home and Community Based Services shall be carried forward from the prior fiscal year and used for the same purpose.

94.7. (LTG: Geriatric Loan Forgiveness Program Payment) In lieu of quarterly payments to a recipient of the Geriatric Loan Forgiveness Program, the Lieutenant Governor's Office on Aging is authorized to make a single lump sum payment to the lending institution of up to \$35,000 or the loan balance, whichever is less.

SECTION 95 - E08-OFFICE OF SECRETARY OF STATE

95.1. (SS: UCC Filing Fees) Revenues from the fees raised pursuant to Section 36-9-525(a), not to exceed \$180,000, may be retained by the Secretary of State for purposes of UCC administration.

SECTION 96 - E12-OFFICE OF COMPTROLLER GENERAL

96.1. (CG: Signature Authorization) The Comptroller General is hereby authorized to designate certain employees to sign, in his stead, warrants drawn against the State Treasurer and the State Treasurer is hereby authorized to accept such signatures when notified by the Comptroller General. This provision shall in no way relieve the Comptroller General of responsibility.

96.2. (CG: GAAP Implementation & Refinement) It is the intent of the General Assembly that the State of South Carolina issue financial statements in conformance with Generally Accepted Accounting Principles (GAAP). To this end, the Comptroller General is directed, as the State Accounting Officer, to maintain a Statewide Accounting and Reporting System that will result in proper authorization and control of agency expenditures, including payroll transactions, and in the preparation and issuance of the official financial reports for the State of South Carolina. Under the oversight of the General Assembly, the Comptroller General is given full power and authority to issue accounting policy directives to state agencies in order to comply with GAAP. The Comptroller General is also given full authority to conduct surveys, acquire consulting services, and implement new procedures required to implement fully changes required by GAAP.

96.3. (CG: Payroll Deduction Processing Fee) There shall be a fee for processing payroll deductions, not to exceed twenty cents, for insurance plans, credit unions, deferred compensation plans, benefit providers, and professional associations per deduction per pay day. This fee shall not be applied to charitable deductions. The revenues generated from these fees and those provided for child support deductions in accordance with Section 20-7-1315(F)(3), South Carolina Code of Laws, 1976, as amended, may be used to support the operations of the Office of Comptroller General and any unexpended balance may be carried forward from the prior fiscal year to the current fiscal year and utilized for the same purposes.

SECTION 96 - E12-OFFICE OF COMPTROLLER GENERAL

96.4. (CG: Unemployment Compensation Fund Administration) The lesser of two percent or \$200,000 of the fund balance of the Unemployment Compensation Fund shall be paid out annually to the Office of Comptroller General to be used by that agency to recover the costs of administering the fund. The Unemployment Compensation Fund is provided for in Section 41-31-820, S. C. Code of Laws, 1976, as amended. Any unexpended balance may be carried forward from the prior fiscal year to the current fiscal year and used for the same purposes.

96.5. (CG: Purchasing Card Rebate Program) The Office of Comptroller General is authorized to retain the first \$100,000 of rebate associated with the Purchasing Card Program and \$200,000 of agency incentive rebates.

The funds retained may be used to support the operations of the Office of Comptroller General and any unexpended balance may be carried forward from the prior fiscal year into the current fiscal year and be utilized for the same purposes.

96.6. (CG: Payroll System Maintenance for State Optional Retirement Program) The Comptroller General is hereby authorized to contract on mutually agreeable terms with the Public Employee Benefit Authority (PEBA) to maintain the State's payroll and accounting systems to accommodate the requirements of the State Optional Retirement Program (ORP). The Office of the Comptroller General is authorized to seek cost recovery not to exceed \$100,000 from PEBA for those services. The cost recovery may be used to support the operations of the Office of the Comptroller General and any unexpended balance may be carried forward from the prior fiscal year into the current fiscal year and be used for the same purposes.

SECTION 97 - E16-OFFICE OF STATE TREASURER

97.1. (TREAS: Nat'l. Forest Fund - Local Govt. Compliance) In order to conform to federal requirements local governments receiving distributions of National Forest Fund revenues are required to report annually to the State Treasurer indicating compliance with authorized purposes.

97.2. (TREAS: STARS Approval) Decisions relating to the Statewide Accounting and Reporting System (STARS) and the South Carolina Enterprise Information System (SCEIS) which involve the

SECTION 97 - E16-OFFICE OF STATE TREASURER

State Treasurer's Banking Operations and other functions of the State Treasurer's Office shall require the approval of the State Treasurer.

97.3. (TREAS: Investments) The State Treasurer may pool funds from accounts for investment purposes and may invest all monies in the same types of investments as set forth in Section 11-9-660.

97.4. (TREAS: Management Fees) The State Treasurer is authorized to charge a fee for the operating and management costs associated with the Local Government Investment Pool, the Deferred Compensation Program, the Tuition Prepayment Program, and the College Investment Program and is further authorized to retain and expend the fees to provide these services. The fees assessed may not exceed the cost of the provision of such services.

97.5. (TREAS: Investment Management Fees) Unless otherwise prohibited by law, the State Treasurer may charge a fee for the operating and management costs associated with the investment management and support operations of various state funds and programs, and further, may retain and expend the fees to provide these services. The fees assessed may not exceed the actual cost of the provision of these services or the earnings on these investments.

97.6. (TREAS: Debt Management Cost Allocation) Unless otherwise prohibited by law, the State Treasurer may charge actual costs associated with the administration and management of the indebtedness of the State, its agencies and institutions, and further, may retain and expend any amounts so allocated to provide these services. Costs associated with the original issuance of bonds and other indebtedness must be assessed on an hourly basis, must be taken from the costs of issuance of any bond issue or other indebtedness, and must not exceed the actual cost of providing these services. Ongoing costs of administration and maintenance must be assessed against expenses of debt service, and must not exceed the actual costs of providing these services.

97.7. (TREAS: Withheld Accommodations Tax Revenues) Revenues withheld pursuant to Sections 6-4-35(B)(1)(a) and 6-4-35(B)(1)(b) prior to July 1, 2006 must be returned to the entity from which revenues were withheld, in the same amount and manner that they were withheld. After July 1, 2006, before non-compliant expenditures and penalties withheld pursuant to Sections 6-4-35(B)(1)(a) and 6-4-35(B)(1)(b) are reallocated, the Tourism Expenditure Review Committee must certify to the Office of State Treasurer that the time period for an appeal of the committee's action

SECTION 97 - E16-OFFICE OF STATE TREASURER

to the Administrative Law Court has expired or that the action of the committee has been upheld or overturned by the Administrative Law Court. Non-compliant expenditures and penalties withheld must be reallocated annually after August first. Allocations withheld must be reallocated proportionately based on the most recent completed fiscal year's total statewide collections of the accommodations tax revenue according to the Office of State Treasurer records. Each annual reallocation of withheld funds to non-offending counties and municipalities must be calculated separately then combined if necessary. Each reallocation to a county or municipality calculated less than a dollar must be transferred to the General Fund of the State.

97.8. (TREAS: Tuition Prepayment Program) The South Carolina Tuition Prepayment Program shall not accept any new enrollment in the current fiscal year. The annual increase in tuition for the purposes of the Tuition Prepayment Program, for an institution cannot exceed seven percent per year from the 2006-07 level. To the extent that actual tuition for an institution exceeds an annual growth of seven percent per year since Fiscal Year 2006-07, colleges and universities must grant a waiver of the difference to the designated beneficiary and shall not pass along this difference to any student.

97.9. (TREAS: Penalties for Non-reporting) If a municipality fails to submit the audited financial statements required under Section 14-1-208 of the 1976 Code to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.57 shall be followed if an amount due is specified, otherwise the State Treasurer shall withhold twenty-five percent of all state payments to the county or municipality until the estimated deficiency has been satisfied.

If a county or municipality is more than ninety days delinquent in remitting a monthly court fines report, the State Treasurer shall withhold twenty-five percent of state funding for that county or municipality until all monthly reports are current.

After ninety days, any funds held by the Office of State Treasurer will be made available to the State Auditor to conduct an audit of the

SECTION 97 - E16-OFFICE OF STATE TREASURER

entity for the purpose of determining an amount due to the Office of State Treasurer, if any.

97.10. (TREAS: Signature Authorization) The State Treasurer is hereby authorized to designate certain employees to sign payments for the current fiscal year in accordance with Section 11-5-140 of the 1976 Code to meet the ordinary expenses of the State. This provision shall in no way relieve the State Treasurer of responsibility.

97.11. (TREAS: Unclaimed Property) The State Treasurer may not expend funds to retain a third party, private sector auditor, or auditing firms to fulfill his duties pursuant to the South Carolina Uniform Unclaimed Property Act on a contingency basis or any basis other than an hourly basis, with the exception that the State Treasurer may join other state(s) in multi-state contingent fee auditors' examinations, not to include companies whose parent company is headquartered or incorporated in South Carolina, when there is a reason to believe that those companies being audited are holding funds belonging to South Carolina citizens. The Office of State Treasurer shall retain \$200,000 from the Unclaimed Property Program for the sole purpose of employing internal compliance auditors to enforce the Unclaimed Property Act.

97.12. (TREAS: Identity Theft Reimbursement Fund) (A) There is established in the State Treasury the Department of Revenue Identity Theft Reimbursement Fund which must be maintained separately from the general fund of the State and all other funds. The proceeds of the fund must be utilized to reimburse eligible expenses incurred by an eligible person. The obligation to reimburse claims pursuant to this section does not arise until monies are credited to the fund, and only to the extent that monies are credited to the fund. Any monies remaining in the fund at the end of the fiscal year shall lapse to the general fund.

(B) A person seeking reimbursement from the fund must file with the Treasurer a claim on a form prescribed by him and verified by the claimant. The Treasurer shall consider each claim within ninety days after it is filed and give written notice to the claimant if the claim is denied in whole or in part. If a claim is allowed, the Treasurer shall reimburse the eligible person in an amount equal to his eligible expenses subject to availability of monies in the fund. The decision by the Treasurer regarding a claim is a final agency decision that may be appealed to the Administrative Law Court pursuant to the Administrative Procedures Act naming the Treasurer as the defendant. The action must be brought within ninety days after the Treasurer's

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decision or within one hundred eighty days after the filing of the claim if he has failed to act on it.

(C) The State Treasurer shall set forth policies and make the necessary determinations to implement the provisions of this section, including the disbursement of proceeds of the fund.

(D) For the purposes of this provision:

(1) 'Eligible person' shall mean a person whose personally identifiable information was obtained by a third party from a compromised computer system maintained by a state agency, board, committee, or commission.

(2) 'Eligible expenses' shall mean financial losses incurred by an eligible person directly related to the misappropriation of the eligible person's personally identifiable information that was obtained by a third party from a compromised computer system maintained by a state agency, board, committee, or commission. Expenses for services provided by private entities to assist eligible persons with financial losses are not eligible expenses to the extent such services are offered through the State or a state-supported program free of charge.

(3) 'Financial losses' shall mean actual losses, including, but not limited to, lost wages, costs incurred by an eligible person related to correcting his credit history or credit rating, or costs or judgments related to any criminal, civil, or administrative proceeding brought against the eligible person resulting from the misappropriation of the victim's personally identifiable information not recovered from any other source. Costs associated with the purchase of identity theft protection and identity theft resolution services are not financial losses.

(4) 'Identity theft protection' means identity fraud and protection products and services that attempt to proactively detect, notify, or prevent unauthorized access or misuse of a person's identifying information or financial information to fraudulently obtain resources, credit, government documents or benefits, phone or other utility services, bank or savings accounts, loans, or other benefits in the person's name.

(5) 'Identity theft resolution services' means products and services that attempt to mitigate the effects of identity fraud after personally identifiable information has been fraudulently obtained by a third party, including, but not limited to, identity theft insurance and other identity theft resolution services that are designed to resolve actual and potential identity theft and related matters.

SECTION 97 - E16-OFFICE OF STATE TREASURER

(6) 'Person' shall mean an individual, corporation, firm, association, joint venture, partnership, limited liability corporation, or any other business entity.

(7) 'Personally identifiable information' means information that can be used to uniquely identify, contact, or locate a single person or can be used with other sources to uniquely identify a single individual, including, but not limited to, social security numbers, debit card numbers, and credit card numbers.

SECTION 99 - E24-OFFICE OF ADJUTANT GENERAL

99.1. (ADJ: Unit Maintenance Funds) The funds appropriated as unit maintenance funds shall be distributed to the various National Guard units at the direction of the Adjutant General.

99.2. (ADJ: Revenue Collections) All revenues collected by National Guard units from county and city appropriations, vending machines, rental of armories, court martial fines, federal reimbursements to armories for utility expenses, and other collections may be retained and expended in its budgeted operations.

99.3. (ADJ: Rental Fee for Election Purposes) The maximum fee that an armory may charge for the use of its premises for election purposes shall be the cost of providing custodial services, utilities and maintenance.

99.4. (ADJ: Parking Lot Revenues) Notwithstanding other provisions of this act, as a security measure for the State Military Department's headquarters building and grounds, the Adjutant General may control and contractually lease the headquarters' building parking facilities, during events at the University of South Carolina's Williams-Brice Stadium, to a state chartered and federally recognized 501(c)(4) tax exempt agency employees' association who may then sub-lease individual parking spaces. Such a contract must require the employees association to obtain liability insurance against wrongful death or injury. The contract must clearly hold the Adjutant General's Office, its officers, and the State of South Carolina harmless from any liability resulting from the use of the parking lot when rented by the employees association. In addition, the contract must specify that the State of South Carolina's Military Department shall receive no less than thirty-three percent of the gross profits from the sub-leasing of the parking spaces. The contract must allow the State to audit the employees association's funds. Funds at the Adjutant General's Office

SECTION 99 - E24-OFFICE OF ADJUTANT GENERAL

derived wholly from the rental of Adjutant General's headquarters' parking lot may be retained at the Adjutant General's Office, but may not be used for employee perquisites.

99.5. (ADJ: Armory Rental Program) The Adjutant General is authorized to develop and implement an armory rental program to recoup costs associated with the use of armories by state agencies or other non-Guard organizations. The rental program must be uniform in its application to the maximum extent possible. Funds generated by this program may be retained and expended for armory maintenance and operations.

99.6. (ADJ: Meals in Emergency Operations Centers) The cost of meals, or the advanced purchase of food products to be stored and prepared for meals, may be provided to state employees who are required to work at the State Emergency Operations Centers during actual emergencies and emergency simulation exercises when they are not permitted to leave their stations.

99.7. (ADJ: Educational Seminar Revenue) All revenue earned from educational seminars shall be retained by the agency to be used for the printing of materials and other expenses related to conducting the seminars. The balance of funds shall be reported annually to the General Assembly.

99.8. (ADJ: Retention of Lease Property Revenue) The Adjutant General is authorized to lease all real property under the control of SCMD. All revenue generated by the lease program may be retained for SCMD armory operations and maintenance as authorized by the Adjutant General or Deputy Adjutant General .

99.9. (ADJ: Billeting and Dining Facility Operations) All revenues collected by the Billeting and Dining Facility operations at the R.L. McCrady Training Center shall be retained and expended in their budgeted operations or be expended in support of SCMD operations, including use for matching federal funds, and armory maintenance and operations. Expenditures from these funds shall be determined by the Billeting Committee for Billeting operations and the Deputy Adjutant General for state operations for the Dining Facility operation.

99.10. (ADJ: EMD Compensatory Payment) In the event a State of Emergency is declared by the Governor, exempt employees of the Emergency Management Division may be paid for actual hours worked in lieu of accruing compensatory time, at the discretion of the Agency Director, and providing funds are available.

SECTION 99 - E24-OFFICE OF ADJUTANT GENERAL

99.11. (ADJ: Civil Air Patrol) The funds appropriated in this section for the Civil Air Patrol shall be expended by the Civil Air Patrol so as to discharge the state's obligations in conjunction with the Civil Air Patrol as outlined in the SARDA Plan, the South Carolina Operational Radiological Emergency Response Plan, and to assist county and local authorities and other state agencies as permitted by the regulations governing the Civil Air Patrol. All expenditures for equipment and services shall be in accordance with state fiscal policies.

99.12. (ADJ: Citadel-S.C. National Guard Readiness Center) The Adjutant General's Office, during Fiscal Year 2013-2014, shall repay to the General Fund of the State \$300,000, plus interest, of the \$2,500,000 appropriated by Proviso 73.12 of the Fiscal Year 2007-2008 Appropriation Act to the Adjutant General's Office for the Citadel-South Carolina National Guard Readiness Center. It is the intent of the General Assembly that \$300,000, plus interest, shall be repaid annually until the \$1,250,000 balance has been repaid to the General Fund.

99.13. (ADJ: Parking Lot Revenues-Columbia Armory, Buildings and Grounds) The Adjutant General may control and contractually lease the Columbia Armory, and its buildings and grounds parking facilities during events at the University of South Carolina's Williams-Brice Stadium. Funds derived wholly from the rental of the Columbia Armory, and its buildings and grounds parking facilities may be retained by the Adjutant General's Office and used for the Funeral Caisson and for SCMD operations, including matching federal funds and armory maintenance and operations. These funds may not be used for any other purpose.

99.14. (ADJ: Emergency Commodities) The Emergency Management Division shall be allowed to rotate and replace water and Meals Ready to Eat (MREs) emergency commodities housed in the state's Logistic Center through the provision of said commodities to neighboring states, counties, municipalities and other state agencies, and shall be allowed to accept compensation for said commodities not to exceed replacement costs. Revenues from this exchange shall be utilized solely for the replacement of state emergency commodities.

99.15. (ADJ: Funeral Caisson) In the event of a mandated general fund budget reduction, the Adjutant General's Office is prohibited from reducing the funds appropriated for the Funeral Caisson. In addition, these funds shall not be transferred to any other program or be used for any other purpose by the Office of Adjutant General.

SECTION 99 - E24-OFFICE OF ADJUTANT GENERAL**99.16. DELETED**

99.17. (ADJ: Mental Health Care Facilitator/Coordinator) The funds appropriated and or authorized to the Office of the Adjutant General may be utilized to hire a Mental Health Care Facilitator/Coordinator who shall act as a liaison to provide mental health care coordination for mental health services to all members of the South Carolina National Guard. The responsibilities of the position shall include, but are not limited to, focusing on individuals without health insurance or without adequate health insurance; facilitating Memorandum of Understanding with mental health facilities across the state to provide assistance to National Guard Service Members; assisting in coordinating Yellow Ribbon and Beyond and other post deployment and mental health events; coordinating treatment for Service Members for conditions that may or may not result in their being medically non deployable; and participating in staff meetings to discuss care of Service Members. The individual hired must be knowledgeable of state and federal privacy laws, including the HIPAA privacy regulations. In addition, it is preferred that the individual have a previous background in Social Work. A national security background check must be performed on the individual prior to a job offer being tendered.

SECTION 100 - E28-ELECTION COMMISSION

100.1. (ELECT: County Registration Board and County Election Commission Compensation) The amounts appropriated in this section for "County Registration Board Members and County Election Commissioners," shall be disbursed annually to the County Treasurer at the rate of \$1,500 for each member, not to exceed \$12,500 per county. The County Treasurer shall use these funds only for the compensation of County Registration Board Members and County Election Commissioners. Any funds not used for this purpose shall be returned to the State Treasurer. These funds are exempted from mandated budget reductions. In addition, in the calculation of any across the board agency base reductions mandated by the Budget and Control Board or the General Assembly, the amount of funds appropriated for compensation of County Registration Board Members and County Election Commissioners shall be excluded from the agency's base budget.

SECTION 100 - E28-ELECTION COMMISSION

100.2. (ELECT: Elections Managers & Clerks Per Diem) Managers and clerks of state and county elections shall receive a per diem of \$60.00; but managers shall not be paid for more than two days for any election and clerks for not more than three days for any election. The commission may adjust the per diem of \$60.00 for the managers and clerks of the statewide election to a higher level only to the extent that the appropriation for the statewide election is sufficient to bear the added cost of increasing the per diem and the cost of the statewide election. Up to three additional managers per county may be appointed to assist county registration boards with the absentee/fail safe voting process prior to, on election day, and immediately following statewide elections. Managers assisting the registration board in the absentee/fail safe process may receive a per diem of \$60.00 per day for not more than a total of fifteen days regardless of whether one, two, or three additional managers are used.

100.3. (ELECT: Board of State Canvassers Compensation) \$100.00 additional compensation per day may be paid to each member of the Board of State Canvassers up to a total of fifteen days that may be required for hearings held by the members of the Board of State Canvassers.

100.4. (ELECT: Sale of Lists Revenue Carry Forward) Any revenue generated from the sale of election lists may be retained and expended by the South Carolina Election Commission to reimburse the Budget and Control Board, Division of Operations, for the printing of such lists and to pay expenses of postage and shipment of these lists to electors who purchase them. After such reimbursement has been made an amount, not to exceed \$400,000, shall be used for non-recurring expenses in conjunction with extraordinary special election and legal costs and costs for upgrading the Statewide Voter Registration System. Any balance in the Sale of Lists Account on June thirtieth, of the prior fiscal year may be carried forward and expended for the same purposes during the current fiscal year.

100.5. (ELECT: Budget Reduction Exemption) Funds appropriated for recurring and non-recurring general and primary election expenses are exempted from mandated across the board reductions. In addition, in the calculation of any across the board agency base reductions mandated by the Budget and Control Board or the General Assembly, the amount of funds appropriated for recurring and non-recurring primary and general election expenses shall be excluded from the agency's base budget.

SECTION 100 - E28-ELECTION COMMISSION

100.6. (ELECT: Primary and General Election Carry Forward) Filing fees received from candidates filing to run in statewide or special primary elections may be retained and expended by the State Election Commission to pay for the conduct of primary elections. Any balance in the filing fee accounts on June thirtieth, of the prior fiscal year may be carried forward and expended for the same purposes during the current fiscal year. In addition, any balance in the Primary and General Election Accounts on June thirtieth, of the prior fiscal year may be carried forward and expended for the same purposes during the current fiscal year. In addition, the aforementioned funds may also be utilized to conduct the Presidential Preference Primary elections.

100.7. (ELECT: Training & Certification Program) All members and staff of County Boards of Voter Registration and County Election Commissions will receive a common curriculum to include core courses on the duties and responsibilities of county registration boards and county election commissions and electives to promote quality service and professional development. The State Election Commission shall make these courses available in various locations, including but not be limited to, the upstate, coastal, and midlands areas of the state. Up to \$35,000 of revenue generated by charging a fee to attend these courses may be retained and expended by the South Carolina Election Commission to help cover the cost of providing the training. Any balance in the training and certification account on June 30, of the prior fiscal year may be carried forward and expended for the same purpose during the current fiscal year.

The State Election Commission is required to withhold the stipend of members who do not complete the training and certification program as required in Sections 7-5-10, 7-5-35 and 7-13-70 of the 1976 Code. Additionally, funds will also be withheld if a board or commission member completes the training and certification program, but fails to complete at least one training course per year. The board or commission member and members of that county's legislative delegation will be notified of the withholding of the stipend and the requirements needed to bring the member into compliance with the law. If a board or commission member cannot complete the program or complete the required continuing education due to extenuating circumstances, the board or commission member must submit a written request to the county legislative delegation for approval or funds will continue to be withheld as described in this proviso. If a board or commission member does not become compliant with the law within

SECTION 100 - E28-ELECTION COMMISSION

eighteen months of initial notification of stipend withholding, the county's legislative delegation must replace that person on the board or commission.

100.8. (ELECT: Penalty for Late Submission of Reimbursable Expenses) In the event that a county submits reimbursable election expenses to the Commission for payment more than thirty days after the election is held, the Commission may deduct a penalty of ten percent of the late-submitted amount. The county is responsible for payment of this amount. If the Commission finds good reason for such late submission, the penalty may be waived. The Election Commission shall be authorized to expend funds appropriated/ authorized in the current fiscal year to pay election expenses incurred by a county in the prior fiscal year. If a county submits a request for reimbursement of election expenses through any means other than the Voter Registration and Election Management System (VREMS), the Commission may deduct a penalty of ten percent of the amount submitted.

100.9. (ELECT: Help America Vote Act) Of funds appropriated to the commission for primary and general elections, the commission shall utilize any excess funds to match the Help America Vote Act program to the greatest extent possible, and also ensure compliance with the Uniformed and Overseas Citizens Absentee Voting Act of 1986.

100.10. (ELECT: HAVA Carry Forward) The Election Commission shall be authorized to carry forward unexpended Help America Vote Act funds into the current fiscal year and to use these funds for the same purpose.

100.11. (ELECT: HAVA Match Funds) Funds appropriated through the General Fund for the purpose of providing a match for federal funds received through the Help America Vote Act (HAVA) shall be moved to a restricted account in order that the funds may accrue interest as per Section 254 (b) (1) of the Help America Vote Act.

100.12. (ELECT: Use of Election Funds) Funds appropriated to the Election Commission for the purpose of conducting elections shall not be used for any other purpose unless specifically authorized in this act. However, up to \$200,000 may be transferred to other operating accounts from General Election accounts upon approval from the State Budget Division, which shall then notify the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor of such transfer of funds.

SECTION 100 - E28-ELECTION COMMISSION**100.13.** DELETED**100.14.** DELETED**SECTION 101 - F03-BUDGET AND CONTROL BOARD**

101.1. (BCB: Southern Maritime Collection) The Budget and Control Board, on behalf of the Hunley Commission is authorized to expend funds appropriated for such purpose to pay the outstanding note entered into to finance the purchase of the Southern Maritime Collection and the Hunley Commission will assume custody and management of the Collection for the State. The board is authorized to use up to \$500,000 of the funds transferred for implementation of this proviso. The balance of the funds transferred may be used by the board for costs associated with other Museum operations. The General Assembly will provide for funds in future fiscal years to cover the costs of the financing of the Southern Maritime Collection.

101.2. (BCB: Procurement of Art Objects) Before any governmental body, with the exception of the South Carolina Museum Commission, the Budget and Control Board and the South Carolina Hunley Commission as defined under the South Carolina Consolidated Procurement Code, procures any art objects such as paintings, antiques, sculptures, or similar objects above \$1,000, the head of the Purchasing Agency shall prepare a written determination specifying the need for such objects and benefits to the State. The South Carolina Arts Commission shall review such determination for approval prior to any acquisition.

101.3. (BCB: State House Operation & Maintenance Account) Funds appropriated to the Budget and Control Board - for State House Maintenance & Operations & Renovations must be set aside in a separate account for the operation and maintenance of the State House. The Budget and Control Board shall report annually to the State House Committee on the amount expended from this fund.

101.4. (BCB: Wireless Communications Tower) The Budget and Control Board is directed to coordinate tower and antenna operations within South Carolina state government. The Board shall (1) approve all leases regarding antenna placement on state owned towers and buildings, (2) coordinate all new tower construction on state owned property, (3) promote and market excess capacity on the State's wireless communications infrastructure, (4) generate revenue by leasing, licensing, or selling excess capacity on the State's wireless

SECTION 101 - F03-BUDGET AND CONTROL BOARD

communications infrastructure, and (5) construct new communications assets on appropriate state owned property for the purpose of generating revenue pursuant to this proviso. All revenue from tower and antenna leases and contracts after July 1, 2001 must be remitted to a separate fund established by the Board and shall be transferred to the Educational Television Commission which shall retain and expend such funds for agency operations. The commission shall be authorized to carry forward unexpended funds from the prior fiscal year into the current fiscal year. Agencies owning tower and antenna assets will be allowed to recover expenses associated with implementing this proviso from this fund. The Board shall annually report to the Chairmen of the Senate Finance and House Ways and Means Committees by October first of each year all revenue collected and disbursed. This report shall also include a summary of each agency's overall revenues, whether retained by the agency or remitted to the separate fund.

101.5. (BCB: Compensation - Reporting of Supplemental Salaries) No supplement shall be paid to an agency's employee unless the agency head or designated official of the employing agency has approved the conditions and amount of salary supplement. Any compensation, excluding travel reimbursement, from an affiliated public charity, foundation, clinical faculty practice plan, or other public source or any supplement from a private source to the salary appropriated for a state employee and fixed by the State must be reported by the employing agency to the Human Resources Division of the Budget and Control Board. The report must include the amount, source, and any condition of the supplement. The employing agency must report this information on or before August thirty-first of each year and must include the total amount and source of the salary supplement received by the employee during the preceding fiscal year (July first through June thirtieth). The Human Resources Division of the Budget and Control Board shall formulate policies and procedures to ensure compliance with the reporting provisions of this proviso.

101.6. (BCB: Compensation Increase - Appropriated Funds Ratio) Appropriated funds may be used for compensation increases for classified and unclassified employees and agency heads only in the same ratio that the employee's base salary is paid from appropriated sources.

101.7. (BCB: Vacant Positions) In the event that any permanent position in an agency remains vacant for more than twelve months the position may be deleted by the Budget and Control Board.

SECTION 101 - F03-BUDGET AND CONTROL BOARD

101.8. (BCB: Carry Forward - Local Government Assistance) The Budget and Control Board may carry forward from prior fiscal years to the current fiscal year funds appropriated for the purpose of providing financial assistance and for matching federal funds for financial assistance to local governments with water, wastewater, and sewer projects.

101.9. (BCB: State Water Pollution Control Revolving Fund) In the event that any state funds remain after fully matching federal grants for the State Revolving Funds under the Clean Water Act or Safe Drinking Water Act, such funds may be deposited into the South Carolina Infrastructure Revolving Loan Fund established pursuant to Section 11-40-50.

101.10. (BCB: Carry Forward Calculation) For purposes of calculating the amount of funds which may be carried forward by the Budget and Control Board, grant and loan program funds carried forward by the Office of Local Government shall be excluded from the calculation of the carry forward authorized by provision elsewhere in this Act.

101.11. (BCB: Local Provider Health Insurance) The local health care providers of the Department of Disabilities and Special Needs shall be awarded funding increases as prescribed for state agencies to cover the employer's share for the cost of providing health and dental insurance to their employees.

101.12. (BCB: Geodetic Mapping Program) Funds appropriated or authorized to the Budget and Control Board as a Special Item for Mapping, shall be used for county boundary determination and resolution of the boundary between the states of South Carolina and North Carolina.

101.13. (BCB: Military Service) Notwithstanding the provisions of Section 8-11-610 of the 1976 Code, a permanent full-time state employee who serves on active duty as a result of an emergency or conflict declared by the President of the United States, and performs such duty, may use up to forty-five days of accumulated annual leave and may use up to ninety days of accumulated sick leave in a calendar year as if it were annual leave.

101.14. (BCB: Antenna and Tower Placement) All leases for antenna and tower operations within institutions of higher learning campuses must conform to master plans for such property, as determined solely by the institution of higher learning.

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101.15. (BCB: Lawsuit Funding) The Executive Director shall pay from the Insurance Reserve Fund the defense costs of the State, which are incurred in the current fiscal year, in the Abbeville school funding litigation and the prisoner mental health care litigation. The appropriate official from the House of Representatives and the Senate must certify to the Executive Director on a monthly basis the costs incurred in defense of this litigation. Upon receipt of the certification, the Executive Director shall pay the provider of these services the amount certified.

101.16. (BCB: Election File Merge) In order to assist the County Registration and Election Commissions to ensure that registered voters are assigned to proper election districts, the Research and Statistics Division, in conjunction with the South Carolina Election Commission, shall merge the voter registration file with the division's Geocoded Address List and the district boundaries of the Congress, South Carolina Senate, South Carolina House of Representatives, county councils, and such other districts as the office possesses official district boundary records in electronic format. The merged systems will allow the Research and Statistics Division to provide the respective county officials with a list of potential voters who are possibly assigned to the wrong election district. File merger is required only for those districts in which elections are scheduled. Counties and municipalities shall release GIS to the Research and Statistics Division upon the division's written request. Written request must be sent to the chief administrative officer of the county or municipality and advise the county or municipality that failure to comply within thirty days of request may result in the withholding of ten percent of the county's or municipality's state aid. The Director of the Research and Statistics Division may grant additional time for good cause and must waive release if the county or municipality does not possess GIS data. For counties and municipalities that possess GIS data but do not release it, the Director of the Research and Statistics Division shall notify the State Treasurer of the failure to comply with this provision after the required notice. Notification shall result in the withholding of ten percent of subsequent payments of state aid to the entity until the GIS data is provided. Municipal and county data acquired by the Research and Statistics Division in the course of performing its responsibilities may be used for other functions of the office as well as shared with other state agencies. For this provision GIS data includes, but is not

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limited to, road centerlines; orthophotography; parcel boundaries; address points; political boundaries; and administrative boundaries.

101.17. (BCB: Base Closure Fund Carry Forward Transfer) The balance of the funds previously appropriated to the Budget and Control Board for the Base Closure Fund shall be carried forward into the current fiscal year and transferred to the Department of Commerce, and shall be used for the South Carolina Military Base Task Force.

101.18. (BCB: SC/NC Boundary Dispute) The Budget and Control Board is directed to submit a report to the Senate Finance Committee and the House Ways and Means Committee regarding the progress of the South Carolina and North Carolina Boundary Dispute within sixty days of the close of each fiscal year until such dispute is resolved.

101.19. (BCB: SC Boundary Commission) There is hereby created the South Carolina Boundary Commission to be composed of seven members as follows: one member appointed by the President Pro Tempore of the Senate; one member appointed by the Speaker of the House of Representatives; one member appointed by the Chairman of the Senate Finance Committee; one member appointed by the Chairman of the House Ways and Means Committee; the Director of the Budget and Control Board's Office of Research and Statistics; the Director of the Department of Natural Resources, or his designee; and the technical advisor of the Geodetic and Mapping Survey Program appointed by the Director of the Office of Research and Statistics who shall serve as the coordinator and chairman of the commission. The purpose of the commission is to work with the North Carolina Boundary Commission to resolve undocumented boundaries between South Carolina and North Carolina.

101.20. DELETED

101.21. (BCB: First Responder Interoperability) The Budget and Control Board, through its Division of State Information Technology, is directed to administer and coordinate First Responder Interoperability operations for the statewide Palmetto 800 MHz radio system to better coordinate public safety disaster responses and communications. First Responder Interoperability administration and coordination shall be funded as provided in this Act. The cost-proportional funds shall be utilized for radio user fees of state agencies and public safety first responders (Fire, EMS and Law Enforcement) that participate in the statewide Palmetto 800 MHz radio system (Palmetto 800 participants). The Division of State Information

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Technology, in consultation with the State Law Enforcement Division, the Department of Public Safety, and the State Emergency Management Division, and a representative of the South Carolina Sheriff's Association, shall set a baseline number of radios used by each Palmetto 800 participant based on the technical aspects of the Palmetto 800 MHz radio system and the jurisdictional requirements of the participant. If a Palmetto 800 participant reduces the baseline number of radios in use, the amount of funds allocated for the participant's radio user fees shall be reduced in a proportional amount. The funds shall also be utilized to provide private county and city 800 MHz radio systems with grant funds to be used for purchases of equipment that support interoperability with the statewide Palmetto 800 MHz radio system and its users. Grant funds shall be allocated to private county and city 800 MHz radio systems based on the criteria used for Palmetto 800 Participants and in amounts proportional to the amounts allocated to support the per-site radio user fees of Palmetto 800 participants. A matching share is required by a Palmetto 800 participant or by a private county or city 800 MHz radio system in order to qualify for receipt of funds pursuant to this proviso. Each fiscal year the Budget and Control Board, through the Division of State Information Technology, shall establish the level of match required based upon funding provided by this Act. These entities shall be required to furnish such documentation as may be required by the Division of State Information Technology to verify that the matching funds requirement is met. Upon funding state agency and public safety first responder user fees and private county and city 800 MHz equipment purchases, any remaining funds may be used to enhance and expand the statewide Palmetto 800 MHz radio system. All funds shall be held in a separate account established by the Board for the purposes set forth herein. Any unexpended portion of these funds may be carried forward and used for the same purpose. In the calculation of any across-the-board budget reduction mandated by the Budget and Control Board or General Assembly, the amount appropriated to the Budget and Control Board for First Responder Interoperability must be excluded from the Board's base budget.

The Budget and Control Board shall provide a report on the status of the integration of the statewide Palmetto 800 MHz radio system which shall include, but not be limited to, a list of entities who are not integrated into the system as of the end of the immediately preceding fiscal year and the reason why they are not integrated. The report shall

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be submitted by October first, of the current fiscal year to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

101.22. (BCB: Employee Compensation) The amounts appropriated to the Budget and Control Board for Employee Pay Increases must be allocated by the Board to the various state agencies to provide for employee pay increases in accordance with the following plan:

(1) With respect to classified and non-judge judicial classified employees, effective on the first pay date that occurs on or after July first of the current fiscal year, the compensation of all classified employees shall be increased by zero percent.

(2) With respect to unclassified and non-judge judicial unclassified employees or unclassified executive compensation system employees not elsewhere covered in this act, effective on the first pay date that occurs on or after July first of the current fiscal year the compensation of all unclassified employees shall be increased by zero percent. Any employee subject to the provisions of this paragraph shall not be eligible for compensation increases provided in paragraphs 1, 3, 4, 5, or 6.

(3) Effective on the first pay date that occurs on or after July first of the current fiscal year, agency heads not covered by the Agency Head Salary Commission, shall receive an annualized base pay increase of zero percent.

(4) With respect to local health care providers compensation increases shall be zero percent effective on the first pay date that occurs on or after July first of the current fiscal year. With respect to Area Agencies on Aging funded by the Lieutenant Governor's Office on Aging, compensation shall be increased by zero percent effective on the first pay date that occurs on or after July first of the current fiscal year. With respect to local councils on aging or local providers of services funded by the Lieutenant Governor's Office on Aging through Area Agencies on Aging, no pay increases will be allowed. School Bus Driver salary and fringe funding to school districts shall be increased by zero percent.

(5) Effective on the first pay date that occurs on or after July first of the current fiscal year, the Chief Justice and other judicial officers shall receive an annualized base pay increase of zero percent.

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(6) Effective on the first pay date that occurs on or after July first of the current fiscal year, county auditors and county treasurers shall receive an annualized base pay increase of zero percent.

The Budget and Control Board shall allocate associated compensation increases for retirement employer contributions based on the retirement rate of the retirement system in which individual employees participate.

The Executive Director of the Budget and Control Board is authorized to use excess appropriations for the current fiscal year, as determined by the Director of the Office of State Budget, designated for statewide employer contributions for other statewide purposes. At the discretion of the Executive Director of the Budget and Control Board, such action may be considered a permanent transfer into the receiving agency's base budget.

Funds appropriated in Part IA, F30, Section 103, Budget and Control Board, Employee Benefits may be carried forward from the prior fiscal year into the current fiscal year.

101.23. (BCB: Public Procurement Unit) For purposes of participation in the Minnesota Multi State Contracting Alliance for Pharmacy (MMCAP), a private, non-profit corporation that provides only free medical care may be allowed to participate as a local public procurement unit in the MMCAP cooperative purchase. The participation of non-profit corporations in the program is contingent upon approval of the Minnesota Multi-State Contracting Alliance for Pharmacy. Participating non-profit corporations must comply with all applicable federal laws or regulations for participation in the MMCAP cooperative purchase. The state shall not be liable for any action or inaction of such a non-profit corporation.

101.24. (BCB: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology

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Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Budget and Control Board for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Mental Health shall be authorized to retain the net proceeds it receives for sale of the property sold in accordance with, and identified in Exhibit A of the Sale and Purchase Agreement dated December 16, 2010 between the Department of Mental Health and Hughes Development Corporation for the sale of 165.79± acres on the Bull Street Campus, as approved by the Budget and Control Board on June 14, 2011.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Vocational Rehabilitation shall be authorized to retain the net proceeds from the sale of 3.205 acres located at 22861 Highway 76 East in Clinton, South Carolina to be used for capital projects and deferred maintenance.

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The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, the Department of Mental Health, the Forestry Commission, and the Department of Vocational Rehabilitation shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

101.25. (BCB: Compensation - Agency Head Salary) In the event of an agency head or technical college president vacancy, the governing board of the agency or the Governor, or the appointing authority of a technical college president, must have the prior favorable recommendation of the Agency Head Salary Commission to set, discuss, offer, or pay a salary for the agency head or technical college president at a rate that exceeds the minimum of the range established by the Agency Head Salary Commission. No agency head or technical college president shall be paid a salary higher than that recommended by the commission. Boards and commissions, or the Governor if he is the appointing authority, of newly created agencies or technical colleges shall not offer or pay a salary to a prospective agency head until a salary range has been established and the salary approved by the Agency Head Salary Commission. The funding of the salaries of any agency head or technical college president should come from resources within the agency. The Budget and Control Board shall contract every four years for a study of agency head and technical college president compensation. The cost of the study must be shared by the participating agencies. The staff of the Budget and Control Board shall serve as the support staff to the Agency Head Salary Commission. Limited only by the maximum of the respective salary range, the General Assembly authorizes the respective appointing authority for an agency head or technical college president to provide salary increases for an agency head or technical college president not to exceed that recommended by the Agency Head Salary Commission. No agency head or technical college president shall be paid less than the minimum

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of the pay range nor receive an increase that would have the effect of raising the salary above the maximum of the pay range.

101.26. DELETED

101.27. (BCB: Insurance Coverage for Aging Entity Authorized) The State Budget and Control Board, through the Insurance Reserve Fund, for Fiscal Year 2013-2014, is also authorized to offer insurance coverage to an aging entity and its employees serving clients countywide which previously obtained its tort liability insurance coverage through the board. The Insurance Reserve Fund and the State of South Carolina shall not be liable to any person or entity, including an insured, for any insufficiencies of coverage provided hereunder.

101.28. (BCB: Statewide Appropriations Budget Module) Funds provided for the Statewide Appropriations Budget Module known as PBF (the Public Budgeting Formulation Module) shall be used for the design and implementation of the statewide budgeting system to produce the state's annual operating budget through the passage of the Annual Appropriation Act. Project oversight and direction shall be the responsibility of the State Budget Division. Unexpended funds shall be carried forward from the prior fiscal year and expended for continued implementation of the budget module.

101.29. DELETED

101.30. (BCB: IRF Report) The Budget and Control Board shall prepare a report on prior fiscal year utilization of the Insurance Reserve Fund to include for each transaction the amount, the recipient of the funds, the date of the transfer or payment, and the action or reason that necessitated the transfer. The report shall be submitted to the President Pro Tempore of the Senate, the Chairman of the Senate Finance Committee, the Speaker of the House of Representatives, and the Chairman of the House Ways and Means Committee by October 15, 2013.

101.31. (BCB: Activation of State House Garage Security System) The Budget and Control Board, Division of General Services is directed to take the steps necessary to activate the State House Garage Security System, effective July 1, 2013, which is to be operated by the Bureau of Protective Services.

101.32. DELETED

101.33. (BCB: Consolidation of Administrative Functions) From the funds appropriated to the Budget and Control Board, the board shall study the feasibility, including a cost benefit analysis, of assuming certain functions of state agencies that receive less than five million

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dollars in total funds appropriations in the current fiscal year. The functions to be considered shall include, but are not limited to, personnel administration, human resources, accounting, information technology, maintenance, and other functions that are administrative in nature and not agency specific. Upon completion of the study, the board shall submit a report detailing its findings to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee. The report must be submitted no later than January 3, 2014.

101.34. (BCB: Second Injury Fund Closure Plan) The Budget and Control Board is authorized and empowered to take all necessary actions to implement and administer the closure plan for the Second Injury Fund, as adopted pursuant to Section 42-7-320(A) of the 1976 Code, as amended, and use appropriate accounts for administrative costs associated with this responsibility. In order for the board to administer the plan and pay the remaining liabilities of the Second Injury Fund, applicable subfunds shall be transferred from the former Second Injury Fund to the Budget and Control Board. The funds shall be transferred and general ledger accounts established under the Board as soon as practicable after Fiscal Year 2012-2013 closing transactions are processed. Because the Second Injury Fund terminates July 1, 2013, the board is authorized to act on behalf of the former Second Injury Fund to process its closing transactions and appropriately record the transactions. The State Budget Division is directed to provide the Second Injury Fund and the Budget and Control Board, as appropriate, other fund spending authority equal to the amount of any remaining administrative expenditures associated with closing the Second Injury Fund, if needed and adequately documented. The transferred funds shall continue to be held as separate and distinct trust accounts by the State Treasurer.

101.35. DELETED

101.36. DELETED

101.37. DELETED

101.38. DELETED

**SECTION 102 - F27-BUDGET AND CONTROL BOARD,
STATE AUDITOR'S OFFICE**

102.1. (BCB/AUD: Annual Audit of Federal Programs) Each state agency receiving federal funds subject to the audit requirements of the

**SECTION 102 - F27-BUDGET AND CONTROL BOARD,
STATE AUDITOR'S OFFICE**

Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations shall remit to the State Auditor an amount representing an equitable portion of the expense of contracting with a nationally recognized CPA firm to conduct a portion of the audit of the State's federal financial assistance. Each state agency's equitable portion of the expense will be determined by a schedule developed by the State Auditor. Such remittance will be based upon invoices provided by the State Auditor. The audit shall be re-bid every five years. The State Auditor shall retain and expend the funds received and shall carry forward any unexpended funds from the prior fiscal year into the current fiscal year for the same purpose.

102.2. (BCB/AUD: Medical Assistance Audit Carry Forward) The State Auditor's Office shall retain and expend the funds received from the Department of Health and Human Services for the Medical Assistance Audit Program pursuant to Proviso 33.3 of this act and shall carry forward any unexpended funds from the prior fiscal year into the current fiscal year for the same purpose.

102.3. (BCB/AUD: Coordination with Inspector General) In the event the State Auditor's Office identifies instances of fraud, waste, and abuse during any state agency audit, the State Auditor shall refer such instances to the State Inspector General for examination. The State Auditor shall prepare and submit an annual report to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee and the Governor detailing all written referrals of fraud, waste, and abuse submitted to the State Inspector General.

**SECTION 103 - F30-BUDGET AND CONTROL BOARD,
EMPLOYEE BENEFITS**

103.1. DELETED

**SECTION 105 - F50-PUBLIC EMPLOYEE BENEFIT
AUTHORITY**

105.1. (PEBA: Lottery & Infrastructure Bank Health Insurance) South Carolina Lottery Commissioners and South Carolina Transportation Infrastructure Bank Board members and their eligible dependents are eligible to participate in the State Health and Dental

**SECTION 105 - F50-PUBLIC EMPLOYEE BENEFIT
AUTHORITY**

Insurance Plan, upon paying the full premium costs as determined by the Public Employee Benefit Authority.

105.2. (PEBA: Adoption Assistance Program) The Employee Adoption Assistance Program is established to provide grants to eligible employees to assist them with the direct costs of adoption. The program shall be an employee benefit through the Public Employee Benefit Authority (PEBA) and shall be funded from the appropriation for the State Health Plan as provided in this act. Total funding for the Adoption Program shall not exceed the amount authorized by the General Assembly in the annual appropriations act. Employees are eligible for the Adoption Program if they participate in PEBA insurance benefits, have adopted a child during the prior fiscal year, apply for the grant during the annual application period, and meet any other Adoption Program criteria. The application period shall be July first through September thirtieth of the current fiscal year for an adoption in the prior fiscal year. The maximum grant amounts shall be \$10,000 in the case of the adoption of a special needs child and \$5,000 for all other child adoptions. Should the total amount needed to fund grants at the maximum level exceed the amount authorized, the amount of a grant to an eligible employee shall be determined by dividing the authorized amount evenly among qualified program applicants, with the adoption of a special needs child qualifying for two times the benefit of a non-special needs child.

105.3. (PEBA: Health Plan Tobacco User Differential) For health plans adopted under the authority of Section 1-11-710 of the 1976 Code by the Public Employee Benefit Authority during the current fiscal year, the board is authorized to differentiate between tobacco users and non-users regarding rates charged to enrollees in its health plans by imposing a surcharge on enrollee rates based upon tobacco use. The surcharge for tobacco use may not exceed \$40 per month per subscriber or \$60 per month per subscriber and dependant(s).

105.4. (PEBA: Funding Abortions Prohibited) No funds appropriated for employer contributions to the State Health Insurance Plan may be expended to reimburse the expenses of an abortion, except in cases of rape, incest or where the mother's medical condition is one which, on the basis of the physician's good faith judgment, so complicates the pregnancy as to necessitate an immediate abortion to avert the risk of her death or for which a delay will create serious risk of substantial and irreversible impairment of major bodily function, and

**SECTION 105 - F50-PUBLIC EMPLOYEE BENEFIT
AUTHORITY**

the State Health Plan may not offer coverage for abortion services, including ancillary services provided contemporaneously with abortion services. The Public Employee Benefit Authority must determine the amount of the total premium paid for health coverage necessary to cover the risks associated with reimbursing participants in the plan for obtaining an abortion in the circumstances covered by this provision. The determination must be based on actuarial data and empirical study in the same manner and by the same method that other risks are adjusted for in similar circumstances. The plan must report this determination annually to the respective Chairmen of the Senate Finance Committee and the House Ways and Means Committee.

105.5. (PEBA: TRICARE Supplement Policy) The Public Employee Benefit Authority (PEBA) shall offer a group TRICARE Supplement policy or policies to its TRICARE-eligible subscribers through its flexible benefits program to provide that subscribers may pay premiums for such policies on a pre-tax basis, in accordance with federal law and regulations. PEBA may charge TRICARE Supplement subscribers an amount not to exceed \$2 per subscriber per month for any associated administrative costs.

105.6. (PEBA: Tobacco User Differential Study) The Public Employee Benefit Authority shall conduct a study to determine if it is in the best interest of the state and the State Health Plan to differentiate between tobacco users by category of product used and non-users regarding rates charged to enrollees in its health plans by imposing a surcharge on enrollee rates based upon the category of tobacco product used. In conducting the study, the authority shall offer a period for public comment. Recommendations shall include, but not be limited to an appropriate surcharge to be assessed and shall be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December 31, 2013.

105.7. (PEBA: FY 2014 State Health Plan) Of the funds authorized for the State Health Plan in Plan Year 2014 pursuant to Section 1-11-710(A)(2) of the 1976 Code, an employer premium increase of 6.8% and a subscriber premium increase of zero percent for each tier (subscriber, subscriber/spouse, subscriber/children, full family) will result for the standard State Health Plan in Plan Year 2014. Co-payment increases for participants of the State Health Plan in Plan Year 2014 shall not exceed twenty percent. Notwithstanding the foregoing, pursuant to Section 1-11-710(A)(3), the Public Employee

**SECTION 105 - F50-PUBLIC EMPLOYEE BENEFIT
AUTHORITY**

Benefit Authority may adjust the plan, benefits, or contributions of the State Health Plan during Plan Year 2014 to ensure the fiscal stability of the Plan.

105.8. (PEBA: Exempt National Guard Pension Fund) In the calculation of any across-the-board cut mandated by the Budget and Control Board or General Assembly, the amount of the appropriation for the National Guard Pension Fund shall be excluded.

105.9. DELETED

SECTION 106 - R44-DEPARTMENT OF REVENUE

106.1. (DOR: Subpoenaed Employee Expense Reimbursement) If any employee of the Department of Revenue is subpoenaed to testify during litigation not involving the Department of Revenue, the party subpoenaing the employee(s) to testify shall reimburse the State for expenses incurred by the employee(s) requested to testify. Expenses shall include but are not limited to the cost of materials and the average daily salary of the employee or employees.

106.2. (DOR: Court Order Funds Carry Forward) Funds awarded to the Department of Revenue by court order shall be retained in a special account and shall be carried forward from year to year, and expended as needed to accomplish the purposes and conditions of said order if specified, and if not specified, as may be directed by the Director of the Department of Revenue.

106.3. (DOR: Rural Infrastructure Fund Transfer) Notwithstanding Section 12-10-85, the Department of Revenue is authorized to deposit revenues from the Rural Infrastructure Fund in excess of \$12 million dollars to the Rural Infrastructure Fund under the Rural Infrastructure Authority. Any revenues in excess of \$17 million shall be deposited in the Rural Infrastructure Fund under the Department of Commerce, Coordinating Council.

106.4. (DOR: SCBOS Funds) The Department of Revenue shall share equally the collection assistance fees imposed on overdue tax debt with the South Carolina Business One Stop program. The funds received by the department from this fee shall be used for continued administration of the revenue laws in a fair and impartial manner. Any unexpended funds generated by the fee shall be carried forward from the prior fiscal year into the current fiscal year and shall also be shared

SECTION 106 - R44-DEPARTMENT OF REVENUE

equally between the Department of Revenue and the South Carolina Business One Stop program.

106.5. (DOR: Across the Board Cut Exemption) Whenever the Budget and Control Board or General Assembly implements an across the board budget reduction, the funds appropriated to the Department of Revenue shall be exempt from any such mandated budget reduction.

106.6. (DOR: Candidate Tax Return Programs) (A) From the funds appropriated in this act, the department must develop a program to process inquiries from a candidate for an office of this State or its political subdivisions or any gubernatorial appointee concerning whether that candidate or appointee has filed annual state income tax returns that he was required to file during the past ten years, regardless of the source of income, has paid all income taxes due during that time period, and has satisfied all judgments, liens, or other penalties for failure to pay income taxes when due. The department may only respond to an inquiry if the inquiry is made by a candidate or appointee concerning that candidate's or appointee's own income tax returns.

(B) Unless a candidate or appointee requests otherwise, the department must post the results of all inquiries from candidates or appointees in a prominent place on its internet website. The information must be organized in the following manner: (1) the candidate's name as it will appear on the ballot or the appointee's name as it appears on his income tax returns; (2) identify the years that the candidate or appointee was required to file income tax returns and identify the years, if any, that the candidate or appointee was not required to file income tax returns; (3) state whether the candidate or appointee filed income tax returns in each year that the candidate or appointee was required to file income tax returns; (4) state whether the candidate or appointee paid income taxes due each year that the candidate or appointee was required to file income tax returns; and (5) state whether the candidate or appointee had a judgment, lien, or other penalty levied against him for failure to pay income taxes when due, the year of the levy, and whether that judgment, lien, or other penalty has been satisfied. The department may not post a candidate's complete income tax return when fulfilling its obligations under this proviso.

(C) (1) Participation in this program by a candidate or appointee is voluntary.

SECTION 106 - R44-DEPARTMENT OF REVENUE

(2) A candidate's or appointee's inquiry constitutes a waiver of confidentiality with the department concerning the information posted.

106.7. (DOR: Admissions Tax Exemption) Any amount that an accredited college or university requires a season ticket holder to pay to a nonprofit athletic booster organization that is exempt from federal income taxation in order to receive the right to purchase athletic event tickets is exempt from admissions tax.

106.8. (DOR: Fraudulent Tax Return Program) The Department of Revenue may establish a Fraudulent Tax Return Detection Program to prevent payment of fraudulent tax refunds. To implement the program the department may contract with information and technology entities to provide the necessary detection capabilities. The department shall pay for the program from the savings realized by implementation.

106.9. (DOR: Treasury Offset Program) The Department of Revenue is authorized to retain up to \$140,000 of mailing and associated administrative costs incurred as a result of the State's participation in and the notice requirements of the Federal Treasury Offset Program. Retained expenses shall be from tax offset revenue received from the federal government. Remaining revenue shall be deposited in the General Fund.

106.10. (DOR: Rapid Response to Declared Disasters) (A) (1) For purposes of this proviso:

(a) 'Registered business in this State' or 'registered business' means a business entity that is registered to do business in this State before the declared state disaster or emergency.

(b) 'Out-of-state business' means a business entity that has no presence in the State and conducts no business in this State whose services are requested by a registered business or by a state or local government for purposes of performing disaster or emergency-related work in this State. This definition includes a business entity that is affiliated with the registered business in this State solely through common ownership. The out-of-state business must have no registrations or tax filings or nexus in the State before the declared state disaster or emergency.

(c) 'Out-of-state employee' means an employee who does not reside in or work in the State, except for disaster or emergency related work during the disaster period.

(d) 'Infrastructure' means property and equipment owned or used by communications networks, electric generation, transmission

SECTION 106 - R44-DEPARTMENT OF REVENUE

and distribution systems, gas distribution systems, water pipelines, and public roads and bridges and related support facilities that services multiple customers or citizens including, but not limited to, real and personal property such as buildings, offices, lines, poles, pipes, structures and equipment.

(e) 'Declared state disaster or emergency' means a disaster or emergency event:

(i) for which a Governor's state of emergency proclamation has been issued;

(ii) for which a presidential declaration of a federal major disaster or emergency has been issued; or

(iii) other disaster or emergency event within this State for which a good faith response effort is required, and for which the Director of the South Carolina Department of Revenue designates the event as a disaster or emergency and thereby invokes this chapter.

(f) 'Disaster period' means a period that begins within ten days of the first day of the Governor's proclamation, the President's declaration or designation by the Director of the Department of Revenue, whichever occurs first, and that extends for a period of sixty calendar days after the end of the declared disaster or emergency period, or any longer period authorized by the designated state official or agency.

(g) 'Disaster or emergency related-work' means repairing, renovating, installing, building, rendering services or other business activities that relate to infrastructure that has been damaged, impaired, or destroyed by the event precipitating the declared state disaster or emergency.

(B) (1) (a) An out-of-state business that conducts operations within this State during Fiscal Year 2013-2014 for purposes of performing work or services related to a declared state disaster or emergency during the portion of a disaster period that occurs during Fiscal Year 2013-2014 must not be considered to have established a level of presence that would require that business to register, file, and remit state or local taxes or that would require that business or its out-of-state employees to be subject to any state licensing or registration requirements or any combination of these actions. Except as provided in subsection (B)(1)(b), this exemption includes all state or local business licensing or registration requirements or state and local taxes or fees including, but not limited to, unemployment insurance, state or local occupational licensing fees, sales and use tax, or property tax on

SECTION 106 - R44-DEPARTMENT OF REVENUE

equipment used or consumed during the disaster period, and includes South Carolina Public Service Commission and Secretary of State licensing and regulatory requirements. For purposes of a state or local tax on or measured by, in whole or in part, net or gross income or receipts, all activity of the out-of-state business that is conducted in this state pursuant to this chapter must be disregarded with respect to any filing requirements for that tax including the filing required for a unitary or combined group of which the out-of-state business may be a part.

(b) An out-of-state employee is not considered to have established residency or a presence in the State that would require that person or that person's employer to file and pay income taxes or to be subjected to tax withholdings or to file and pay any other state or local tax or fee during the disaster period that occurs during Fiscal Year 2013-2014. This includes any related state or local employer withholding and remittance obligations.

(2) Out-of-state businesses and out-of-state employees are not exempted by this chapter from transaction taxes and fees including, but not limited to, fuel taxes and fuel user fees or sales and use taxes on materials or services subject to sales and use tax, accommodations taxes, car rental taxes or fees that the out-of-state affiliated business or out-of-state employee purchases for use or consumption in this State during the disaster period, unless the taxes or fees are otherwise exempted during a disaster period.

(3) An out-of-state business or out-of-state employee that remains in the State during Fiscal Year 2013-2014 and after the disaster period becomes subject to the state's normal standards for establishing presence, residency or doing business in this State and the resulting requirements.

(C) (1) (a) The out-of-state business that enters this State upon request, shall provide to the Department of Revenue a notification statement that it is in this State for purposes of responding to the disaster or emergency, which statement must include the business' name, state of domicile, principal business address, federal tax identification number, date of entry, and contact information.

(b) A registered business in this State, upon request, shall provide the information required in item (1)(a) of this subsection for an affiliate that enters this State that is an out-of-state business. The notification also must include contact information for the registered business in this State.

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(2) An out-of-state business or an out-of-state employee that remains in this State during Fiscal Year 2013-2014 and after the disaster period shall notify the Department of Revenue and shall comply with state and local registration, licensing, and filing requirements that ensue as a result of establishing the requisite business presence or residency in this State.

SECTION 107 - R52 - STATE ETHICS COMMISSION

107.1. DELETED

107.2. DELETED

SECTION 108 - S60-PROCUREMENT REVIEW PANEL

108.1. (PRP: Filing Fee) Requests for administrative review before the South Carolina Procurement Review Panel shall be accompanied by a filing fee of two hundred and fifty dollars (\$250.00), payable to the SC Procurement Review Panel. The panel is authorized to charge the party requesting an administrative review under the S.C. Code Sections 11-35-4210(6), 11-35-4220(5), 11-35-4230(6), 11-35-4330, and/or 11-35-4410. The funds generated by the filing fee shall be retained by the panel and carried forward to be used for the operation of the panel. Withdrawal of an appeal will result in the filing fee being forfeited to the panel. If a party desiring to file an appeal is unable to pay the filing fee because of financial hardship, the party shall submit a completed Request for Filing Fee Waiver form at the same time the request for review is filed. The panel shall make the Request for Filing Fee Waiver forms available to the Chief Procurement Officers to provide to parties along with notice of right to appeal to the panel. If the filing fee is not waived, the party must pay the filing fee within fifteen days of the date of receipt of the order denying waiver of the filing fee. Requests for administrative review will not be accepted unless accompanied by the filing fee or a completed Request for Filing Fee Waiver form at the time of filing.

SECTION 109 - V04-DEBT SERVICE

109.1. (DS: Excess Debt Service Funds Carry Forward) Excess Debt Service funds from Fiscal Year 2012-2013 may be carried

forward and expended for debt service purposes in Fiscal Year 2013-2014.

**SECTION 110 - X22-AID TO SUBDIVISIONS, STATE
TREASURER**

110.1. (AS-TREAS: Veterans' Affairs-Aid to Counties) In the allocation of the appropriation in Part IA, Section 110, as adjusted for "Aid to County Veteran Offices," each county shall receive an effective annual amount equal to one hundred percent of the amount allocated to it for the prior fiscal year plus an amount equivalent to base pay increases for state employees, less any adjustments made for budget reductions. This allocation shall be distributed on a quarterly basis to the County Treasurer who will handle and distribute these monies for the sole benefit and use of the County Veterans' Affairs Offices.

110.2. (AS-TREAS: Quarterly Distributions) For Fiscal Year 2013-2014, one quarter of the amount appropriated in Part IA for Aid to Subdivisions-Local Government Fund shall be distributed as soon after the beginning of each quarter as practical with the four distributions together totaling the 2013-2014 Part IA appropriation for the Local Government Fund.

110.3. (AS-TREAS: Salary Supplements) The amounts appropriated in Part IA, Section 110, for Aid Cnty-Clerks of Court, Aid Cnty-Probate Judges, Aid Cnty-Coroners, and Aid Cnty-Sheriffs shall be distributed by the State Treasurer to each county treasurer equally on a quarterly basis, and shall be used as a salary supplement for each clerk of court, probate judge, county coroner, and county sheriff. The amounts appropriated in Part IA, Section 110 for Aid Cnty-Register of Deeds, shall be equally distributed by the State Treasurer to the appropriate county treasurer on a quarterly basis, and shall be used as a salary supplement for registers of deeds.

The amount appropriated in Part IA, Section 110, for Aid Cnty-Auditors and Aid Cnty-Treasurers, shall be equally distributed to each county auditor and county treasurer as a salary supplement in addition to any amounts presently being provided by the county for these positions. It is the intent of the General Assembly that the amount appropriated by the county as salaries for these positions shall not be reduced as a result of the appropriation and that such appropriation shall not disqualify each county auditor and each county treasurer for

**SECTION 110 - X22-AID TO SUBDIVISIONS, STATE
TREASURER**

salary increases that they might otherwise receive from county funds in the future. The salary supplement for each county auditor and county treasurer shall be paid in accordance with the schedule and method of payment established for state employees.

The amounts appropriated in Part IA, Section 110 for Clerks of Court, Probate Judges, Sheriffs, Register of Deeds, Coroners, Auditors, and Treasurers shall be exempt from any across the board cut mandated by the Budget and Control Board or General Assembly. However, the governing body of a county may reduce the expenditures in the operation of the offices of these officials without any required corresponding reduction in the county's state aid to subdivisions distribution. However, any reduction in these officials' budgets must be made in consultation with the affected official.

110.4. (AS-TREAS: Legislative Delegations) In the current fiscal year, a county government must fund its legislative delegation budget pursuant to Section 3, Act No. 283 of 1975. If a county council does not meet that funding level, the amount of the shortfall must be deducted from the responsible county's Aid to Subdivisions allocation and forwarded to the legislative delegation of the county. Additionally, the responsible county's remaining Aid to Subdivisions allotment must be reduced by twenty-five percent of the shortfall amount, which sum must be forwarded to the legislative delegation to be used for its administrative costs.

110.5. (AS-TREAS: LGF) For Fiscal Year 2013-2014, the provisions of Section 6-27-30 and Section 6-27-50 of the 1976 Code are suspended.

110.6. (AS-TREAS: Transparency-Political Subdivision Appropriation of Funds) (A) A political subdivision receiving aid from the Local Government Fund may not:

(1) appropriate money to any entity unless that appropriation appears as a separate and distinct line item in the political subdivision's budget or in an amendment to the political subdivision's budget; or

(2) except in cases of emergency or unforeseen circumstances, donate funds to a non-profit organization unless the amounts donated are appropriated on a separate and distinct line item in the political subdivision's budget or an amendment to the political subdivision's budget that includes the names of the entities to which the donations are being made. In the case of an emergency or unforeseen circumstances, a political subdivision may donate funds to a non-profit

**SECTION 110 - X22-AID TO SUBDIVISIONS, STATE
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organization if the amount and purpose of the proposed donation and the nature of the emergency or unforeseen circumstances necessitating the donation are announced in open session at a public meeting held by the governing body of the political subdivision and the funds are not delivered to the organization for five days following the announced intent to make the donation.

(B) A political subdivision receiving aid from the Local Government Fund may not appropriate money to any entity without the requirement that the entity provides at the end of the fiscal year a detailed description of the purposes for which the money was used.

110.7. (AS-TREAS: Political Subdivision Flexibility) For Fiscal Year 2013-2014, a political subdivision receiving aid from the Local Government Fund may reduce its support to any state mandated program or requirement, by up to a percentage equal to the percentage reduction in the actual amount appropriated to the Local Government Fund as compared to the amount required to be appropriated pursuant to Section 6-27-30. Excluded from said reductions are Administrative Law Judges and their offices, Court of Appeals and their offices, Circuit and Family Courts and their offices, Magistrates and their offices, Masters-in-Equity and their offices, Probate Courts and their offices, Public Defenders and their offices, Solicitors and their offices, and the Supreme Court and their offices.

110.8. DELETED

110.9. DELETED

SECTION 117 - X90-GENERAL PROVISIONS

117.1. (GP: Revenues, Deposits Credited to General Fund) For the current fiscal year, except as hereinafter specifically provided, all general state revenues derived from taxation, licenses, fees, or from any other source whatsoever, and all institutional and departmental revenues or collections, including income from taxes, licenses, fees, the sale of commodities and services, and income derived from any other departmental or institutional source of activity, must be remitted to the State Treasurer at least once each week, when practical, and must be credited, unless otherwise directed by law, to the General Fund of the State. Each institution, department or agency, in remitting such income to the State Treasurer, shall attach with each such remittance a report or statement, showing in detail the sources itemized according to standard

SECTION 117 - X90-GENERAL PROVISIONS

budget classification from which such income was derived, and shall, at the same time, forward a copy of such report or statement to the Comptroller General and the Budget and Control Board. In order to facilitate the immediate deposit of collections, refunds of such collections by state institutions where properly approved by the authorities of same, may be made in accordance with directions from the State Comptroller General and State Treasurer. General fund appropriations herein made for the support of the public school system of the State must be greater than or equal to the revenues derived from the General Retail Sales Tax, the Soft Drinks Tax, and the state's portion of the Alcoholic Liquors Tax and Cable Television Fees as forecasted in the general fund revenue estimate of the Board of Economic Advisors as accounted for in Section 116 of this act. Appropriations in this act for the support of the public school system shall include the following:

- Department of Education;
- State Board for Technical and Comprehensive Education;
- Educational Television Commission;
- Wil Lou Gray Opportunity School;
- School for the Deaf and the Blind;
- John de la Howe School;
- Debt Service on Capital Improvement Bonds Applicable to Above Agencies;
- Debt Service on School Bonds;
- Other School Purposes.

Nothing contained herein shall be construed as diminishing the educational funding requirements of this section.

117.2. (GP: Appropriations From Funds) Subject to the terms and conditions of this act, the sums of money set forth in this part, if so much is necessary, are appropriated from the General Fund of the State, the Education Improvement Act Fund, the Highways and Public Transportation Fund, and other applicable funds, to meet the ordinary expenses of the state government for Fiscal Year 2013-2014, and for other purposes specifically designated.

117.3. (GP: Fiscal Year Definitions) For purposes of the appropriations made by this part, "current fiscal year" means the fiscal year beginning July 1, 2013, and ending June 30, 2014, and "prior fiscal year" means the fiscal year beginning July 1, 2012, and ending June 30, 2013.

SECTION 117 - X90-GENERAL PROVISIONS

117.4. (GP: Descriptive Proviso Titles) Descriptive proviso titles listed in this act are for purposes of identification only and are not to be considered part of the official text.

117.5. (GP: Judicial & Involuntary Commitment, Defense of Indigents) It is the responsibility of all agencies, departments and institutions of state government, to provide at no cost and as a part of the regular services of the agency, department or institutions such services as are necessary to carry out the provisions of Chapter 52, Title 44 (Involuntary Commitment), Article 7, Chapter 17, Title 44 of the 1976 Code (Judicial Commitment), Chapter 3, Title 17 of the 1976 Code (Defense of Indigents), and Article 1, Chapter 3, Title 16 of the 1976 Code (Death Penalty), as amended, upon request of the Judicial Department and/or the appropriate court. To this end, state agencies are directed to furnish to the Judicial Department a list of their employees who are competent to serve as court examiners. The Judicial Department shall forward a copy of this list to the appropriate courts, and the courts shall utilize the services of such state employees whenever feasible. State employees shall receive no additional compensation for performing such services. For the purpose of interpreting this section, employees of the Medical University of South Carolina and individuals serving an internship or residency as an academic requirement or employees who are not full-time state employees and who are not performing duties as state employees are not considered state employees.

117.6. (GP: Case Service Billing Payments Prior Year) Agencies appropriated case services funds who routinely receive prior year case service billings after the old fiscal year has been officially closed are authorized to pay these case service obligations with current funds. This authorization does not apply to billings on hand that have been through a timely agency payment approval process when the old fiscal year closes.

117.7. (GP: Fee Increases) (A) No state agency, department, board, committee, commission, or authority, may increase an existing fee for performing any duty, responsibility, or function unless the fee for performing the particular duty, responsibility, or function is authorized by statutory law and set by regulation except as provided in this paragraph.

(B) This paragraph does not apply to:

- (1) state-supported governmental health care facilities;
- (2) state-supported schools, colleges, and universities;

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(3) educational, entertainment, recreational, cultural, and training programs;

(4) the State Board of Financial Institutions;

(5) sales by state agencies of goods or tangible products produced for or by these agencies;

(6) charges by state agencies for room and board provided on state-owned property;

(7) application fees for recreational activities sponsored by state agencies and conducted on a draw or lottery basis;

(8) court fees or fines levied in a judicial or adjudicatory proceeding;

(9) the South Carolina Public Service Authority or the South Carolina Ports Authority.

(C) This paragraph does not prohibit a state agency, department, board, committee, or commission from increasing fees for services provided to other state agencies, departments, boards, committees, commissions, political subdivisions, or fees for health care and laboratory services regardless of whether the fee is set by statute.

(D) Statutory law for purposes of this paragraph does not include regulations promulgated pursuant to the State Administrative Procedures Act.

117.8. (GP: State Institutions - Revenues & Income) The University of South Carolina, Clemson University, the Medical University of South Carolina (including the Medical University Hospital), The Citadel, Winthrop University, South Carolina State University, Francis Marion University, University of Charleston, Lander University, Coastal Carolina University, and the Wil Lou Gray Opportunity School shall remit all revenues and income, collected at the respective institutions, to the State Treasurer according to the terms of Section 117.1 of this act, but all such revenues or income so collected, except fees received as regular term tuition, matriculation, and registration, shall be carried in a special continuing account by the State Treasurer, to the credit of the respective institutions, and may be requisitioned by said institutions, in the manner prescribed in Section 11-3-185 of the 1976 Code, and expended to fulfill the purpose for which such fees or income were levied, but no part of such income shall be used for permanent improvements without the express written approval of the Budget and Control Board and the Joint Legislative Capital Bond Review Committee; and it is further required that no such fee or income shall be charged in excess of the amount that is necessary to

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supply the service, or fulfill the purpose for which such fee or income was charged. Notwithstanding other provisions of this act, funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from the operations of canteens and bookstores, and from approved Private Practice plans at institutions and affiliated agencies may be retained at the institution and expended by the respective institutions only in accord with policies established by the institution's Board of Trustees. Such funds shall be audited annually by the State but the provisions of this act concerning unclassified personnel compensation, travel, equipment purchases and other purchasing regulations shall not apply to the use of these funds.

117.9. (GP: Transfers of Appropriations) Agencies and institutions shall be authorized to transfer appropriations within programs and within the agency with notification to the Division of Budget and Analyses and Comptroller General. No such transfer may exceed twenty percent of the program budget. Upon request, details of such transfers may be provided to members of the General Assembly on an agency by agency basis. Transfers of appropriations from personal service accounts to other operating accounts or from other operating accounts to personal service accounts may be restricted to any established standard level set by the Budget and Control Board upon formal approval by a majority of the members of the Budget and Control Board.

117.10. (GP: Federal Funds - DHEC, DSS, DHHS - Disallowances) Amounts appropriated to the Department of Health and Environmental Control, Department of Social Services and Department of Health and Human Services may be expended to cover program operations of prior fiscal years where adjustment of such prior years are necessary under federal regulations or audit exceptions. All disallowances or notices of disallowances by any federal agency of any costs claimed by these agencies shall be submitted to the State Auditor, the Senate Finance Committee and the House Ways and Means Committee, within five days of receipt of such actions.

117.11. (GP: Fixed Student Fees) During the current fiscal year, student fees at the state institutions of higher learning shall be fixed by the respective Boards of Trustees as follows:

(1) Fees applicable to student housing, dining halls, student health service, parking facility, laundries and all other personal subsistence expenses shall be sufficient to fully cover the total direct

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operating and capital expenses of providing such facilities and services over their expected useful life except those operating or capital expenses related to the removal of asbestos.

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

117.12. (GP: Tech Educ. Colleges Student Activity Fees) Notwithstanding any other provisions of this act, funds at technical education colleges derived wholly from the activities of student organizations and from the operations of canteens and bookstores may be retained by the college and expended only in accord with policies established by the respective college's area commission and approved by the State Board for Technical and Comprehensive Education.

117.13. (GP: SC Health & Human Services Data Warehouse) There is hereby established within the Research and Statistics Division, South Carolina Budget and Control Board, the South Carolina Health and Human Services Data Warehouse. The purpose of the Warehouse is to ensure that the operation of health and human services agencies may be enhanced by coordination and integration of client information. Client data is defined as person-level data that is created, received, and/or maintained by state agencies and other entities required to report client information to the Research and Statistics Division under this provision. To integrate client information, client data from health and human services state agencies will be linked to improve client outcome measures, enabling state agencies to analyze coordination and continuity of care issues. The addition of these data will enhance existing agency systems by providing client data from other state agency programs to assist in the provision of client services. Certain client information shall be delivered to the Research and Statistics Division in order to assist in the development and maintenance of this Warehouse. The following agencies shall report client information:

- Departments of
 - (1) Health and Human Services;
 - (2) Health and Environmental Control;
 - (3) Mental Health;
 - (4) Alcohol and Other Drug Abuse Services;
 - (5) Disabilities and Special Needs;
 - (6) Social Services;
 - (7) Vocational Rehabilitation;
 - (8) Education;
 - (9) Juvenile Justice;

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(10) Corrections;

(11) Probation, Parole and Pardon Services;

- Office of the Governor

- (1) Children's Foster Care Review Board;

- (2) Continuum of Care;

- Office of the Lieutenant Governor, Division on Aging;

- South Carolina School for the Deaf and the Blind;

- Commission for the Blind, and

- Other entities as deemed necessary by the Research and Statistics Division.

These agencies and departments shall collect and provide client data in formats and schedules to be specified by the Research and Statistics Division (Division). The Division shall establish a Memorandum of Agreement with each agency, department or division. These Memorandums of Agreement shall specify, but are not limited to, the confidentiality of client information, the conditions for the release of data that may identify agencies, departments, divisions, programs and services, or clients, any restrictions on the release of data so as to be compliant with state and federal statutes and regulations on confidentiality of data, conditions under which the data may be used for research purposes, and any security measures to be taken to insure the confidentiality of client information.

To ensure accountability and the coordinated, efficient delivery of health and human services, the Division shall implement, in consultation with state health and human services agencies and other entities as deemed necessary by the Division, an integrated data system that includes client data from all participating agencies.

In order to provide for inclusion of other entities into the South Carolina Health and Human Services Data Warehouse and other research and analytic-oriented applications that will assist the state in the efficient and effective provision of services, the Division shall have the authority to enter into agreements or transactions with any federal, state or municipal agency or other public institution or with any private individual, partnership, firm, corporation, association or other entity to provide statistical, research and information dissemination services including, but not limited to, program and outcomes evaluation, program monitoring/surveillance, projects to determine the feasibility of data collection and/or analyses, information dissemination and research. The confidentiality of data collected under these initiatives shall comply with applicable state and federal laws governing the

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privacy of data. The Office shall have the power to promulgate regulations, policies and procedures, in consultation with the participating agencies, for the development, protection and operation of the Data Warehouse, other research and analytic-oriented applications, and their underlying processes.

The Division shall develop internet-accessible secure analytic query tools (such as analytic cubes) using integrated client data from the Warehouse. All agencies shall cooperate with the Division in the development of these analytic tools. It is the intent of this provision that the analytic tools developed under this provision shall be made available to members of the South Carolina General Assembly and their research staff members, state agencies, and researchers. To that end, the Division shall, in consultation with the participating agencies, promulgate regulations addressing access to and use and release of information generated through use of the query tools.

All state agencies participating in the Warehouse shall utilize it and its associated software applications in the day-to-day operation of their programs and for coordination, collaboration, program evaluation and outcomes analysis. The Department of Health and Environmental Control shall be exempt from usage of the integrated client management system and the analytic query tools in the day-to-day operation of their Client Automated Record and Encounter System and their South Carolina Community Assessment Network, but shall provide the Warehouse with client data from the system and network.

No state agency shall duplicate any of the responsibilities of this provision.

For purposes of this subsection, all state laws, regulations, or any rule of any state agency, department, board, or commission having the effect or force of law that prohibits or is inconsistent with any provision of this subsection is hereby declared inapplicable to this subsection.

117.14. (GP: Discrimination Policy) It is the policy of the State of South Carolina to recruit, hire, train, and promote employees without discrimination because of race, color, sex, national origin, age, religion or physical disability. This policy is to apply to all levels and phases of personnel within state government, including but not limited to recruiting, hiring, compensation, benefits, promotions, transfers, layoffs, recalls from layoffs, and educational, social, or recreational programs. It is the policy of the State to take affirmative action to

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remove the disparate effects of past discrimination, if any, because of race, color, sex, national origin, age, religion or physical disability.

Each state agency shall submit to the State Human Affairs Commission employment and filled vacancy data by race and sex by October thirty-first, of each year.

In accordance with Section 1-13-110 of the South Carolina Code of Laws of 1976, as amended, the Human Affairs Commission shall submit a report on the status of state agencies' Affirmative Action Plans and Programs to the General Assembly by February first each year. This report shall contain the total number of persons employed in each job group, by race and sex, at the end of the preceding reporting period, a breakdown by race and sex of those hired or promoted from within the agency during the reporting period, and an indication of whether affirmative action goals were achieved. For each job group referenced in the Human Affairs report, where the hiring of personnel does not reflect the percentage goals established in the agency's affirmative action plan for the year in question, the state agency shall submit a detailed explanation to the Human Affairs Commission by February fifteenth, explaining why goals were not achieved.

The Human Affairs Commission shall review the explanations and notify the Budget and Control Board of any agency not in satisfactory compliance with meeting its stated goals.

The Budget and Control Board shall notify any agency not in compliance that their request for additional appropriations for the current appropriation cycle, may not be processed until such time as the Budget and Control Board, after consultation with the Human Affairs Commission, is satisfied that the agency is making a good faith effort to comply with its affirmative action plan, and that the compliance must be accomplished within a reasonable length of time to be determined by the mission and circumstances of the agency. This requirement shall not affect additional appropriation requests for public assistance payments or aid to entities. This section does not apply to those agencies that have been exempted from the reporting requirements of the Human Affairs Commission.

117.15. (GP: Personal Service Reconciliation, FTEs) In order to provide the necessary control over the number of employees, the Budget and Control Board is hereby directed to maintain close supervision over the number of state employees, and to require specifically the following:

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(1) That no state agency exceed the total authorized number of full-time equivalent positions and those funded from state sources as provided in each section of this act except by majority vote of the Budget and Control Board.

(2) That the Budget and Control Board shall maintain and make, as necessary, periodic adjustments thereto, an official record of the total number of authorized full-time equivalent positions by agency for state and total funding sources.

(a) That within thirty days of the passage of the Appropriation Act or by August first, whichever comes later, each agency of the State must have established on the Budget and Control Board records all positions authorized in the Act. After that date, the Board shall delete any non-established positions immediately from the official record of authorized full-time equivalent positions. No positions shall be established by the board in excess of the total number of authorized full-time equivalent positions. Each agency may, upon notification to the Budget and Control Board, change the funding source of state FTE positions established on the Budget and Control Board records as necessary to expend federal and other sources of personal service funds to conserve or stay within the state appropriated personal service funds. No agency shall change funding sources that will cause the agency to exceed the authorized number of state or total full-time equivalent positions. Each agency may transfer FTE's between programs as needed to accomplish the agency mission.

(b) That by September thirtieth, the board shall prepare a personal service analysis, by agency, which shows the number of established positions for the fiscal year and the amount of funds required, by source of funds, to support the FTE's for the fiscal year at a funding level of one hundred percent. The board shall then reconcile each agency's personal service detail with the agency's personal service appropriation as contained in the Act adjusted for any pay increases and any other factors necessary to reflect the agency's personal service funding level. The board shall provide a copy of each agency's personal service reconciliation to the Senate Finance and House Ways and Means Committees.

(c) That any position which is shown by the reconciliation to be unfunded or significantly underfunded may be deleted at the direction of the Budget and Control Board.

(3) That full-time equivalent (FTE) positions shall be determined under the following guidelines:

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(a) The annual work hours for each FTE shall be the agency's full-time standard annual work hours.

(b) The state FTE shall be derived by multiplying the state percentage of budgeted funds for each position by the FTE for that position.

(c) All institutions of higher education shall use a value of 0.75 FTE for each position determined to be full-time faculty with a duration of nine (9) months.

The FTE method of accounting shall be utilized for all authorized positions.

(4) That the number of positions authorized in this act shall be reduced in the following circumstances:

(a) Upon request by an agency.

(b) When anticipated federal funds are not made available.

(c) When the Budget and Control Board, through study or analysis, becomes aware of any unjustifiable excess of positions in any state agency.

(5) That the Budget and Control Board shall annually reconcile personal service funds with full-time employee count. Unfunded positions will be eliminated no later than January fifteenth of the current fiscal year unless specifically exempted elsewhere in this act or by the Budget and Control Board. The Budget and Control Board must report the full-time employee count and unfunded position status to the Senate Finance Committee and the Ways and Means Committee by February first of the current fiscal year.

(6) That no new permanent positions in state government shall be funded by appropriations in acts supplemental to this act but temporary positions may be so funded.

(7) That the provisions of this section shall not apply to personnel exempt from the State Classification and Compensation Plan under item I of Section 8-11-260 of the 1976 Code.

The Governor, in making his appropriation recommendations to the Ways and Means Committee, must provide that the level of personal service appropriation recommended for each agency is at least ninety-seven percent of the funds required to meet one hundred percent of the funds needed for the full-time equivalents positions recommended by the Governor (exclusive of new positions).

117.16. (GP: Allowance for Residences & Compensation Restrictions) That salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in

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full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system. This shall not apply to the Governor's Mansion, nor to guards at any of the state's penal institutions and nurses and attendants at the Department of Disabilities and Special Needs, and registered nurses providing clinical care at the MUSC Medical Center, nor to the Superintendent and staff of John de la Howe School, nor to the cottage parents and staff of Wil Lou Gray Opportunity School, nor to full-time or part-time staff who work after regular working hours in the SLED Communications Center or Maintenance Area, nor to adult staff at the Governor's School for Science and Mathematics and the Governor's School for Arts and Humanities who are required to stay on campus by the institution because of job requirements or program participation. Any state institution of higher learning may provide complimentary membership privileges to employees who work at their wellness centers. The presidents of those state institutions of higher learning authorized to provide on-campus residential facilities for students may be permitted to occupy residences on the grounds of such institutions without charge.

Any state institution of higher learning may provide a housing allowance to the president in lieu of a residential facility, the amount to be approved by the Budget and Control Board.

That the following may be permitted to occupy residences owned by the respective departments without charge: the Farm Director, Farm Managers, and Specialists employed at the Wateree River Correctional Institution; the South Carolina State Commission of Forestry fire tower operators, forestry aides, and caretaker at central headquarters; the Department of Natural Resources' Game Management Personnel, Fish Hatchery Personnel, and Fort Johnson Superintendent; the Department of Parks, Recreation and Tourism field personnel in the State Parks Division; Director of Wil Lou Gray Opportunity School; President of the School for the Deaf and the Blind; houseparents for the Commission for the Blind; South Carolina Department of Health and Environmental Control personnel at the State Park Health Facility and Camp Burnt Gin; Residence Life Coordinators at Lander University;

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Residence Life Directors, temporary and transition employees, student interns, and emergency personnel at Winthrop University; Farm Superintendent at Winthrop University; Residence Hall Directors at the College of Charleston; the Department of Disabilities and Special Needs' physicians and other professionals at Whitten Center, Clemson University Off-Campus Agricultural Staff and Housing Area Coordinators; and TriCounty Technical College's Bridge to Clemson Resident and Area Directors. Except in the case of elected officials, the fair market rental value of any residence furnished to a state employee shall be reported by the state agency furnishing the residence to the Agency Head Salary Commission, and the Division of Budget and Analyses by October first of each fiscal year.

All salaries paid by departments and institutions shall be in accord with a uniform classification and compensation plan, approved by the Budget and Control Board, applicable to all personnel of the State Government whose compensation is not specifically fixed in this act. Such plan shall include all employees regardless of the source of funds from which payment for personal service is drawn. The Division of Budget and Analyses of the Budget and Control Board is authorized to approve temporary salary adjustments for classified and unclassified employees who perform temporary duties which are limited by time and/or funds. When approved, a temporary salary adjustment shall not be added to an employee's base salary and shall end when the duties are completed and/or the funds expire. Academic personnel of the institutions of higher learning and other individual or group of positions that cannot practically be covered by the plan may be excluded therefrom but their compensations as approved by the Division of Budget and Analyses shall, nevertheless, be subject to review by the Budget and Control Board. Salary appropriations for employees fixed in this act shall be in full for all services rendered, and no supplements from other sources shall be permitted or approved by the Budget and Control Board. With the exception of travel and subsistence, legislative study committees shall not compensate any person who is otherwise employed as a full-time state employee. Salaries of the heads of all agencies of the State Government shall be specifically fixed in this act and no salary shall be paid any agency head whose salary is not so fixed. As long as there is no impact on appropriated funds, state agencies and institutions shall be allowed to spend public funds and/or other funds for designated employee award programs which shall have written criteria approved by the agency

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governing board or commission. For purposes of this section, monetary awards, if any, shall not be considered a part of an employee's base salary, a salary supplement, or a perquisite of employment. The names of all employees receiving monetary awards and the amounts received shall be reported annually to the South Carolina Division of Budget and Analyses.

In the case of lodging furnished by certain higher education institutions to employees, the prevailing local rate does not apply if the institution meets the exceptions for inadequate rent described in the current Internal Revenue Code Section 119(d)(2). To meet the exception, rental rates must equal the lesser of five percent of the appraised value of the qualified campus lodging, or the average of the rentals paid by individuals (other than employees or students of the educational institution) during the calendar year for lodging provided by the educational institution which is comparable to the qualified campus lodging provided to the employee, over the rent paid by the employee for the qualified campus lodging during the calendar year. The appraised value shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than one year, at any time during the calendar year in which the period begins.

117.17. (GP: Universities & Colleges - Allowance for Presidents) Presidents of the University of South Carolina, Clemson University, the Medical University of South Carolina, The Citadel, Winthrop University, South Carolina State University, Francis Marion University, University of Charleston, Coastal Carolina University and Lander University must not be paid a fixed allowance for personal expenses incurred in connection with the performance of their official duties. Reimbursements may be made to the presidents from funds available to their respective institutions for any personal expenses incurred provided that all requests for reimbursement are supported by properly documented vouchers processed through the normal accounting procedures of the institutions.

117.18. (GP: Replacement of Personal Property) The Department of Juvenile Justice, Department of Corrections, Department of Probation, Parole and Pardon Services, Department of Mental Health, Department of Disabilities and Special Needs, Continuum of Care, Department of Social Services and School for the Deaf and the Blind may replace the personal property of an employee which has been damaged or destroyed by a client while in custody of the agency. The

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replacement of personal property may be made only if the loss has resulted from actions by the employee deemed to be appropriate and in the line of duty by the agency head and if the damaged or destroyed item is found by the agency head to be reasonable in value, and necessary for the employee to carry out the functions and duties of his employment. Replacement of damaged or destroyed items shall not exceed \$250 per item, per incident. Each agency must have guidelines to insure the reasonableness of the replacement payments.

117.19. (GP: Business Expense Reimbursement) Agency heads and deputy commissioners or deputy directors designated by agency heads may receive reimbursements for business expenses incurred while performing their official duties, provided that receipts are presented when seeking reimbursement and justification is submitted to document the time, place, and purpose of the expense as well as the names of the individuals involved. The Budget and Control Board shall promulgate regulations governing these expenses.

117.20. (GP: Per Diem) The per diem allowance of all boards, commissions and committees shall be at the rate of thirty-five (\$35) dollars per day. No full-time officer or employee of the State shall draw any per diem allowance for service on such boards, commissions or committees.

117.21. (GP: Travel - Subsistence Expenses & Mileage) Travel and subsistence expenses, whether paid from state appropriated, federal, local or other funds, shall be allowed in accordance with the following provisions:

(A) Unless otherwise provided in paragraphs B through H of this section, all employees of the State of South Carolina or any agency thereof including employees and members of the governing bodies of each technical college while traveling on the business of the State shall, upon presentation of a paid receipt, be allowed reimbursement for actual expenses incurred for lodging, not to exceed the current maximum lodging rates, excluding taxes, established by the U.S. General Services Administration. The lodging reimbursement for employees of a school district must also conform to these rates when that employee's travel reimbursement is paid by state funds that are transferred to the school district. Agencies may contract with lodging facilities to pay on behalf of an employee. Failure to maintain proper control of direct payments for lodging may result in the revocation of the agency's authority by the Comptroller General or the State Auditor. The employee shall also be reimbursed for the actual expenses incurred

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in the obtaining of meals except that such costs shall not exceed \$25 per day within the State of South Carolina. For travel outside of South Carolina the maximum daily reimbursement for meals shall not exceed \$32. Agencies may contract with food or dining facilities to pay for meals on behalf of employees in accordance with rules and regulations established by the Budget and Control Board. It shall be the responsibility of the agency head to monitor the charges for lodging which might be claimed by his employees in order to determine that such charges are following maximum lodging rates as established by the U.S. General Services Administration. Any exceptions must have the written approval of the agency head, taking into consideration location, purpose of travel or other extenuating circumstances. The provisions of this item shall not apply to Section 42-3-40 of the 1976 Code, and when pertaining to institutions of higher learning, for travel paid with funds other than General Funds.

(B) That employees of the State, when traveling outside the United States, Canada, and Puerto Rico upon promotional business for the State of South Carolina shall be entitled to actual expenses for both food and lodging.

(C) The Governor, Lieutenant Governor, Secretary of State, Comptroller General, Attorney General, State Treasurer, Adjutant General, Superintendent of Education and the Commissioner of Agriculture shall be reimbursed actual expenses for subsistence.

(D) Non-legislative members of committees appointed pursuant to Acts and Resolutions of the General Assembly whose membership consists solely of members of the General Assembly or members of the General Assembly and other personnel who are not employees of the State of South Carolina shall be allowed subsistence expenses of \$35 per day while traveling on official business, unless otherwise designated by law. Members of such committees may opt to receive actual expenses incurred for lodging and actual expenses incurred in the obtaining of meals in lieu of the allowable subsistence expense.

(E) Members of the state boards, commissions, or committees whose duties are not full-time and who are paid on a per diem basis, shall be allowed reimbursement for actual expenses incurred at the rates provided in paragraph A and I of this section while away from their places of residence on official business of the State. One person accompanying a handicapped member of a state board, commission, or committee on official business of the State shall be allowed the same

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reimbursement for actual expenses incurred at the rates provided in paragraph A through I of this section.

(F) No subsistence reimbursement shall be allowed to a Justice of the Supreme Court or Judge of the Court of Appeals while traveling in the county of his official residence. When traveling on official business of said court within fifty miles outside the county of his official residence, a Supreme Court Justice and a Judge of the Court of Appeals shall be allowed subsistence expenses in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. When traveling on official business of said court fifty or more miles outside the county of his official residence, each Justice and Judge of the Court of Appeals shall be allowed subsistence expenses in the amount as provided in this act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State. The Chief Justice, or such other person as the Chief Justice designates, while attending the Conference of Chief Justices and one member of the Supreme Court while attending the National Convention of Appellate Court Judges, and three Circuit Judges while attending the National Convention of State Trial Judges shall be allowed actual subsistence and travel expenses.

Upon approval of the Chief Justice, Supreme Court Justices, Judges of the Court of Appeals, Circuit Judges, and Family Court Judges shall be reimbursed for actual expenses incurred for all other official business requiring out-of-state expenses at the rate provided in paragraph A of this section.

(G) No subsistence reimbursements are allowed to a Circuit Judge, a Family Court Judge, or an Administrative Law Judge while holding court within the county in which he resides. While holding court or on other official business outside the county, within fifty miles of his residence, a Circuit Court Judge, Family Court Judge, or an Administrative Law Judge is entitled to a subsistence allowance in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. While holding court or on other official business at a location fifty miles or more from his residence, a Circuit Court, Family Court or Administrative Law Judge is entitled to a subsistence allowance in the amount as provided in this act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State.

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(H) Any retired Justice, Circuit Court Judge or Family Court Judge or Master-in-Equity appointed by the Supreme Court to serve as a Special Circuit Judge, Family Court Judge, Appeals Court Judge, or Acting Associate Justice shall serve without pay but shall receive the same allowance for subsistence, expenses, and mileage as provided in Part I for Circuit Court Judges.

(I) No expense shall be allowed an employee either at his place of residence or at the official headquarters of the agency by which he is employed except as provided in paragraph E, of this section. When an employee is assigned to work a particular territory or district, and such territory or district and his official headquarters are in different localities or sections of the State, expenses may be allowed for the necessary travel to his official headquarters. The members of the Workers' Compensation Commission may be reimbursed at the regular mileage rate of one round trip each week from their respective homes to Columbia. No subsistence reimbursement shall be allowed to a member of the Workers' Compensation Commission while traveling in the county of his official residence. When traveling on official business of the commission outside the county of his official residence, a member of the Workers' Compensation Commission shall be allowed subsistence expenses in the amount of \$35 per day. When traveling on official business of the commission fifty or more miles outside the county of his official residence, each member shall be allowed a subsistence allowance in the amount as provided in this act for members of the General Assembly. When out-of-state, members of the Workers' Compensation Commission and the members of the Appellate Panel of the Department of Employment and Workforce may claim the established amount of per diem, as stated in the General Appropriation Act, or actual expenses as deemed reasonable by the Comptroller General. The members of the Appellate Panel of the Department of Employment and Workforce may be reimbursed at the regular mileage rate when the member is on official business fifty miles or more outside of Columbia. The members of the Appellate Panel of the Department of Employment and Workforce shall be allowed subsistence allowance in the amount as provided in this act for members of the General Assembly when the member is on official business fifty miles or more outside of Columbia.

(J) When an employee of the State shall use his or her personal automobile in traveling on necessary official business, a charge to equal the standard business mileage rate as established by the Internal

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Revenue Service will be allowed for the use of such automobile and the employee shall bear the expense of supplies and upkeep thereof. The standard business mileage rate used in this calculation shall be the current rate established by the Internal Revenue Service. Whenever state provided motor pool vehicles are reasonably available and their use is practical and an employee of the State shall request for his own benefit to use his or her personal vehicle in traveling on necessary official business, a charge of four cents per mile less than the standard business mileage rate as established by the Internal Revenue Service will be allocated for the use of such vehicle and the employee shall bear the expense of supplies and upkeep thereof. The standard business mileage rate used in this calculation shall be the current rate established by the Internal Revenue Service. When such travel is by a state-owned automobile, the State shall bear the expense of supplies and upkeep thereof but no mileage will be allowed. Agencies and employees are directed to use state fueling facilities to the maximum extent possible, when such use is cost beneficial to the State. When using commercial fueling facilities, operators of State-owned vehicles are directed to use self-service pumps. In traveling on the business of the State, employees are required to use the most economical mode of transportation, due consideration being given to urgency, schedules and like factors.

Mileage between an employee's home and his/her place of employment is not subject to reimbursement. However, when an employee leaves on a business trip directly from his/her home, and does not go by the employee's headquarters, the employee shall be eligible for reimbursement for actual mileage beginning at his/her residence.

(K) That a state agency may advance travel and subsistence expense monies to employees of that agency for the financing of ordinary and necessary travel required in the conducting of the business of the agency. The Budget and Control Board is directed to develop and publish rules and regulations pertaining to the advancing of travel expenses and no state agency shall make such advances except under the rules and regulations as published. All advances for travel and subsistence monies shall be repaid to the agency within thirty days after the end of the trip or by July fifteenth, whichever comes first.

(L) That the state institutions of higher learning are authorized to reimburse reasonable relocation expenses for new employees when

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such reimbursements are considered by the agency head to be essential to successful recruitment of professionally competent staff members.

(M) The Budget and Control Board is authorized to promulgate and publish rules and regulations governing travel and subsistence payments.

(N) No state funds may be used to purchase first class airline tickets.

117.22. (GP: Organizations Receiving State Appropriations Report) Each organization receiving a contribution in this act shall render to the state agency making the contribution by November first of the fiscal year in which funds are received, an accounting of how the state funds will be spent, a copy of the adopted budget for the current year, and also a copy of the organization's most recent operating financial statement. The funds appropriated in this act for contributions shall not be expended until the required financial statements are filed with the appropriate state agency. No funds in this act shall be disbursed to organizations or purposes which practice discrimination against persons by virtue of race, creed, color or national origin. The State Auditor shall review and audit, if necessary, the financial structure and activities of each organization receiving contributions in this act and make a report to the General Assembly of such review and/or audit, when requested to do so by the Budget and Control Board.

117.23. (GP: State Owned Aircraft - Flight Logs) Each agency having in its custody one or more aircraft shall maintain a continuing log on all flights, which in order to promote accountability and transparency shall be open for public inspection and shall also be posted online. Any and all aircraft owned or operated by agencies of the State Government shall be used only for official business. The Division of Aeronautics and other agencies owning and operating aircraft may furnish transportation to the Governor, Constitutional Officers, members of the General Assembly, members of state boards, commissions, and agencies and their invitees for official business only; no member of the General Assembly, no member of a state board, commission, or committee, and no state official shall use any state owned or operated aircraft unless the member or official files within twenty-four hours after the completion of the flight with the agency that provided the flight a sworn statement certifying and describing the official nature of his trip; and no member of the General Assembly, no member of a state board, commission or committee, and no state

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official shall be furnished air transportation by a state agency unless such agency prepares and maintains in its files a sworn statement from the highest ranking official of the agency or its designee certifying that the member's or state official's trip was in conjunction with the official business of the agency. Official business shall not include routine transportation to and from meetings of the General Assembly or committee meetings for which mileage is authorized. Official business also does not include attending a press conference, bill signing, or political function.

All logs shall be signed by the parties using the flight and the signatures shall be maintained as part of the permanent record of any agency. All passengers shall be listed on the flight log by their legal name; passengers flying with an appropriate official of SLED or the Department of Commerce whose confidentiality must, in the opinion of SLED or the department, be protected shall be listed in writing on the flight log as "Confidential Passenger SLED or the Department of Commerce (strike one)" and the appropriate official of SLED or the department shall certify to the agency operating the aircraft the necessity for such confidentiality. The Division of Aeronautics shall post its flight logs on its website within one working day of completion of trips.

Violation of the above provisions of this section is prima facie evidence of a violation of Section 8-13-700(A) of the 1976 Code and shall subject a violating member of the General Assembly to the ethics procedure of his appropriate house and shall subject a violating member of a state board, commission or committee, or a state official to the applicable ethics procedure relating to them as provided by law. The above provisions do not apply to state owned or operated aircraft when used by the Medical University of South Carolina, nor to aircraft of the athletic department or the educational foundations of any state-supported institution of higher education, nor to law enforcement officers when flying on state owned aircraft in pursuit of fugitives, missing persons, or felons or for investigation of gang, drug, or other violent crimes.

Aircraft owned by agencies of state government shall not be leased to individuals for their personal use.

117.24. (GP: Carry Forward) Each agency is authorized to carry forward unspent general fund appropriations from the prior fiscal year into the current fiscal year, up to a maximum of ten percent of its original general fund appropriations less any appropriation reductions

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for the current fiscal year. Agencies shall not withhold services in order to carry forward general funds.

This provision shall be suspended if necessary to avoid a fiscal year-end general fund deficit. For purposes of this proviso, the amount of the general fund deficit shall be determined after first applying the Capital Reserve Fund provisions in Section 11-11-320(D) of the 1976 Code, and before any transfers from the General Reserve. The amount of general funds needed to avoid a year-end deficit shall be reduced proportionately from each agency's carry forward amount.

Agencies which have separate general fund carry forward authority must exclude the amount carried forward by such separate authority from their base for purposes of calculating the ten percent carry forward authorized herein. Any funds that are carried forward as a result of this provision are not considered part of the base of appropriations for any succeeding years.

117.25. (GP: TEFRA-Tax Equity and Fiscal Responsibility Act) It is the intent of the General Assembly that the State Medicaid Plan be amended to provide benefits for disabled children as allowed by the Tax Equity and Fiscal Responsibility Act (TEFRA) option. State agencies, including but not limited to, the Department of Social Services - the Continuum of Care, the Department of Health and Environmental Control, the Department of Mental Health, the Department of Disabilities and Special Needs, and the Department of Health and Human Services shall collectively review and identify existing state appropriations within their respective budgets that can be used as state match to serve these children. Such funds shall be used effective January 1, 1995 to implement TEFRA option benefits. Agencies providing services under the provisions of this paragraph must not spend less in the current fiscal year than expended in the previous fiscal year.

117.26. (GP: Frequent Flyer Premiums) State agencies and employees shall select air carriers based on cost and time criteria, not on whether frequent flyer premiums are given. State agencies should ensure that employees earning frequent flyer premiums while traveling on state business use them to reduce the cost of subsequent business travel whenever possible.

117.27. (GP: Prison Industries) All agencies funded in this act, when procuring goods and services, shall first consider contracting for services or purchasing goods and services through the Department of Corrections' Prison Industries Program. The Department of

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Corrections shall furnish, upon request, to all agencies a catalogue of goods and services provided by Prison Industries. The department is hereby directed to develop and market a catalogue of Prison Industries products for nationwide circulation.

117.28. (GP: Travel Report) Annually on November first, the Comptroller General shall issue a report on travel expenditures for the prior fiscal year which shall be distributed to the Senate Finance Committee, the House Ways and Means Committee, and the Statehouse Press Room. The Comptroller General may use up to \$500 of general fund appropriations for the purpose of providing copies to the media or the public upon request. The report must contain a listing for every agency receiving an appropriation in the annual General Appropriations Act. The listing must show at a minimum the top ten percent of employees for whom travel expenses and registration fees were paid within each agency, not to exceed twenty-five employees per agency. Agencies should include position titles for each of the top twenty-five travelers for each agency. Expenditures must include state, federal and other sources of funds. Expenditures for in-state and out-of-state registration fees (fees to attend conferences, teleconferences, workshops, or seminars for training on a per person basis) must be shown as a separate subtotal within the grand total for the individual employees and the agency as a whole. The list for each agency must be in rank order with the largest expenditure first and the name of the employee must be shown with each amount. Agencies should include a brief summary of the type of travel the agency incurs. The Comptroller General may provide additional information as deemed appropriate. The Comptroller General shall provide no exceptions to this report in that the information contained is not considered confidential or restricted for economic development purposes. However, further disclosure of detailed information shall be restricted as provided for by law.

117.29. (GP: School Technology Initiative) From the funds appropriated/authorized for the K-12 technology initiative, the Department of Education, in consultation with the Budget and Control Board's Division of State Information Technology, the State Library, the Educational Television Commission, and a representative from the Education Oversight Committee, shall administer the K-12 technology initiative funds. These funds are intended to provide technology, encourage effective use of technology in K-12 public schools throughout the state, conduct cost/benefit analyses of the various

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technologies, and should, to the maximum extent possible, involve public-private sector collaborative efforts. Funds may also be used to establish pilot projects for new technologies with selected school districts as part of the evaluation process. K-12 technology initiative funds shall be retained and carried forward to be used for the same purpose.

117.30. (GP: State Operated Day Care Facilities Fees) Any state agency receiving funding in this act and any higher education institution, including four-year institutions, two-year institutions, and technical colleges, that operates an early childhood development center or day care facility shall charge, at a minimum, fees that are comparable to those charged by private day care facilities in the local community. The institution or agency shall not restrict enrollment in the center solely to the children of faculty, staff, and students of the institution; nor shall fees be set at a lower level for faculty, staff, or students of the institution or agency.

117.31. (GP: Base Budget Analysis) Agencies' annual accountability reports for the prior fiscal year, as required in Section 1-1-810, must be accessible to the Governor, Senate Finance Committee, House Ways and Means Committee, and to the public on or before September fifteenth, for the purpose of a zero-base budget analysis and in order to ensure that the Agency Head Salary Commission has the accountability reports for use in a timely manner. Accountability Report guidelines shall require agencies to identify key program area descriptions and expenditures and link these to key financial and performance results measures. The Budget and Control Board is directed to develop a process for training agency leaders on the annual agency accountability report and its use in financial, organizational, and accountability improvement. Until performance-based funding is fully implemented and reported annually, the state supported colleges, universities and technical schools shall report in accordance with Section 59-101-350.

117.32. (GP: Collection on Dishonored Payments) In lieu of any other provision of law, any state agency may collect a service charge as provided in Section 34-11-70 to cover the costs associated with the processing and collection of dishonored instruments or electronic payments where any amount is not paid by the drawee due to insufficient funds on deposit with the bank or the person upon which it was drawn when presented, or the instrument has an incorrect or insufficient signature on it. Such funds shall be retained and expended

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by the agency in accordance with this purpose and any unused amount shall carry forward to the following fiscal year.

117.33. (GP: State DNA Database) Funds collected by the South Carolina Department of Corrections, the Department of Probation, Parole and Pardon, and Department of Juvenile Justice to process DNA samples must be remitted to the State Law Enforcement Division to offset the expenses incurred to operate the State DNA Database program. SLED may retain, expend, and carry forward these funds. Any carry forward funds resulting from the DNA Database program must be used solely to operate the DNA Database program.

**117.34. (GP: Innovative Transportation) The Transportation Infrastructure Bank or the Railroad Commission may make grants for developing innovative transportation technology, such as light rail, mono-rail, or mono-beam.*

117.35. (GP: Menu Option Telephone Answering Devices) From the funds appropriated to state agencies, state agencies and their departments shall not expend funds for any type of menu option telephone answering device, unless the menu option system provides the caller with access to a non-electronic attendant or automatically transfers the caller to a non-electronic attendant. This requirement applies during the hours of 8:30 a.m. until 5:00 p.m., Monday through Friday, excluding holidays. This requirement does not apply to integrated voice response systems that are specifically designed to exclude human interaction. No additional personnel may be hired to implement the requirements of this provision.

117.36. (GP: Voluntary Separation Incentive Program) State agencies may implement, in consultation with the Human Resources Division of the Budget and Control Board, a program to realign resources to include provisions for a separation incentive payment for employees which may include the employer portion of health and dental benefits not to exceed one year. Employees participating in such program shall not be eligible to participate in the Teacher and Employee Retention Incentive (TERI) program. Employees participating in such program shall be considered to have voluntarily quit their employment without good cause and be subject to the provisions of Section 41-35-120(1) of the South Carolina Employment Security Law. Any program developed under this provision will involve voluntary participation from employees and will be funded within existing appropriations. The program must be approved by the

* See note at end of Act.

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agency head and the Director of the Human Resources Division based on ability to demonstrate recurring cost savings for realignment and/or permanent downsizing. State agencies shall report the prior year's results to the Budget and Control Board by August fifteenth, of the current fiscal year. The Budget and Control Board, upon request, shall report to the Senate Finance Committee and the House Ways and Means Committee on these results.

117.37. (GP: Alternative Commitment to Truancy) As part of its plan for an alternative school, a school district receiving funds from the Department of Education for an alternative school shall identify available alternatives to commitment for children whose truancy is approaching the level of being referred to family court. When proceeding under S.C. Code Section 59-65-50 to bring an individual case before the family court, the school district must present this plan as well as the district's efforts with respect to the individual child to the court. Each school district's plan under this proviso shall include possible assignment to alternative school for a non-attending child before petitioning the court.

117.38. (GP: Debt Collection Reports) Each state agency shall provide to the Chairmen of the Senate Finance and House of Representatives Ways and Means Committees and the Inspector General a report detailing the amount of its outstanding debt and all methods it has used to collect that debt. This report is due by the last day of February for the previous calendar year. For purposes of this provision, outstanding debt means a sum remaining due and owed to a state agency by a non-governmental entity for more than sixty (60) calendar days.

117.39. (GP: State Funded Libraries - Web Filters) (A) A library receiving state funds, directly, indirectly, by grant, or otherwise, other than a library at an institution of higher learning, that has computers available for use by the public or students, or both, must equip these computers with software incorporating web-filtering technology designed to eliminate or reduce the ability of the computer to access sites displaying pornographic pictures or text. However, up to ten percent, and at least one, of the library's computers must be unfiltered. Each library's governing officials shall determine the physical location of any unfiltered computer(s). The library also must have a written policy providing sanctions against a person who instructs or demonstrates to another person how to bypass this web-filtering technology.

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(B) State funds intended for a library not in compliance with subsection (A) must be reduced by fifty percent. Funds resulting from this reduction must be distributed among other libraries that are in compliance with subsection (A).

117.40. (GP: Tobacco Settlement Funds Carry Forward) State agencies are hereby authorized to retain and carry forward any unexpended Tobacco Settlement Agreement funds from the prior fiscal year into the current fiscal year and to expend such funds for the same purpose.

117.41. (GP: Use Tax Exemption) For the current fiscal year there is exempt from the use tax imposed pursuant to Chapter 36, Title 12 of the 1976 Code the sales price of tangible personal property purchased for use in private primary and secondary schools, including kindergartens and early childhood education programs, which are exempt from income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. For the purposes of this item, the Internal Revenue Code means Internal Revenue Code as described in Section 12-6-40 of the 1976 Code. This exemption applies for sales occurring after 1995. No refund is due any taxpayer of use tax paid on sales exempted by this paragraph.

117.42. (GP: Personal Property Tax Relief Fund) For the current fiscal year, Section 12-37-2735 of the 1976 Code is suspended. If the Personal Property Tax Exemption Sales Tax is imposed in a county and a sales tax rate of two percent of gross proceeds of sales is insufficient to offset the property tax not collected, sufficient amounts must be credited to the Trust Fund for Tax Relief established pursuant to Section 11-11-150 of the 1976 Code to provide the reimbursement to offset such a shortfall in the manner provided in Section 4-10-540(A) of the 1976 Code.

117.43. (GP: COG Annual Report) Each Council of Government shall submit a report to the Senate Finance Committee and the House Ways and Means Committee by December first each year describing how the funds which they received from the State in the prior fiscal year were expended.

117.44. (GP: Governor's Office, Veterans Affairs) Of the funds appropriated for the Division of Veterans Affairs, the Director of the Division shall appoint an additional claims representative within the Division of Veterans Affairs, who, in addition to being charged with the duty of assisting all ex-servicemen, regardless of the wars in which their service may have been rendered, in filing, presenting, and

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prosecuting to final determination all claims which they have for money compensation, hospitalization, training, and insurance benefits under the terms of federal legislation, shall also specialize in the specific needs and diseases associated with veterans of the Vietnam era. The person appointed as a claims representative under this section must be versed in federal legislation relating to these matters and the rules, regulations, and practice of the Veterans Administration as created by Congress and his appointment must be approved by the Governor.

Subject to the direction of the director, and in addition to other duties prescribed in this section, the claims representative appointed pursuant to this section may represent the Division of Veterans Affairs on the South Carolina Agent Orange Advisory Council and on the Hepatitis C Coalition established by the South Carolina Department of Health and Environmental Control, assist the Division of Veterans Affairs in carrying out its duties in connection with the Agent Orange Information and Assistance program, represent the director in connection with functions relating to Vietnam veterans, and perform other duties as may be assigned by the director.

117.45. (GP: South Carolina Recycling Initiative) To protect the public health and safety, protect and preserve the environment of this State, and to recover resources which have the potential for usefulness in the most environmentally safe, economically feasible and cost effective manner, state agencies shall purchase recycled steel unless the item cannot be acquired competitively at a reasonable price.

117.46. (GP: Life and Palmetto Fellows Scholarships Waiver Exemption) Any provision in permanent law or in Part IB, Section 117 of this act, except that which is specified for LIFE and Palmetto Fellows Scholarships, that would require general fund appropriations other than what is specified in Part IA of this act is waived for the current fiscal year.

117.47. (GP: Sole Source Procurements) The Budget and Control Board shall evaluate and determine whether the written determinations, explanations, and basis for sole source procurements, pursuant to S.C. Code Section 11-35-1560, and emergency procurements, pursuant to S.C. Code Section 11-35-1570, are legitimate and valid reasons for awarding non-competitive contracts.

117.48. (GP: DMV Data) The Department of Motor Vehicles shall provide access, in compliance with all state and federal privacy

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protection statues, to the following data and reports without charge to the South Carolina Department of Transportation:

- (1) all collision data and collision reports;
- (2) registration information used for toll enforcement; and
- (3) driver records of employees or prospective employees.

117.49. (GP: Parking Fees) State agencies shall not impose additional parking fees or increases in current fees for state employees during the current fiscal year. This provision does not apply to any college or university.

117.50. DELETED

117.51. (GP: Tobacco Funds) The Tobacco Settlement Revenue Management Authority may determine by resolution that some or all of the amounts on deposit in the Healthcare Tobacco Settlement Trust Fund established pursuant to Section 11-11-170, whether in the form of principal or interest, may be used to refund bonds issued pursuant to Chapter 49, Title 11, to purchase such bonds, directly or indirectly, and/or to secure bonds issued to refund such bonds. Any amounts received by the Authority pursuant to the preceding clause in excess of the amount required to refund or purchase such bonds and all tobacco settlement receipts received by the State pursuant to Section 11-49-130 must be deposited directly with the Department of Health and Human Services for health care expenditures to achieve the maximum Medicaid match.

117.52. (GP: Facility Rental Fee) The Governor's School for the Arts and Humanities, Governor's School for Science and Mathematics, Wil Lou Gray Opportunity School, and John de la Howe School are authorized to charge, collect, expend and carry forward fees charged for facility and equipment rental and registration.

117.53. (GP: Insurance Claims) Any insurance reimbursement to an agency may be used to offset expenses related to the claim. These funds may be retained, expended, and carried forward.

117.54. (GP: Organizational Charts) All agencies, departments and institutions of state government shall furnish to the Human Resources Division (1) a current personnel organizational chart annually no later than September 1 of the current fiscal year, or upon the request of the Division and (2) notification of any change to the agency's organizational structure which impacts an employee's grievance rights within thirty days of such change. The organizational chart shall be in a form prescribed by the Human Resources Division showing all authorized positions, class title, class code, position number and

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indications as to whether such positions are filled or vacant. In addition, the organizational chart shall clearly identify those employees who are exempt from the State Employee Grievance Procedure Act.

117.55. (GP: Agencies Affected by Restructuring) Upon restructuring of state agencies by the General Assembly the Budget and Control Board is directed to work with affected State agencies in order to phase-in operations of restructured organizations during the current fiscal year. Restructured organizations should be operating entirely under the revised structure no later than December thirty-first, of the current fiscal year, unless otherwise directed by law. The Board is further directed to work with the affected agencies in order to identify and facilitate the transfer of any portion of their operations, including transfer of funds during the current fiscal year, which is affected by the restructured organization adopted by the General Assembly, but which has not already been accomplished herein. Until sufficient changes can be made to the State's accounting system and the appointment of appropriate agency heads, the Comptroller General and the State Treasurer shall allow those agencies affected by restructuring to continue processing documents within the account structure existing on June thirtieth, of the prior fiscal year. Restructured agencies shall make all the necessary accounting adjustments to complete the transition to the new account structure as soon as possible, but no later than December thirty-first, of the current fiscal year, unless otherwise directed by law. The Budget and Control Board State Budget Division is directed to prepare the subsequent detail budget to conform Part IA and corresponding provisos in this act to any restructuring changes that are ratified.

117.56. (GP: Agency Administrative Support Collaboration) It is the intent of the General Assembly that state agencies continue to actively pursue cost savings measures through collaborative efforts and where feasible may combine administrative support functions with other agencies in order to maximize efficiency and effectiveness.

117.57. (GP: Assessment Audit / Crime Victim Funds) If the State Auditor finds that any county treasurer, municipal treasurer, county clerk of court, magistrate, or municipal court has not properly allocated revenue generated from court fines, fines, and assessments to the crime victim funds or has not properly expended crime victim funds, pursuant to Sections 14-1-206(B)(D), 14-1-207(B)(D), 14-1-208(B)(D), and 14-1-211(B) of the 1976 Code, the State Auditor shall notify the State Office of Victim Assistance. The State Office of Victim Assistance is

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authorized to conduct an audit which shall include both a programmatic review and financial audit of any entity or non-profit organization receiving victim assistance funding based on the referrals from the State Auditor or complaints of a specific nature received by the State Office of Victim Assistance to ensure that crime victim funds are expended in accordance with the law. Guidelines for the expenditure of these funds shall be developed by the Victim Services Coordinating Council. The Victim Services Coordinating Council shall develop these guidelines to ensure any expenditure which meets the parameters of Article 15, Chapter 3, Title 16 is an allowable expenditure. Any local entity or non-profit organization that receives funding from revenue generated from crime victim funds is required to submit their budget for the expenditure of these funds to the State Office of Victim Assistance within thirty days of the budget's approval by the governing body of the entity or non-profit organization. Failure to comply with this provision shall cause the State Office of Victim Assistance to initiate a programmatic review and a financial audit of the entity's or non-profit organization's expenditures of victim assistance funds. Additionally, the State Office of Victim Assistance will place the name of the non-compliant entity or non-profit organization on their website where it shall remain until such time as they are in compliance with the terms of this proviso. Any entity or non-profit organization receiving victim assistance funding must cooperate and provide expenditure/program data requested by the State Office of Victim Assistance. If the State Office of Victim Assistance finds an error, the entity or non-profit organization has ninety days to rectify the error. An error constitutes an entity or non-profit organization spending victim assistance funding on unauthorized items as determined by the State Office of Victims Assistance. If the entity or non-profit organization fails to cooperate with the programmatic review and financial audit or to rectify the error within ninety days, the State Office of Victim Assistance shall assess and collect a penalty in the amount of the unauthorized expenditure plus \$1,500 against the entity or non-profit organization for improper expenditures. This penalty plus \$1,500 must be paid within thirty days of the notification by the State Office of Victim Assistance to the entity or non-profit organization that they are in non-compliance with the provisions of this proviso. All penalties received by the State Office of Victim Assistance shall be credited to the General Fund of the State. If the penalty is not received by the State Office of Victim Assistance within thirty days of the

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notification, the political subdivision will deduct the amount of the penalty from the entity or non-profit organization's subsequent fiscal year appropriation.

117.58. (GP: H.L. Hunley Museum Location) The General Assembly approves the City of North Charleston as the permanent site of the H.L. Hunley Museum. This approval is contingent upon the negotiation and execution of necessary contracts between the State of South Carolina and the City of North Charleston. The Hunley Commission is directed to expend funds from its account to negotiate and execute contracts on behalf of the State of South Carolina.

117.59. (GP: Secure Juvenile Confinement) The Attorney General shall review the interpretation of the current policies of the Department of Public Safety and the Department of Corrections regarding secure juvenile confinement that the departments indicate may jeopardize federal grant funds. The departments may not implement any changes to the current policies regarding secure juvenile confinement until the Attorney General considers the departments' interpretation of the federal Juvenile Justice and Delinquency Prevention Act in regard to the secure holding of juveniles for more than six hours in adult detention facilities that also serve as forty-eight-hour juvenile holdover facilities. The Attorney General will determine if the departments' interpretation is fair and equitable and how the local governments and the Department of Juvenile Justice would be impacted, to include any financial considerations.

117.60. (GP: ISCEDC Funding Transfer) The departments of Mental Health, Disabilities and Special Needs, and Juvenile Justice are directed to transfer a total of \$1,199,456 in funds to the Department of Social Services for the support of the Interagency System for Caring for Emotionally Disturbed Children. Funding transfers shall be in the following amounts: Department of Mental Health - \$595,000, Department of Disabilities and Special Needs - \$379,456, and Department of Juvenile Justice - \$225,000. The transfer of funds shall be accomplished by September thirtieth of the current fiscal year.

117.61. (GP: Employee Bonuses) State agencies and institutions are allowed to spend state, federal, and other sources of revenue to provide selected employees lump sum bonuses, not to exceed three thousand dollars per year, based on objective guidelines established by the Budget and Control Board. Payment of these bonuses is not a part of the employee's base salary and is not earnable compensation for purposes of employee and employer contributions to respective

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retirement systems. Employees earning \$100,000 or more shall not be eligible to receive bonuses under this provision.

117.62. (GP: FEMA Flexibility) Any appropriation designated as the state share for a federally declared disaster may be carried forward and used for the same purpose by the Emergency Management Division of the Adjutant General's Office in the event of additional federally declared disasters. Unallocated funds from established state accounts may be used as the state share in any federally declared disaster. Such funds may not be expended for any purpose other than for the state share for a federally declared disaster.

In the event there is a federally declared disaster and state match funds are unavailable, the Budget and Control Board may borrow from any internal account or accounts necessary to maximize federal matching funds through the Emergency Management Division. Any such borrowing must be reported to the General Assembly within five days. Funds borrowed from accounts shall be replenished by the General Assembly as soon as practicable.

117.63. (GP: Respiratory Syncytial Virus Prescription Sales and Use Tax Exemption) The effective date of the exemption from sales and use tax of prescription medicines used to prevent respiratory syncytial virus shall be January 1, 1999. No refund of sales and use taxes may be claimed as a result of this provision.

117.64. (GP: Year-End Financial Statements - Penalties) Agencies and other reporting entities required to submit annual audited financial statements for inclusion in the State's Comprehensive Annual Financial Report must comply with the submission dates stipulated in the State Auditor's Office audit contract. If the audit was not contracted by the State Auditor's Office, the final audited financial statements are due not later than October tenth for the prior fiscal year. Each agency that does not comply with the provisions of this proviso shall appear before the Comptroller General, providing an explanation for the delay.

117.65. (GP: Purchase Card Incentive Rebates) In addition to the Purchase Card Rebate deposited in the general fund, any incentive rebate premium received by an agency from the Purchase Card Program may be retained and used by the agency to support its operations.

117.66. (GP: Sex Offender Monitoring and Supervision) The funds appropriated to the Department of Probation, Parole and Pardon Services in Part IA, Section 66, Program II.A.2. for the Sex Offender Monitoring Program and to the Department of Juvenile Justice in Part

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IA, Section 67, Program III.A., Special Item: Sex Offender Monitoring are to be used and expended only for GPS monitoring programs of the departments. In cases of limited funds, monitoring of "Jessie's Law" offenders shall take precedence over all other GPS programs of the departments. Funds appropriated for this program may not be used for any other purpose or transferred to any other program. Unexpended funds appropriated for Sex Offender Monitoring may be carried forward and used for the same purpose. The departments are directed to submit a report to the General Assembly by January fifteenth each year accounting for the expenditure of the funds including any carry-forward funding; the total costs and per-day costs for equipment, supervision, and monitoring; the total number of staff assigned to the activity and the average agent case loads; the amount of funds collected from sex offenders for both intensive supervision and electronic monitoring; and the anticipated fiscal needs for the upcoming fiscal year. The report shall also include, but not be limited to, data regarding the number of offenders sentenced to electronic monitoring, including the number sentenced for life; the number of alert notifications received, investigated, and prosecuted; and the number of offenders returned to prison as a result of electronic monitoring violations.

117.67. (GP: Viscosupplementation Therapies Sales and Use Tax Exemption) For the current fiscal year only, sales and use taxes on viscosupplementation therapies shall be suspended. No refund or forgiveness of tax may be claimed as a result of this provision.

117.68. (GP: LightRail) Pursuant to this provision the three research universities: Clemson University, the Medical University of South Carolina, and the University of South Carolina-Columbia, are authorized and directed to plan, procure, administer, oversee, and manage all functions associated with the South Carolina LightRail and are thereby exempt from the oversight and project management regulations of the Budget and Control Board, Division of State Information Technology. South Carolina LightRail is an academic network for the use of the state's three research universities for the exchange of information directly related to their mission and must not carry commercial or K-12 traffic originated in South Carolina. For the current fiscal year, public or private organizations and entities may be provided access only through formal documented partnerships with one or more of the three research universities. On February first of the current fiscal year, the entity managing the network must submit to the Chairman of the House Ways and Means Committee and the Chairman

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of the Senate Finance Committee a report specifically identifying each entity with access to the network and any payment, including without limitation in-kind payment, that each such organization and entity is making for access to the network.

117.69. (GP: CID & PCC Agency Head Salaries) All hiring salaries and salary increases for the agency heads of the Commission on Indigent Defense and the Prosecution Coordination Commission shall be subject to all provisions related to agency heads covered by the Agency Head Salary Commission.

117.70. (GP: Prosecutors and Defenders Public Service Incentive Program) The Office of Attorney General, the Prosecution Coordination Commission, and the Commission on Indigent Defense, in consultation with the South Carolina Student Loan Corporation and the Commission on Higher Education, shall develop and implement a Prosecutors and Defenders Public Service Incentive Program for attorneys employed by the Office of Attorney General, the Prosecution Coordination Commission, the Commission on Indigent Defense, a Circuit Solicitor's Office or a county Public Defender's Office.

After more than three years of continuous service as a full-time attorney with any of these entities, qualifying attorneys may be reimbursed up to \$1,000 for payments made in the prior calendar year on outstanding law school loans. Reimbursements for law school loan payments may be increased by up to \$1,000 for each additional year of continuous service; however, such reimbursements shall not exceed \$5,000 in any year. The amount of law school loan payment reimbursement in any calendar year shall not exceed the amount of principal and interest paid on the loan in the prior calendar year. Reimbursements under the program may continue until all outstanding law school loans are satisfied; however, such reimbursements shall not exceed \$40,000 per qualifying attorney. Reimbursements shall be adjusted if necessary so as not to exceed appropriations for the program.

The Prosecutors and Defenders Public Service Incentive Program must be administered by the South Carolina Student Loan Corporation, which shall pay for the cost of administration within the funds appropriated.

The Office of Attorney General, the Prosecution Coordination Commission, and the Commission on Indigent Defense shall each compile a report that includes, but is not limited to, the number of applicants and the impact of the program on attracting and retaining

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attorneys. The Student Loan Corporation shall compile a report that includes, but is not limited to, the cost of administering the program as well as the amount of reimbursements per agency or entity. Such reports shall be submitted to the Senate Finance Committee and the House Ways and Means Committee by September first each fiscal year.

Unexpended program funds from the prior fiscal year may be carried forward into the current fiscal year to be used for the same purpose.

117.71. (GP: Attorney Dues) Agencies and offices of the State of South Carolina that employ attorneys are authorized, if they so decide, to use other appropriated funds, including General Fund carry forward funds, to pay the costs of mandatory dues owed to the South Carolina Bar Association.

117.72. (GP: Healthcare Employee Recruitment and Retention) The Department of Corrections, Department of Disabilities and Special Needs, Department of Health and Environmental Control, Department of Health and Human Services, Department of Juvenile Justice, Department of Mental Health, and Department of Vocational Rehabilitation are allowed to spend state, federal, and other sources of revenue to provide lump sum bonuses to aid in recruiting and retaining healthcare workers in critical needs healthcare jobs based on objective guidelines established by the Budget and Control Board. The employee bonus amount shall be approved by the State Human Resources Director and shall not exceed \$10,000 per year. Payment of these bonuses is not a part of the employee's base salary and is not earnable compensation for purposes of employee and employer contributions to respective retirement systems.

These agencies may also provide paid educational leave for any employees in an FTE position to attend class while enrolled in healthcare degree programs that are related to the agency's mission. All such leave is at the agency head's discretion.

These agencies may enter into an agreement with Psychiatrists and Nurses newly employed in those positions to repay them for their outstanding student loans associated with completion of a healthcare degree. The employee must be employed in a critical needs area, which would be identified at the agency head's discretion. Critical needs areas could include rural areas, areas with high turnover, or where the agency has experienced recruiting difficulties. Agencies may pay these employees up to twenty percent or \$7,500, whichever is less, of their outstanding student loan each year over a five-year period.

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Payments will be made directly to the employee at the end of each year of employment. The agency will be responsible for verifying the principle balance of the employee's student loan prior to issuing payments.

Employees of these agencies working on a practicum or required clinical experience towards completion of a healthcare degree may be allowed to complete these requirements at their state agency or another state agency at the discretion of the agency head. This field placement at another state agency may be considered work time for participating employees.

These agencies are also authorized to allow tuition reimbursement from a maximum of ten credit hours per semester; allow probationary employees to participate in tuition programs; and provide tuition pre-payment instead of tuition reimbursement for employees willing to pursue a degree in a healthcare program. An agency may pay up to fifty percent of an employee's tuition through tuition pre-payment. The remaining tuition could be reimbursed to the employee after successful completion of the class.

117.73. (GP: Governor's Budget Certification) The annual Executive Budget proposed by the Governor must be certified by the Director of the State Budget Division of the Budget and Control Board or his designee in the same manner as the House Ways and Means and Senate Finance Committee versions of the budget bill are certified.

117.74. (GP: Sexually Violent Predator Program) After the Department of Mental Health obtains all necessary project approvals, the Department of Corrections may utilize inmate labor to perform any portion of the construction of an addition to the Edisto Unit at the Broad River Correctional Institution, which houses the Department of Mental Health's Sexually Violent Predator Treatment Program, such addition to be used for additional treatment space and staff offices. For purposes of this project, the Department of Corrections may exceed the \$350,000 limit on projects for which it may use inmate labor.

117.75. (GP: Voluntary Furlough) Agency heads may institute a voluntary employee furlough program of not more than ninety days per fiscal year. During this voluntary furlough, the state employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, the state agencies, institutions and departments will be responsible for making both employer and employee contributions if coverage would

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otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. In the event an agency's reduction is due solely to the General Assembly transferring or deleting a program, this provision does not apply.

117.76. (GP: Governor's Security Detail) The State Law Enforcement Division, the Department of Public Safety, and the Department of Natural Resources shall provide a security detail to the Governor in a manner agreed to by the State Law Enforcement Division, the Department of Public Safety, the Department of Natural Resources, and the Office of Governor. Reimbursement to the State Law Enforcement Division, the Department of Public Safety, and the Department of Natural Resources to offset the cost of the security detail for the Governor shall be made in an amount agreed to by the State Law Enforcement Division, the Department of Public Safety, the Department of Natural Resources, and the Office of Governor from funds appropriated to the Office of Governor for this purpose. Law enforcement officers assigned to security detail for the Governor shall only perform services related to security and shall not provide any unrelated service during the assignment.

117.77. (GP: Reduction in Force Antidiscrimination) In the event of a reduction in force implemented by a state agency or institution, the state agency or institution must comply with Title VII of the Civil Rights Act of 1964 or any other applicable federal or state antidiscrimination laws.

117.78. (GP: Reduction in Force/Agency Head Furlough) In the event a reduction in force is implemented by a state agency or institution of higher learning, the agency head shall be required to take five days furlough in the current fiscal year. If more than one reduction in force plan is implemented in a fiscal year, the mandatory agency head furlough is only required for the initial plan. The agency head will retain all responsibilities and authority during the furlough. All monies saved from this furlough may be retained by that agency and expended at the discretion of the agency head. During this furlough, the agency head shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, the state agency will be responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee

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contributions, the agency head remains solely responsible for making those contributions.

Placement of an agency head on furlough under this provision does not constitute a grievance or appeal under the State Employee Grievance Procedure Act. In the event the reduction for the state agency or institution of higher learning is due solely to the General Assembly transferring or deleting a program, this provision does not apply. Agencies may allocate the agency head's reduction in pay over the balance of the fiscal year for payroll purposes regardless of the pay period within which the furlough occurs. The Budget and Control Board, Human Resources Division shall promulgate guidelines and policies, as necessary, to implement the provisions of this proviso. State agencies shall report information regarding furloughs to the Human Resources Division of the Budget and Control Board.

For purposes of this provision, agency head includes the president of a technical college as defined by Section 59-103-5 of the 1976 Code.

The agency head of the State Board for Technical and Comprehensive Education shall not be required to take this mandatory furlough based solely on the implementation of a reduction in force plan by a technical college.

An agency head shall not be required to take this mandatory furlough based solely on reductions in force implemented as a result of federal budget cuts or reorganization to accomplish organizational efficiencies.

117.79. (GP: Printed Report Requirements) (A) For Fiscal Year 2013-2014, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.

Submission of the plans or reports required by Sections 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.

(B) For Fiscal Year 2013-2014, the Department of Agriculture shall not be required to submit printed reports mandated by Section 46-49-10 of the 1976 Code. The department shall provide these reports

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electronically and shall use any monetary savings for K5-12 agricultural education programs.

(C) For Fiscal Year 2013-2014, the Department of Health and Human Services shall not be required to provide printed copies of the Medicaid Annual Report required pursuant to Section 44-6-80 of the 1976 Code and the Provider Reimbursement Rate Report required pursuant to Proviso 33.11, and shall instead only submit the documents electronically.

(D) For Fiscal Year 2013-2014, the Department of Transportation shall not be required to submit printed reports or publications mandated by Sections 1-11-58, 2-47-55, and 58-17-1450 of the 1976 Code.

The Department of Transportation may combine their Annual Report and Mass Transit Report into their Annual Accountability Report.

117.80. (GP: IMD Operations) All funds received by the Department of Education, the Department of Juvenile Justice, the Department of Disabilities and Special Needs, the Department of Mental Health, the Department of Social Services, and the Governor's Office of Executive Policy and Programs-Continuum of Care as State child placing agencies for the Institution for Mental Diseases Transition Plan (IMD) of the discontinued behavioral health services in group homes and child caring institutions, as described in the Children's Behavioral Health Services Manual Section 2, dated 7/01/06, shall be applied only for out of home placement in providers which operate Department of Social Services or Department of Health and Environmental Control licensed institutional, residential, or treatment programs. An annual report by each state child placing agency shall be made on the expenditures of all IMD transition funds and shall be provided to the Chairman of the Senate Finance Committee, Chairman of the House Ways and Means Committee, and the Governor no later than November first each year. The Department of Health and Human Services shall review the numbers of out of home placements by type and by agency each year and make recommendations to the General Assembly.

117.81. (GP: Fines and Fees Report) In order to promote accountability and transparency, each state agency must provide and release to the public via the agency's website, a report of all aggregate amounts of fines and fees that were charged and collected by that state agency in the prior fiscal year. The report shall include, but not be limited to: (1) the code section, regulation, or proviso that authorized the fines and fees to be charged, collected, or received; (2) the amount

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received by source; (3) the purpose for which the funds were expended by the agency; (4) the amount of funds transferred to the general fund, if applicable, and the authority by which the transfer took place; and (5) the amount of funds transferred to another entity, if applicable, and the authority by which the transfer took place, as well as the name of the entity to which the funds were transferred. The report must be posted online by September first. Additionally, the report must be delivered to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by September first. Funds appropriated to and/or authorized for use by each state agency shall be used to accomplish this directive.

117.82. (GP: Mandatory Furlough) In a fiscal year in which the general funds appropriated for a state agency are less than the general funds appropriated for that agency in the prior fiscal year, or whenever the General Assembly or the Budget and Control Board implements a midyear across-the-board budget reduction, and agency heads institute a mandatory employee furlough program, in determining which employees must participate in the program, agency heads should give consideration to furloughs for contract employees, post-TERI employees, and TERI employees before other employees. During this mandatory furlough, the state employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, the state agencies, institutions, and departments will be responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. In the event an agency's reduction is due solely to the General Assembly transferring or deleting a program, this provision does not apply.

117.83. (GP: Reduction In Force) In a fiscal year in which the general funds appropriated for a state agency are less than the general funds appropriated for that agency in the prior fiscal year, or whenever the General Assembly or the Budget and Control Board implements a midyear across-the-board budget reduction, and agency heads must make reductions in force, agency heads should give consideration to reductions of contract employees, post-TERI employees, and TERI employees before other employees. In the event an agency's reduction

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is due solely to the General Assembly transferring or deleting a program, this provision does not apply.

117.84. (GP: Cost Savings When Filling Vacancies Created by Retirements) During the current fiscal year, whenever classified FTEs become vacant because of employee retirements, it is the intent of the General Assembly that state agencies should realize personnel costs savings of at least twenty-five percent in the aggregate when managing these vacant positions. Prior to filling a classified FTE which has become vacant because of a retirement, an agency must review and determine the appropriate salary for the position as well as determine whether the agency can manage without filling the position or by delay in filling the position. Prior to filling the vacant FTE, agencies must follow all laws and regulations concerning posting and competitive solicitation and consideration of applicants. No agency shall enter into any agreement with any employee that violates the terms of this proviso.

117.85. DELETED

117.86. (GP: Information Technology for Health Care) From the funds appropriated and awarded to the South Carolina Department of Health and Human Services for the Health Information Technology for Economic and Clinical Health Act of 2009, the department shall advance the use of health information technology and health information exchange to improve quality and efficiency of health care and to decrease the costs of health care. In order to facilitate the qualification of Medicare and/or Medicaid eligible providers and hospitals for incentive payments for meaningful health information technology (HIT) use, a health care organization participating in the South Carolina Health Information Exchange (SCHIE) or a Regional Health Information Organization (RHIO) or a hospital system health information exchange (HIE) that participates in SCHIE may release patient records and medical information, including the results of any laboratory or other tests ordered or requested by an authorized health care provider within the scope of his or her license or practice act, to another health information organization that requests the information via a HIE for treatment purposes with or without express written consent or authorization from the patient. A health information organization that receives or views this information from a patient's electronic health record or incorporates this information into the health information organization's electronic medical record for the patient in providing treatment is considered an authorized person for purposes of

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42 C.F.R. 493.2 and the Clinical Laboratory Improvement Amendments.

117.87. (GP: Broadband Spectrum Lease) The General Assembly must approve any exercise of the Middle Band Segment Channel recapture provisions contained in the Educational Broadband Service Spectrum Lease Agreements if the exercise of the recapture provisions would result in a decrease in payments received by the State. The Educational Television Commission assumes management and administration of the lease and receives lease payments directly. The Educational Television Commission shall retain and expend funds received pursuant to the lease for agency operations. The commission shall be authorized to carry forward unexpended funds from the prior fiscal year into the current fiscal year. In the event of a default by the current lease holder, the Educational Television Commission is authorized to use contingent funds up until such time as a new lease can be negotiated by the State and the Educational Television Commission.

117.88. (GP: Reduction in Compensation) For the current fiscal year, no state agency or political subdivision of this state may decrease the compensation of an employee, including dismissal, suspension, or demotion, solely because the employee gave sworn testimony regarding alleged wrongdoing to a standing committee, subcommittee of a standing committee, or study committee of the Senate or the House of Representatives. This proviso shall apply regardless of when the alleged wrongdoing occurred.

117.89. (GP: Deficit Monitoring) If at the end of each quarterly deficit monitoring review by the State Budget Division, it is determined by either the State Budget Division or an agency that the likelihood of a deficit for the current fiscal year exists, the agency shall submit to the State Budget Division within fourteen days, a plan to minimize or eliminate the projected deficit. After submission of the plan, if it is determined that the deficit cannot be eliminated by the agency on its own, the agency is required to officially notify the Budget and Control Board within thirty days of such determination that the agency is requesting that a deficit be recognized. Once a deficit has been recognized by the Budget and Control Board, the agency shall limit travel and conference attendance to the minimum required to perform the core mission of the agency. In addition, the board when recognizing a deficit may direct that any pay increases and purchases

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of equipment and vehicles shall be approved by the State Budget Division.

117.90. (GP: Commuting Costs) State government employees who use a permanently assigned agency or state owned vehicle to commute from their permanently assigned work location to and from the employee's home must reimburse the agency in which they are employed for commuting use in accordance with IRS regulations based on guidance from the Office of Comptroller General which must use the Cents per mile Rule, unless they are exempted from such reimbursement by applicable IRS regulations. These permanently assigned vehicles must be clearly marked as a state or agency vehicle through the use of permanent state-government license plates and either state or agency seal decals unless the vehicle is used primarily in undercover operations. This requirement does not apply to a vehicle used by an employee for the purpose of a special travel assignment, for active certified law enforcement officers authorized to carry firearms, execute warrants, and make arrests, for Constitutional Officers, or for Department of Transportation employees on call for emergency maintenance.

117.91. (GP: Bank Account Transparency and Accountability) Each state agency, except state institutions of higher learning, which has composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's Statewide Accounting and Reporting System or the South Carolina Enterprise Information System shall prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The report shall be submitted to the Budget and Control Board, through the Division of State Budget by October first of each fiscal year. The report shall include the name(s) and title(s) of each person authorized to sign checks or make withdrawals from each account, the name and title of each person responsible for reconciling each account, the beginning and year-end balance of funds in each account, and data related to both deposits and expenditures of each account. The report shall include, but not be limited to, the date, amount, and source of each deposit transaction and the date, name of the payee, the transaction amount, and a description of the goods or services purchased for each expenditure transaction. To facilitate review, the Budget and Control Board shall prescribe a common format for the report which agencies must use. In order to promote accountability and

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transparency, a link to the report shall be posted on the Comptroller General's website as well as the agency's homepage.

When the State Auditor conducts or contracts for an audit of a state agency, accounts of the agency subject to this proviso must be included as part of the review.

If an agency determines that the release of the information required in this provision would be detrimental to the state or the agency, the agency may petition the Budget and Control Board to grant the agency an exemption from the reporting requirements for the detrimental portion. The meeting to determine whether an exemption should be granted shall be closed. However, the exemption may only be granted upon a majority vote of the Budget and Control Board in a public meeting.

117.92. (GP: Websites) All agencies, departments, and institutions of state government shall be responsible for providing on its Internet website a link to the Internet website of any agency, other than the individual agency, department, or institution, that posts on its Internet website that agency, department, or institution's monthly state procurement card statements or monthly reports containing all or substantially all the same information contained in the monthly state procurement card statements. The link must be to the specific webpage or section on the website of the agency where the state procurement card information for the state agency, department, or institution can be found. The information posted may not contain the state procurement card number. Any information that is expressly prohibited from public disclosure by federal or state law or regulation must be redacted from any posting required by this section.

117.93. (GP: Regulations) For the current fiscal year, if a state agency proposes a regulation that levies or increases a fee, fine, or that otherwise generates revenues, the title to the Joint Resolution which proposes the regulation must indicate that a fee, fine, or revenue source is being proposed.

117.94. (GP: Joint Children's Committee) For the current fiscal year, the Department of Revenue is directed to reduce the rate of interest paid on eligible refunds by one percentage point. Of the revenue resulting from this reduction, \$300,000 shall be transferred to the Senate for the Joint Citizens and Legislative Committee on Children to provide the report, research, and other operating expenses as directed in Section 63-1-50 of the 1976 Code. The remaining revenue resulting from this reduction shall be transferred to the

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Department of Juvenile Justice to be used for mentoring or alternatives to incarceration programs. Unexpended funds authorized by this provision may be retained and carried forward by the Senate or the Department of Juvenile Justice, respectively, and used for the same purposes. The rate of reduction authorized in this provision shall be in addition to the reduction authorized in Proviso 92.10.

117.95. (GP: Civil Conspiracy Defense Costs) For the current fiscal year, for any claim that has not reached a judgment, if a state or local government employee or former state or local government employee (“government employee”) is personally sued for civil conspiracy based in part upon a personnel or employment action or decision regarding an employee, the court must, prior to trial, make a final determination whether the action or decision giving rise to the suit was made by the government employee within the scope of their official duty. If the court finds that the government employee was acting outside the scope of the employee’s official duties, the government shall not thereafter expend any funds to pay or defend the claim. If the court finds the government employee was acting within the scope of their official duties, the employee is immune from suit, liability, and damages with respect to the civil conspiracy claim. The government may only expend funds to defend the claim if the determination is that the employee was acting within the scope of their official duties. Nothing in this proviso prevents an insurance provider from defending and paying, respectively, any claims that the provider has contractually agreed to defend and pay.

117.96. (GP: Recovery Audits) The Budget and Control Board shall contract with one or more firms to conduct recovery audits of payments made by all state agencies to vendors for goods and services. The audits must be designed to detect, document, and recover overpayments and erroneous payments to the vendors and to recommend improved financial and operational practices and procedures. A state agency shall pay, from recovered monies received, the recovery audit firm responsible for obtaining for the agency a reimbursement or payment from a vendor a negotiated fee not to exceed twenty percent of the funds recovered by that firm.

Unless otherwise restricted by law, funds recovered, less the cost of recovery, shall be remitted to a special fund subject to appropriation by the General Assembly. Agencies may recover costs that are documented to be directly related to implementation of this provision.

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Recovery audits apply only to payments made more than one hundred eighty days prior to the date the audit is initiated and shall cover at least three complete fiscal years.

All information provided under a contract must be treated as confidential by the recovery audit firm. A violation of this provision shall result in the forfeiture by the firm of all compensation under the contract and to the same sanctions and penalties that would apply to that disclosure.

Each state agency shall participate in this recovery audit program and shall cooperate and provide the recovery audit firm with all information necessary for the audit in a timely manner. All vendors that provide goods or services to a state agency shall cooperate with the recovery audit firm in its audit.

A state agency shall expend or return to the federal government any federal money that is recovered through a recovery audit conducted under this provision. Payments to the recovery audit firm from the federal share of recovered funds shall be solely from the federal portion as allowed by the federal agency.

In addition to performing the recovery audits, the recovery audit firm may conduct an analysis of contracts and pricing structures, as determined and directed by the Executive Director of the Budget and Control Board or her or his designee, to identify and recommend future cost-savings and improved state agency financial operations going forward. A state agency shall pay the recovery audit firm responsible for obtaining the agency actual cost-savings a fee as authorized by the contract with the recovery audit firm.

The recovery audit firm shall provide reports to the Budget and Control Board detailing its findings, the causes for the overpayments and erroneous payments, future cost-savings opportunities and its recommendations for strengthening state operations and/or state contracts to prevent improper payments in the future.

For purposes of this proviso, the term "vendor" or "vendors" includes, but is not limited to, sellers, suppliers, service providers, other providers, contractors and third party administrators; the term "overpayments and erroneous payments" includes, but is not limited to, overpayments, duplicate payments, erroneous payments, and rebates, discounts and credits not received; and the term "state agency" or "state agencies" includes all state agencies, boards, commissions, institutions and institutions of higher education.

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The Budget and Control Board shall provide copies, including electronic form copies, of final reports received from a firm under contract to: the Governor; the Chairman of the Senate Finance Committee; the Chairman of the House Ways and Means Committee; and the state auditor's office. Not later than January first of each year, the board shall issue a report to the General Assembly summarizing the contents of all reports received under this provision during the prior fiscal year.

117.97. (GP: Funds Transfer to ETV) In the current fiscal year funds appropriated in Part IA to the Budget and Control Board in Section 101 for Legislative & Public Affairs Coverage and Emergency Communications Backbone and to the Law Enforcement Training Council in Section 64 for State & Local Training of Law Enforcement, City and County municipal training services must be transferred to the Educational Television Commission (ETV) during July, 2013 for the continuation of services as provided in the prior fiscal year.

117.98. (GP: Opt Out of Federal Patient Protection and Affordable Care Act) If federal law permits, the State of South Carolina opts out of the following provisions in the federal Patient Protection and Affordable Care Act (Public Law 111-148):

(1) Subtitles A through C of Title I (and the amendments made by such subtitles), except for Sections 1253 and 1254;

(2) Parts I, II, III, and V of subtitle D of Title I (and the amendments made by such parts);

(3) Part I of subtitle E of Title I (and the amendments made by such part);

(4) Subtitle F of Title I (and the amendments made by such subtitle);

(5) Sections 2001 through 2006 (and the amendments made by such sections); and

(6) Sections 10101 through 10107 (and the amendments made by such sections).

117.99. (GP: Means Test) All agencies providing Healthcare Services are directed to identify standards and criteria for means testing on all programs provided, where allowed by Federal guidelines. Once a consistent criteria has been established within an agency, they shall implement their respective plans. Each agency shall report all criteria and fiscal data to the Chairman of the Senate Finance Committee and to the Chairman of the House Ways and Means Committee no later than January 1, 2014.

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117.100. (GP: Agency Reduction Management) The General Assembly encourages state agencies, in the event agencies are assessed a base reduction, to endeavor to realize savings through: (1) payroll management, including, but not limited to, furloughs, reductions in employee compensation, and instituting a hiring freeze; (2) eliminate administrative overhead cost that does not directly impact the agency's mission; and as a final option (3) reductions to programmatic funding.

117.101. DELETED

117.102. (GP: WIA Service Advertising) For Fiscal Year 2013-2014, the Workforce Investment Boards may promote outreach for their services via billboard, bus placard, newspapers, or radio in all workforce investment areas. This outreach may not be limited to e-mail, online, or other internet-based outreach, publicity, or other promotions. Workforce investment boards must adhere to all state procurement policies and procedures when utilizing outreach for the services provided by the Workforce Investment Act.

117.103. (GP: WIA Training Marketability Evaluation) (A) For Fiscal Year 2013-2014, the Department of Employment and Workforce shall submit a report that demonstrates how funds were expended in the prior fiscal year to provide marketable work skills training. The report shall include, but not be limited to the total number of local training recipients, a description of the training area in which each recipient participated, and the number and percentage of participants in each training area that, upon completion of training, have become employed in the field in which they were trained. The report shall be submitted to the Chairman of the Senate Finance Committee, the Chairman of the Senate Labor, Commerce and Industry Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the House Labor, Commerce and Industry Committee on or before November 16th.

(B) Also, the report must specifically describe any restructuring or realignment of agency functions, and any changes in staffing levels or service. The report must detail information on employees terminated, hired, re-hired, reassigned, or reclassified by program area and location. Further, the report must describe efforts made by the agency to reassign or retrain employees who were terminated for positions for which the department hired new employees.

117.104. (GP: Victims Assistance Transfer) The Department of Corrections shall transfer \$20,500 each month to the Department of

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Public Safety for distribution through the State Victims Assistance Program.

117.105. (GP: DOC & PPP Potential Consolidation Plan) From the funds appropriated to the Department of Corrections and the Department of Probation, Parole and Pardon Services, the directors of the departments may collaborate and develop a plan to consolidate the functions of the departments.

117.106. (GP: USC Greenville Medical School) It is the intent of the General Assembly that during Fiscal Year 2013-2014, no general funds shall be appropriated for the new medical school at the University of South Carolina in Greenville. In addition, no state funds may be transferred from state earmarked or restricted funds held by the University of South Carolina to the medical school except for grants, contributions, contractual payments, and tuition and required fees for students attending the new medical school at the University of South Carolina in Greenville that are specifically designated for the medical school at the University of South Carolina in Greenville.

117.107. (GP: Retirement Investment Commission) Of the funds appropriated and or authorized, the Retirement Investment Commission shall submit a report to the Senate Finance Retirement Subcommittee and the Ways and Means Legislative, Executive, and Local Government Subcommittee by January 15, 2014 that sets forth a plan regarding salary bonuses for calendar year 2015. The plan must be approved by both subcommittees before implementation.

117.108. (GP: First Steps - BabyNet) In addition to the statutory duties assigned to South Carolina First Steps to School Readiness Board of Trustees; the board shall ensure the state's compliance with the Individuals with Disabilities Act, Part C and the First Steps' full implementation of recommendations contained in the 2011 audit report of the LAC regarding the BabyNet Program. First Steps shall submit any necessary statutory changes to the Chairman of the House Education and Public Works Committee and the Chairman of the Senate Education Committee and any budget recommendations in the agency's budget request as submitted to the Governor. Until completion, First Steps shall post on its' website a quarterly report on the timelines of its progress in implementing the recommendations of the LAC. The Board of Trustees will be kept informed monthly of all activities related to this requirement and those progress reports must be recorded in the minutes for each meeting of the Board of Trustees. When First Steps has implemented all of the recommendations

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enumerated above, a final report shall be submitted to the Board of Trustees for its' adoption. Upon approval by the Board of Trustees, the final report shall be published on First Steps' homepage. First Steps to School Readiness, the School for the Deaf and Blind, the Department of Disabilities and Special Needs, the Department of Health and Human Services, the Department of Mental Health and the Department of Social Services shall each provide on a common template developed by the agencies, a quarterly report to the Chairman of the House Ways and Means Committee and the Chairman of Senate Finance outlining all programs provided by them for BabyNet; all federal funds received and expended on BabyNet and all state funds expended on BabyNet. Each entity and agency shall report on its share of the state's ongoing maintenance of effort as defined by the US Department of Education under IDEA Part C.

117.109. DELETED

117.110. (GP: Single Audit Schedule of Federal Expenditures) To ensure timely completion of the of the Statewide Single Audit, state agencies which do not receive a separate audit of federal expenditures, must submit to the Office of the State Auditor a schedule of federal program expenditures in a format prescribed by the Office of the State Auditor, no later than August fifteenth of each year.

117.111. (GP: Prohibits Local Government Fund Public Funded Lobbyists) All local governmental entities including, but not limited to, counties, municipalities, and associations are prohibited from using taxpayer funds received from the Local Government Fund to compensate employees for lobbying activities engaged in on behalf of such governmental entity.

117.112. DELETED

117.113. (GP: School Construction Development Impact Fee Assessment Prohibition) Governmental entities are prohibited from assessing South Carolina Development Impact Fees on the construction of new elementary, middle, or secondary schools. If a governmental entity violates this prohibition it shall have its Aid to Subdivisions Allocation reduced by the amount of the impact fee.

117.114. (GP: First Steps Reauthorization) Act 99 of 1999, the South Carolina First Steps to School Readiness Act, is reauthorized for the duration of Fiscal Year 2013-2014.

117.115. (GP: Sexually Violent Predator Treatment RFP) The Director of the Department of Mental Health and the Director of the Department of Corrections shall cooperate with the Budget and Control

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Board, Division of Procurement Services which shall develop and cause to be issued a Request for Proposals (RFP) seeking long-term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators and civilly committed to the Department of Mental Health pursuant to the Sexually Violent Predators Act.

The purpose of the RFP shall be to seek proposals from qualified private providers to provide secure housing and treatment services to all individuals civilly committed pursuant to the Sexually Violent Predators Act.

As part of the process, the Department of Mental Health, the Department of Corrections, and the Budget and Control Board shall provide up-to-date information concerning the current operation of the program and shall provide information about suitable state owned real property. The RFP shall be issued on or before October 31, 2013.

The RFP shall be worded broadly to allow respondents to propose creative and cost-effective long-term solutions for the operation of this program in order to address the issues raised in Proviso 23.15 of the 2012-2013 State Appropriations Act and the resulting January 3, 2013, Report on the SVP Program issued by the Department of Mental Health and the Department of Corrections.

In addition to treatment services, respondents shall be allowed, but not required, to propose a single source solution with responsibility for all aspects of the program including but not limited to housing, security, food, clothing, health care, transport, and treatment services. The RFP shall allow for, but not require, respondents to include in their responses the use of other private or public partners (subcontractors) and/or the lease or use or purchase of state owned real property.

The selected contractor may be authorized to sponsor the issuance of tax exempt certificates of participation or other finance solutions to fund the project and the state is authorized to enter into a lease/purchase agreement for the necessary replacement facilities.

117.116. DELETED

117.117. DELETED

117.118. DELETED

117.119. DELETED

117.120. (GP: Prohibit Use of State Aircraft for Athletic Recruitment) Institutions of higher learning may not use the state aircraft operated by the Division of Aeronautics for the purpose of athletic recruiting.

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117.121. DELETED

117.122. (GP: Recreational Activities) Two counties that receive an allocation from the Local Government Fund may enter into a Memorandum of Understanding in order to provide recreational activities and projects that benefit the citizens of both counties.

117.123. (GP: Annual Audit of Court Fees and Fines Reports) The State Auditor is required to perform a minimum of fifteen (15) audits annually of county treasurers, municipal treasurers, county clerks of court, magistrates and/or municipal courts as required by Section 14-1-210 of the 1976 Code and allowed by Proviso 118.5 of this act; however, the State Auditor shall not be required to spend more than the annual amount of \$250,000, received from the State Treasurer to conduct the said audits pursuant to Section 14-1-210 of the 1976 Code. The State Auditor shall consult with the State Treasurer to determine the jurisdictions to be audited in the current fiscal year. Jurisdictions may be selected randomly or based on an instance in the current or previous fiscal year of failing to report, incorrectly reporting or under remitting amounts owed. The funds transferred to the State Auditor by the State Treasurer shall not be used for any purpose other than to conduct the described audits and report whether or not the assessments, surcharges, fees, fines, forfeitures, escheatments, or other monetary penalties imposed and/or mandated are properly collected and remitted to the State. Any unexpended balance on June thirtieth of the prior fiscal year shall be carried forward and must be expended for the same purpose during the current fiscal year. The State Auditor shall annually report by October 1 its findings of the jurisdictions audited to the Senate Finance Committee and the House Ways and Means Committee.

***117.124.** *(GP: IT Certifications) Information Technology procurement certifications for all state agencies, departments, boards and commissions, except for the Legislative and Judicial Departments, and institutions of higher learning including technical colleges, shall be suspended for the current fiscal year. All information security and information technology purchases must be approved by the Budget and Control Board, Division of State Information Technology in a manner prescribed by the Division.*

117.125. (GP: Technology and Remediation) The funds appropriated to the Budget and Control Board for the Division of Information Security shall be used to develop and implement a

* See note at end of Act.

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statewide information security program. A portion of the non-recurring funds may be used for enterprise technology and remediation, and distributed to state agencies to address the State's most serious information security vulnerabilities as determined by the Division of Information Security and the Division of State Information Technology.

117.126. (GP: Fiduciary Audit) Of the funds authorized for the Retirement System Investment Commission, the commission shall transfer \$700,000 to the Office of Inspector General. The funds transferred shall be utilized by the Inspector General to employ a private audit firm to perform the fiduciary audit on the Retirement System Investment Commission as required by Section 9-16-380 of the 1976 Code, as amended.

117.127. DELETED

117.128. DELETED

117.129. DELETED

117.130. (GP: Aircraft Chartering Services Analysis) The Budget and Control Board is directed to conduct an analysis to determine the costs and benefits of selling the following state-owned aircraft operated by the Division of Aeronautics: Hawker Beechcraft King Air 350 and Hawker Beechcraft King Air C90; and authorizing private chartering services for use by state officials and state agencies to conduct the state's official business. This analysis must be presented to the Governor and General Assembly no later than January 1, 2014. The Budget and Control Board shall have the authority to sell the state-owned aircraft if the cost-benefit analysis justifies the sale.

117.131. (GP: Donation of Alcoholic Liquors) In the current fiscal year, a wholesaler may donate beer, wine, and alcoholic liquors to a nonprofit organization that has a license, including a temporary license, to serve the applicable beverage. This provision only applies if the event hosted by the nonprofit organization creates an economic impact on State revenues.

117.132. DELETED

117.133. DELETED

***117.134.** (GP: DOT Transfer to SIB) *Upon receipt of General Funds appropriated to the Department of Transportation for Highway Engineering Permanent Improvements, the department is directed to transfer an equivalent amount from non-tax sources to the State Transportation Infrastructure Bank to be used solely to finance*

* See note at end of Act.

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bridge replacement, rehabilitation projects, and expansion and improvements to existing mainline interstates. The SIB Board shall only expend these funds on projects meeting the above criteria and that have received Joint Bond Review Committee approval. The Department of Transportation shall submit a list of bridge and road projects to the SIB for its consideration. These funds may not be used for projects approved by the SIB Board prior to July 1, 2013. The General Funds appropriated to the Department of Transportation for Highway Engineering Permanent Improvements are exempt from any across-the-board reductions.

**117.135.(GP: Joint Transportation Corridor Study Committee) There is created the Joint Transportation Corridor Study Committee which shall be composed of the following: two members appointed by the Governor; one member of the Senate appointed by the President Pro Tempore of the Senate; one member of the Senate Finance Committee appointed by the Chairman of the Senate Finance Committee; one member of the Senate Transportation Committee appointed by the Chairman of the Senate Transportation Committee; one member of the Senate Labor, Commerce and Industry Committee appointed by the Chairman of the Senate Labor, Commerce and Industry Committee; one member of the Senate appointed by the Senate Majority Leader; one member of the Senate appointed by the Senate Minority Leader; one member of the House of Representatives appointed by the Speaker of the House; one member of the House Ways and Means Committee appointed by the Chairman of the House Ways and Means Committee; one member of the House Education and Public Works Committee appointed by the Chairman of the House Education and Public Works Committee, one member of the House Labor, Commerce and Industry Committee appointed by the Chairman of the House Labor, Commerce and Industry Committee; one member of the House of Representatives appointed by the House Majority Leader; and one member of the House of Representatives appointed by the House Minority Leader. The Joint Study Committee shall form a Government and Freight Industry Advisory Subcommittee composed of one representative from each of the following: the South Carolina Trucking Association; the South Carolina Manufacturers Alliance; the South Carolina Chamber of Commerce; the Palmetto Agribusiness*

* See note at end of Act.

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Council; the State Ports Authority; the Department of Commerce; and the Department of Transportation.

The committee shall study transportation corridors which are the state's primary commercial, commuter and tourist arteries, with respect to traffic congestion, safety and efficiency of existing South Carolina interstates and with respect to the state's major metropolitan areas and which connect the vital port terminals at Charleston to upstate industries. The study shall include, but is not limited to, the need for capacity expansion, removal of bottlenecks, traffic flow, safety improvements, interstate-only prioritization list, and adequacy of current and anticipated federal funding. The Department of Transportation shall provide staffing and other resources as required. Expenses of the committee shall be borne by the appointing agencies and entities.

The committee shall submit a report containing their findings and any recommended plans of action by December 31, 2013, to the Governor, the Senate, the House of Representatives, the Joint Transportation Review Committee, and the Department of Transportation Commission.

The Governor is encouraged to address the findings and any plans of action in the 2014 State of the State Address and/or in the Executive Budget submitted to the General Assembly.

117.136. (GP: Data Breach Notification) (A) An agency of this State owning or licensing computerized data or other data that includes personal identifying information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of this State whose personal identifying information was, or is reasonably believed to have been, acquired by an unauthorized person. In determining whether information has been acquired, or is reasonably believed to have been acquired, by an unauthorized person or a person without valid authorization, the agency may consider the following factors, among others:

- (1) indications that the information is in the physical possession and control of an unauthorized person, such as a lost or stolen computer or other device containing information;
- (2) indications that the information has been viewed, downloaded, or copied; or

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(3) indications that the information was used by an unauthorized person, such as fraudulent accounts opened or instances of reported identity theft.

(B) An agency maintaining computerized data or other data that includes personal identifying information that the agency does not own shall notify the owner or licensee of the information of a breach of the security of the data immediately following discovery, if the personal identifying information was, or is reasonably believed to have been, acquired by an unauthorized person.

(C) The disclosure requirements of subsections (A) and (B) must be made in the most expedient time possible and without unreasonable delay; however, the notification required by this section may be delayed if a law enforcement agency determines that the notification impedes a criminal investigation and must be made after the law enforcement agency determines that it no longer compromises the investigation. A delay in notification shall not exceed seventy-two hours after discovery, unless the agency requests and the attorney general grants, in writing, additional delays of up to seventy-two hours each upon a determination that such notification impedes a criminal investigation.

(D) For purposes of this section:

(1) "Agency" means any agency, department, board, commission, committee, or institution of higher learning of the State or a political subdivision of it.

(2) "Breach of the security of the system" means unauthorized access to and acquisition of computerized data that was not rendered unusable through encryption, redaction, or other methods that compromise the security, confidentiality, or integrity of personal identifying information maintained by the agency, when illegal use of the information has occurred or is reasonably likely to occur or use of the information creates a material risk of harm to the consumer. Good faith acquisition of personal identifying information by an employee or agent of the agency for the purposes of the agency is not a breach of the security of the system if the personal identifying information is not used or subject to further unauthorized disclosure.

(3) "Consumer reporting agency" means any person which, for monetary fees, dues, or on a cooperative non-profit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses

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any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports. A list of consumer reporting agencies shall be compiled by the Department of Consumer Affairs and furnished upon request to the agency required to make a notification under this section.

(4) "Personal identifying information" means the first name or first initial and last name in combination with and linked to any one or more of the following data elements that relate to a resident of this State, when the data elements are neither encrypted nor redacted or when the data elements are encrypted with an encryption key and the encryption key that has also been acquired:

- (a) social security number;
- (b) driver's license number or state identification card number issued instead of a driver's license;
- (c) financial account number, or credit card or debit card number in combination with any required security code, access code, or password that would permit access to a resident's financial account; or
- (d) other numbers or information which may be used to access a person's financial accounts or numbers or information issued by a governmental or regulatory entity that uniquely will identify an individual.

The term does not include information that is lawfully obtained from publicly available information, or from federal, state, or local government records lawfully made available to the general public.

(E) The notice required by this section may be provided by:

- (1) written notice;
- (2) electronic notice, if the agency's primary method of communication with the individual is by electronic means, the person to whom notice is required has expressly consented to receiving said notice in electronic form, or is consistent with the provisions regarding electronic records and signatures set forth in Section 7001 of Title 15 USC and Chapter 6, Title 26 of the 1976 Code;
- (3) telephonic notice; or
- (4) substitute notice, if the agency demonstrates that the cost of providing notice exceeds two hundred fifty thousand dollars or that the affected class of subject persons to be notified exceeds five hundred thousand or the agency has insufficient contact information. Substitute notice consists of:
 - (a) e-mail notice when the agency has an e-mail address for the subject persons;

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(b) conspicuous posting of the notice on the agency's web site page, if the agency maintains one; or

(c) notification to major statewide media.

Regardless of the method by which notice is provided, such notice shall include contact information for the agency making the notification and a description of the categories of information that were, or are reasonably believed to have been, acquired by a person without valid authorization, including specification of which of the elements of personal information and private information were, or are reasonably believed to have been, so acquired.

(F) A resident of this State who is injured by a violation of this section, in addition to and cumulative of all other rights and remedies available at law, may:

- (1) institute a civil action to recover damages;
- (2) seek an injunction to enforce compliance; and
- (3) recover attorney's fees and court costs, if successful.

(G) An agency that knowingly and willfully violates this section is subject to an administrative fine up to one thousand dollars for each resident whose information was accessible by reason of the breach, the amount to be decided by the Department of Consumer Affairs.

(H) If the agency provides notice to more than one thousand persons at one time pursuant to this section, the agency shall notify, without unreasonable delay, the Consumer Protection Division of the Department of Consumer Affairs and all consumer reporting agencies that compile and maintain files on a nationwide basis, as defined in 15 USC Section 1681a(p), of the timing, distribution, and content of the notice.

117.137. (GP: State Ports Authority Property) If the State Ports Authority has not completed the sale of its real property on Daniel Island and Thomas (St. Thomas) Island, except for the dredge disposal cells that are needed in connection with the construction of the North Charleston terminal on the Charleston Naval Complex and for harbor deepening and for channel and berth maintenance, by December 31, 2013, the Budget and Control shall, on January 1, 2014, transfer the property back to the authority. The authority shall sell the real property under terms and conditions it considers most advantageous to the authority and the State of South Carolina and the sale must be completed by June 30, 2014. The State Ports Authority must transfer the property to the Budget and Control Board for sale if the authority is unable to complete the sale by June 30, 2014.

SECTION 117 - X90-GENERAL PROVISIONS**117.138. DELETED****117.139. DELETED****SECTION 118 - X91-STATEWIDE REVENUE**

118.1. (SR: Year End Expenditures) Unless specifically authorized herein, the appropriations provided in Part IA of this act as ordinary expenses of the State Government shall lapse on July 31, 2014. State agencies are required to submit all current fiscal year input documents and all electronic workflow for accounts payable transactions to the Office of Comptroller General by July 14, 2014. Appropriations for Permanent Improvements, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the Budget and Control Board and Joint Bond Review Committee, toward the accomplishment of the purposes for which the appropriations were provided. Appropriations for other specific purposes aside from ordinary operating expenses, now outstanding or hereafter provided, shall lapse at the end of the second fiscal year in which such appropriations were provided, unless definite commitments shall have been made, with the approval of the Budget and Control Board, toward the accomplishment of the purposes for which the appropriations were provided.

118.2. (SR: Titling of Real Property) It is the intent of the General Assembly to establish a comprehensive central property and office facility management process to plan for the needs of state government agencies and to achieve maximum efficiency and economy in the use of state owned or state leased real properties. The Budget and Control Board is directed to identify all state owned properties whether titled in the name of the state or an agency or department, and all agencies and departments of state government are upon request to provide the Board all documents related to the title and acquisition of the real properties that are occupied or used by the agency or titled in the name of the agency. Except for any properties where the Board determines title should not be in the name of the State because the properties are subject to reverter clauses or other restraints on the property, or where the Board determines the state would be best served by not receiving title, and with the exception of properties, highways and roadways owned by the Department of Transportation, title of any property held by or acquired by a state agency or department shall be titled in the

SECTION 118 - X91-STATEWIDE REVENUE

name of the state under the control of the Budget and Control Board. Titling in the name of the state shall not affect the operation or use of real property by an agency.

This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the South Carolina Division of Public Railways; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Midlands Technical College Enterprise Campus Authority, the Trident Technical College Enterprise Campus Authority; the Area Commission of Tri-County Technical College; and the Charleston Naval Complex Redevelopment Authority.

This provision is comprehensive and supersedes any conflicting provisions concerning title and acquisition and disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

The Budget and Control Board is directed to provide to the Department of Education, funds equal to the amount realized from the sale of the Greenville Halton Road Bus Shop property for school bus maintenance shop relocations, construction, and shop equipment.

118.3. DELETED

118.4. (SR: Contingency Reserve Fund) (A) There is created in the State Treasury a fund separate and distinct from the general fund of the State, the Capital Reserve Fund, and all other funds entitled the Contingency Reserve Fund. All general fund revenues accumulated in a fiscal year in excess of general appropriations and supplemental appropriations must be credited to this fund. Revenues credited to this fund in a fiscal year may be appropriated by the General Assembly. Upon determination by the Comptroller General as to the amount to be deposited in the Contingency Reserve Fund, the Comptroller General shall notify the Board of Economic Advisors and the board shall recognize that amount as surplus funds. Revenues in this fund may be appropriated only for the purposes provided in subsection (B).

(B) (1) If the balance in the general reserve fund established pursuant to Section 36, Article III of the Constitution of this State and Section 11-11-310 of the 1976 Code is less than the required balance, there must be appropriated to it all amounts in the Contingency Reserve Fund up to the total necessary to replenish the general reserve fund. This amount does not replace or supplant the minimum

SECTION 118 - X91-STATEWIDE REVENUE

replenishment amount otherwise required to be made to the general reserve fund.

(2) After the appropriation of amounts required pursuant to item (1) of this subsection, any remaining balance may be appropriated by the General Assembly as it deems appropriate.

118.5. (SR: Criminal Justice Academy Funding) (A) In addition to all other assessments and surcharges, during the current fiscal year, a five dollar surcharge to fund training at the South Carolina Criminal Justice Academy is also levied on all fines, forfeitures, escheatments, or other monetary penalties imposed in the general sessions court or in magistrates' or municipal court for misdemeanor traffic offenses or for non-traffic violations. No portion of the surcharge may be waived, reduced, or suspended. The additional surcharge imposed by this section does not apply to parking citations.

(B) The revenue collected pursuant to subsection (A) must be retained by the jurisdiction, which heard or processed the case and paid to the State Treasurer within thirty days after receipt. The State Treasurer shall transfer the revenue quarterly to the South Carolina Criminal Justice Academy.

(C) The State Treasurer may request the State Auditor to examine the financial records of any jurisdiction which he believes is not timely transmitting the funds required to be paid to the State Treasurer pursuant to subsection (B). The State Auditor is further authorized to conduct these examinations and the local jurisdiction is required to participate in and cooperate fully with the examination.

118.6. (SR: LGF) For the current fiscal year, Section 6-27-30 of the 1976 Code is suspended.

118.7. (SR: Increased Enforced Collections Carry Forward) Unexpended funds appropriated pursuant to Proviso 90.16 in Part IB of Act 291 of 2010 may be carried forward from the prior fiscal year into the current fiscal year and shall be expended for the same purposes.

118.8. (SR: Health Care Maintenance of Effort Funding) The source of funds appropriated in this provision is \$158,000,000 from the revenue collected from the fifty cent cigarette surcharge and deposited into the South Carolina Medicaid Reserve Fund and shall be utilized by the Department of Health and Human Services for the Medicaid Program's maintenance of effort. By this provision these funds are deemed to have been received and are available for appropriation.

SECTION 118 - X91-STATEWIDE REVENUE

Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

118.9. (SR: Prohibits Public Funded Lobbyists) All state agencies and institutions are prohibited from using general fund appropriations to compensate employees who engage in lobbying on behalf of the state agency or institution. The State Ethics Commission shall require state agencies and institutions that report lobbying activities to the commission to certify that the lobbying activities were not funded by general fund appropriations.

All state agencies and institutions are prohibited from entering into contracts using general fund appropriations to provide lobbying services to the agency or institution.

118.10. (SR: Admissions Tax) For the current fiscal year, up to one hundred fourteen thousand dollars in admissions tax revenue collected annually from all events held at a NASCAR sanctioned motor speedway or racetrack that hosts at least one race each year featuring the preeminent NASCAR cup series must be rebated to the motorsports entertainment complex facility in the current fiscal year to keep a NASCAR race at the motorsports entertainment complex facility.

118.11. DELETED

118.12. (SR: Agency Deficit Notice) The Comptroller General or the Office of State Budget shall (1) provide written notice to each member of the General Assembly when it makes a report to the Budget and Control Board concerning an agency, department, or institution that is expending authorized appropriations at a rate which predicts or projects a general fund deficit for the agency, department, or institution, and (2) make monthly progress reports concerning an agency's, department's, or institution's plan to reduce or eliminate the deficit.

118.13. DELETED

118.14. DELETED

118.15. (SR: Tax Relief Reserve Fund) There is created the Tax Relief Reserve Fund, which shall be separate and distinct from the General Fund. Interest accrued by the fund must remain in the fund. Notwithstanding any other provision of law, on December 31, 2013, the State Treasurer shall transfer funds identified in this act from the General Fund to the Tax Relief Reserve Fund. These funds may only be used to provide tax relief to businesses and individuals as provided

SECTION 118 - X91-STATEWIDE REVENUE

by law. Funds within the Tax Relief Reserve Fund shall be retained and carried forward to be used for the same purpose.

118.16. (SR: Tobacco Settlement) (A) To the extent funds are available from payments received on behalf of the State by the Tobacco Settlement Revenue Management Authority from the Tobacco Master Settlement Agreement ("MSA") during calendar year 2014, the State Treasurer is authorized and directed to transfer \$1,253,000 to the Attorney General's Office for Diligent Enforcement and Arbitration Litigation; \$450,000 to the State Law Enforcement Division for Diligent Enforcement; \$325,000 to the Department of Revenue for Diligent Enforcement, all to enforce Chapter 47 of Title 11, the Tobacco Escrow Fund Act. The remaining balance shall be transferred to the Department of Health and Human Services for Medicaid.

(B) To the extent funds are available from payments received on behalf of the State by the Tobacco Settlement Revenue Management Authority from the Tobacco Master Settlement Agreement ("MSA") during calendar year 2013, excluding funds received from settlement of the 2003-2012 NPM Adjustments Under the Tobacco Master Settlement Agreement, the State Treasurer is authorized and directed to transfer funds sufficient to cover the operating expenses of the Authority and to transfer \$37,372,707 to the General Fund of the State, with the remaining balance transferred to the Department of Health of Human Services for Medicaid.

(C) To the extent funds are available to the Tobacco Settlement Revenue Management Authority following the discharge of the Series 2008 Tobacco Bonds and all remaining uncommitted Tobacco funds held by the State Treasurer prior to calendar year 2013, the State Treasurer is authorized and directed to transfer \$4,287,779 to the Department of Social Services to complete development of the Child Support Enforcement System; \$4,000,000 to the Medical University of South Carolina Hospital Authority for the Telemedicine program; and \$2,000,000 to the Department of Agriculture pursuant to Section 11-49-55 of the 1976 Code. The remaining balance shall be transferred to the Department of Health and Human Services for Medicaid.

(D) The requirements of Section 11-11-170 of the 1976 Code shall be suspended for Fiscal Year 2013-2014.

118.17. (SR: Non-recurring Revenue) (A) The source of revenue appropriated in this provision is non-recurring revenue generated from the following sources:

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- (1) \$159,845,460 from Fiscal Year 2012-2013 unobligated general fund revenue as certified by the Board of Economic Advisors;
- (2) \$1,782,396 from the LCD Hitachi Settlement; and
- (3) Funds from Settlement of the 2003-2012 NPM Adjustments Under the Tobacco Master Settlement Agreement which shall be transferred to the General Fund of the State.

This revenue is deemed to have occurred and is available for use in Fiscal Year 2013-2014 after September 1, 2013, following the Comptroller General’s close of the state’s books on Fiscal Year 2012-2013.

Any restrictions concerning specific utilization of these funds are lifted for the specified fiscal year. The above agency transfers shall occur no later than thirty days after the close of the books on Fiscal Year 2012-2013 and shall be available for use in Fiscal year 2013-2014.

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2013, for the purposes stated:

- ** (1) **Part IA - General Fund**..... **\$50,739,599;**
- (2) X22 - Local Government Fund-State Treasurer
Local Government Fund.....\$29,999,999;
- (3) H63 - Department of Education
 - (a) Governor’s School for the Arts and Humanities
Data Network Wiring.....\$187,000;
 - (b) Transportation - Fuel and Bus Parts\$6,426,188;
 - (c) Instructional Materials\$22,667,978;
 - (d) 4K Statewide at Risk Phase In - Districts with
75% + Poverty.....\$4,120,000;

(3.1) Of the funds appropriated above to the Department of Education for 4K Statewide at Risk Phase In - Districts with 75% + Poverty, 35% shall be distributed to First Steps to School Readiness for the Child Development Education Pilot Program (CDEPP) and 65% shall be retained by the Department of Education for the Child Development Education Pilot Program (CDEPP).

** See note at end of Act.

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- (4) H75 - School for the Deaf and the Blind
- (a) Educational Technology \$575,000;
 - (b) Distance Learning \$185,000;
 - (c) Audio Description Devices \$65,000;
 - (d) Student Response Services \$40,000;
 - (e) Auditory Enhancement \$65,000;
 - (f) Records Management \$175,000;
- (5) J02 - Department of Health and Human Services
- ** (a) ***Nursing Homes - Rate Increase*** **\$5,000,000;**
 - (b) SC Health Information Network
(Palmetto Project) \$100,000;
- ** (6) ***H03 - Commission on Higher Education
University Center of Greenville
Infrastructure Development*** **\$200,000;**
- (7) H12 - Clemson University
- Student Career Opportunity Program \$1,000,000;
- (8) H27 - University of South Carolina
- (a) On Your Time \$2,500,000;
 - (b) SC Child Abuse Medical Response
Program \$225,000;
- (9) H51 - Medical University of South Carolina
- (a) MUSC Hospital Authority-Rural
Hospital Transformation \$400,000;
 - (b) Institute of Medicine \$400,000;
 - (c) Mobile Cancer Screening and
Early Detection \$600,000;
- (10) H59 - State Board for Technical and
Comprehensive Education
Midlands Technical -
Quickjobs Program - Equipment \$500,000;
- ** (11) ***H15 - University of Charleston
Avery Center*** **\$300,000;**
- (12) H37 - University of South Carolina - Lancaster
- (a) Deferred Maintenance \$400,000;
 - (b) Parity Funding \$148,400;
- (13) H38 - University of South Carolina - Salkehatchie
- Parity Funding \$118,720;
- (14) H39 - University of South Carolina - Sumter
- Parity Funding \$97,520;

** See note at end of Act.

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- (15) H40 - University of South Carolina - Union
Parity Funding \$59,360;
- (16) H79 - Department of Archives and History
(a) Archival Technology \$56,957;
** (b) *GLEAMNS - Benjamin Mays Historical
Preservation Site - Capital Equipment* \$200,000;
- * (17) *H95 - State Museum Commission*
(a) *Laurens County Museum* \$150,000;
(b) *SC Railroad Museum* \$200,000;
(c) *Greenville Children's Museum* \$100,000;
- (18) P36 - Patriots Point Development Authority
National Flight Academy \$400,000;
- (19) J04 - Department of Health and Environmental Control
** (a) *SC Bleeding Disorders -
Premium Assistance Program* \$100,000;
(b) Ocean Water Quality Outfall Initiative \$750,000;
* (c) *Women in Unity* \$100,000;
** (d) *HIV Prevention - Project Faith* \$350,000;
** (e) *Nurse Family Partnership* \$100,000;
** (f) *Best Chance Network and Colon Cancer
Prevention Network - Proviso 34.44* \$1,500,000;
** (g) *Stroke System of Care Act of 2011* \$50,000;
** (h) *Donate Life SC - Organ Donor Registry*... \$100,000;
** (i) *James R. Clark Sickle Cell Foundation*..... \$100,000;
(j) State Beachfront Management Plan \$2,000,000;
- * (20) *J12 - Department of Mental Health
Seahaven*..... \$200,000;
- ** (21) *H73 - Vocational Rehabilitation
Basic Services - Case Services* \$500,000;
- (22) P32 - Department of Commerce
(a) Deal Closing Fund \$12,677,766;
(b) Base Closure Fund \$500,000;
(c) Business Incubator Program \$5,000,000;
(d) SC Council on Competitiveness \$650,000;
** (e) *Community Development Corporation
Initiative*..... \$400,000;

(22.1) Of the funds appropriated above to the Department of Commerce for the Business Incubator Program, \$1,000,000 shall be

** See note at end of Act.

* See note at end of Act.

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used to invest in technology-based economic development projects. The department shall develop guidelines to administer the program and any investment made by the department shall be accompanied by a dollar-for-dollar match from non-state appropriated funds. Eligible projects shall foster economic development through university collaboration, local government participation, public-private partnership participation, all of which is aimed at “digital interactive and immersive media” projects throughout the state. \$400,000 shall be designated for the digital design initiative. Up to \$300,000 may be used by the department for administrative costs associated with this program.

- (23) D10 - State Law Enforcement Division
 - (a) Maintenance Fees\$30,000;
 - (b) Law Enforcement Equipment\$739,980;
 - (c) Vehicle Replacement\$720,000;
- (24) K05 - Department of Public Safety
 - Vehicle Replacement\$500,000;
- (25) N04 - Department of Corrections
 - (a) Statewide Paving\$1,000,000;
 - (b) Deferred Maintenance\$3,635,000;
 - (c) Security/Detention Systems and
Equipment\$2,542,000;
 - (d) Inmate Security and Support Vehicles\$1,000,000;
 - (e) Broad River Sewer System Upgrade\$700,000;
 - (f) Food Service Institutional Equipment\$489,357;
 - (g) Observation Towers - Lee Correctional
Institution\$236,900;
 - (h) Center Pivot Irrigation System\$100,000;
 - (i) Weapons Replacement\$40,000;
- (26) P24 - Department of Natural Resources
 - ****(a) Outreach Programs.....\$200,000;**
 - (b) State River Basin Study\$1,500,000;
 - (c) Information Technology - Phase II Upgrade
Software and Equipment Replacement\$1,725,000;
 - (d) Groundwater Monitoring Clusters\$250,000;
 - (e) Enforcement Division Vehicles\$785,050;
 - (f) Invasive Species Control Program\$50,000;
 - (g) Catawba/Wateree River Basin Study\$250,000;

** See note at end of Act.

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(26.1) The funds appropriated above to the Department of Natural Resources for the State River Basin Study Project must be used for water data collection to provide scientific information on water resources in the state's eight major river basins. The department shall, on a quarterly basis beginning October 1, 2013, submit to the Senate Finance Committee, the House Ways and Means Committee, the Senate Agriculture and Natural Resources Committee, and the House Agriculture, Natural Resources and Environmental Affairs Committee, a report on the project's timeline, findings, and expenditure of funds. Additionally, this information shall be posted electronically on the Department of Natural Resources and the Department of Health and Environmental Control websites.

- (27) L36 - Human Affairs Commission
 Computerized Affirmative Action Management
 System (CAAMS) \$100,000;
- * (28) **L46 - Commission on Minority Affairs**
PC Replacement **\$23,286;**
- (29) R28 - Department of Consumer Affairs
 (a) Licensing Database
 Reconfiguration/Upgrade \$100,000;
 (b) Identify Theft Unit - S.334 \$1;
- (30) R40 - Department of Motor Vehicles
 ADA Compliance \$925,000;
- (31) D25 - Office of Inspector General
 Office Infrastructure \$52,565;
- ** (32) **E04 - Office of Lieutenant Governor**
Caregivers **\$2,999,999;**
- (33) E08 - Secretary of State
 (a) Board and Commissions Database Project \$250,000;
 (b) Disaster Recovery/Image Digitization \$97,800;
- (34) E24 - Office of Adjutant General
 (a) Armory Maintenance and Repair Projects \$650,000;
 (b) Emergency Management Program
 Improvements \$375,000;
- (35) H87 - State Library
 Aid to Counties \$1,341,395;
- * (36) **H91 - Arts Commission**
Cultural Districts Designation Program **\$25,000;**

* See note at end of Act.

** See note at end of Act.

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- ** (37) E21 - Prosecution Coordination Commission**
Centers for Fathers and Families..... \$400,000;
- (38) N20 - Law Enforcement Training Council
Purchase Netbooks to Replace Paper Testing\$49,000;
- ** (39) L04 - Department of Social Services**
Phyllis Wheatley - Donaldson Center
Revitalization \$150,000;
- * (40) P16 - Department of Agriculture**
Certified South Carolina Grown Program \$500,000;
- * (41) P28 - Department of Parks, Recreation, and Tourism**
Rural Tourism Development-Cultural Visitor's Center,
Orangeburg County..... \$1,000,000;
- (42) R36 - Department of Labor, Licensing, and Regulation
Urban Search and Rescue (USAR) \$500,000;
- (43) U12 - Department of Transportation
(a) Traffic Management/Richland Electrical
Building Construction \$875,000;
(b) Lexington County Maintenance Complex
Land Acquisition \$700,000;
(c) Lexington County Maintenance Complex
Construction \$100,000;
(d) Upstate Salt Storage Facility Construction.... \$313,500;
(e) Cherokee Salt Shed Construction \$260,000;
**** (f) Sandy Island Boat Ramp \$150,000;**
- ** (44) A85 - Education Oversight Committee**
Partnerships for Innovation..... \$100,000; and
- * (45) F03 - Budget and Control Board**
Security Lighting Upgrade..... \$453,000.

Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

(C) From the escrow account established pursuant to Proviso 90.13 of Act 310 of 2008, the remaining funds shall be used to offset any operating shortfalls resulting from the Barnwell Low Level Waste Facility operations in order to preserve the economic viability of the facility. The amount distributed to offset any operating shortfalls shall be determined by calculating the difference between the allowable operating costs plus adjustments as approved by the Public Service

** See note at end of Act.

* See note at end of Act.

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Commission, and the access fees paid by the Atlantic Compact generators. Funds remaining in the account to offset operating shortfalls shall also be used to maintain access fees to the facility for Fiscal Year 2013-2014 at the Fiscal Year 2009-2010 level. There shall also be paid from the escrow account the annual dues of the Southern States Energy Board.

118.18. (SR: Tax Deduction for Consumer Protection Services)

(A) In addition to the deductions allowed in Section 12-6-1140 of the 1976 Code, there is allowed a deduction in computing South Carolina taxable income of an individual the actual costs, but not exceeding three hundred dollars for an individual taxpayer, and not exceeding one thousand dollars for a joint return or a return claiming dependents, incurred by a taxpayer in the taxable year to purchase a monthly or annual contract or subscription for identity theft protection and identity theft resolution services. The deduction allowed by this item may not be claimed by an individual if the individual deducted the same actual costs as a business expense or if the taxpayer is enrolled in the identity theft protection and identity theft resolution services offered free of charge by the State of South Carolina. For purposes of this item, 'identity theft protection' means products and services designed to prevent an incident of identify fraud or identity theft or other protect the private of a person' personal identifying information, as defined in Section 16-13-510(D), by precluding a third party from gaining unauthorized acquisition of another's personal identifying information to obtain financial resources or other products, benefits or services; and identity theft resolution services means products and services designed to assist persons whose personal indentifying information, as defined by Section 16-13-510(D), was obtained by a third party, whereby minimizing the effects of the identity fraud or identity theft incident and restoring the person's identity to pre-theft status.

(B) The deduction provided in (A) is only allowed for taxpayers that filed a return with the Department of Revenue for any taxable year after 1997 and before 2013, whether by paper or electronic transmission, or any person whose personally identifiable information was contained on the return of another eligible person, including minor dependents.

(C) By March fifteenth of each year, the department shall issue a report to the Governor and the General Assembly detailing the number of taxpayers claiming the deduction allowed by this item in the most recent tax year for which there is an accurate figure, and the total

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monetary value of the deductions claimed pursuant to this item in that same year.

(D) The department shall prescribe the necessary forms to claim the deduction allowed by this section. The department may require the taxpayer to provide proof of the actual costs and the taxpayer's eligibility.

END OF PART IB

All acts or parts of acts inconsistent with any of the provisions of Parts IA or IB of this act are suspended for Fiscal Year 2013-2014.

If any part, section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every part, section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other parts, sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Except as otherwise specifically provided, this act takes effect July 1, 2013.

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Ratified the 19th day of June 2013.

PLEASE NOTE

Text printed in *italic*, **boldface** indicates sections vetoed by the Governor on June 25, 2013.

*Indicates those vetoes sustained by the General Assembly on June 26 and 27, 2013.

**Indicates those vetoes overridden by the General Assembly on June 26 and 27, 2013.

Provisions not vetoed by the Governor took effect June 25, 2013, and generally apply for the fiscal year beginning July 1, 2013.

PART II
LOCAL AND TEMPORARY LAWS

No. 102

(R17, S239)

A JOINT RESOLUTION PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE XVII OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO THE PROHIBITION ON LOTTERIES AND THE EXCEPTIONS TO THIS PROHIBITION, SO AS TO PROVIDE THAT THE GENERAL ASSEMBLY MAY AUTHORIZE RAFFLES TO BE OPERATED AND CONDUCTED BY RELIGIOUS, CHARITABLE, OR NONPROFIT ORGANIZATIONS FOR RELIGIOUS, CHARITABLE, OR ELEEMOSYNARY PURPOSES, AND BY GENERAL LAW MUST DEFINE THE TYPE OF ORGANIZATION AUTHORIZED TO CONDUCT RAFFLES, PROVIDE THE STANDARDS FOR THEIR CONDUCT AND MANAGEMENT, PROVIDE PENALTIES FOR VIOLATIONS, AND PROVIDE FOR ANY OTHER LAW NECESSARY TO ENSURE THE PROPER FUNCTIONING, HONESTY, INTEGRITY, AND CHARITABLE PURPOSES FOR WHICH THE RAFFLES ARE CONDUCTED.

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

Amendment proposed

SECTION 1. It is proposed that Section 7, Article XVII of the Constitution of this State be amended to read as follows:

“Section 7. Only the State may conduct lotteries, and these lotteries must be conducted in the manner that the General Assembly provides by law. The revenue derived from the lotteries must first be used to pay all operating expenses and prizes for the lotteries. The remaining lottery revenues must be credited to a separate fund in the state treasury styled the ‘Education Lottery Account’, and the earnings on this account must be credited to it. Education Lottery Account proceeds may be used only for education purposes as the General Assembly provides by law.

The game of bingo, when conducted by charitable, religious, or fraternal organizations exempt from federal income taxation or when conducted at recognized annual state and county fairs, is not considered a lottery prohibited by this section.

A raffle, if provided for by general law and conducted by a nonprofit organization for charitable, religious, fraternal, educational, or other eleemosynary purposes is not a lottery prohibited by this section. The general law must define the type of nonprofit organization authorized to operate and conduct a raffle, provide standards for the operation and conduct of raffles, provide for the use of proceeds for religious, charitable, fraternal, educational, or other eleemosynary purposes, provide penalties for violations, and provide for other laws necessary to ensure the proper functioning, honesty, and integrity of the raffles. If no general law on the conduct and operation of a nonprofit raffle for charitable purposes, including the type of organization allowed to conduct raffles, is enacted, then the raffle is a lottery prohibited by this section.”

Submission of amendment to qualified electors

SECTION 2. The proposed amendment must be submitted to the qualified electors at the next general election for representatives. Ballots must be provided at the various voting precincts with the following words printed or written on the ballot:

“Must Section 7, Article XVII of the Constitution of this State be amended so as to provide that a raffle is not a lottery prohibited by this section, if the raffle is conducted by a nonprofit organization for charitable, religious, fraternal, educational, or other eleemosynary purposes, and the general law defines the type of organization authorized to operate and conduct the raffles, provides standards for the operation and conduct of the raffles, provides for the use of proceeds for charitable, religious, fraternal, educational, or other eleemosynary purposes, provides penalties for violations, and provides for other laws necessary to ensure the proper functioning, honesty, and integrity of the raffles, but in the absence of any general law, then the raffle remains a prohibited lottery?

Yes

No

Those voting in favor of the question shall deposit a ballot with a check or cross mark in the square after the word ‘Yes’, and those voting against the question shall deposit a ballot with a check or cross mark in the square after the word ‘No’.”

Ratified the 18th day of April, 2013.

No. 103

(R63, S643)

AN ACT TO AMEND ACT 288 OF 2012, RELATING TO THE 2012-2013 GENERAL APPROPRIATIONS ACT, SO AS TO REVISE PARAGRAPH 1A.48, SECTION 1A, PART IB, THAT DIRECTS THE DEPARTMENT OF EDUCATION TO TRANSFER CERTAIN FUNDS TO MEET MAINTENANCE OF EFFORT REQUIREMENTS FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT BY DELETING THE SET MAXIMUM AMOUNT THAT MAY BE TRANSFERRED.

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

Transfer of funds revised

SECTION 1. Paragraph 1A.48, Section 1A, Part IB of Act 288 of 2012, is amended to read:

“1A.48. (SDE-EIA: IDEA Maintenance of Effort) Prior to the dispersal of funds appropriated in Section XII.A.1 Aid to Districts according to Proviso 1A.43 for Fiscal Year 2012-2013, the department shall direct funds appropriated in Section XII.A.1 Aid To Districts to school districts and special schools for supplemental support of programs and services for students with disabilities, to meet the estimated maintenance of effort for IDEA. Funds provided for the maintenance of effort for IDEA may not be transferred to any other purpose and therefore are not subject to flexibility. The department shall distribute these funds using the current fiscal year one hundred thirty-five day Average Daily Membership. For continued compliance with the federal maintenance of efforts requirements of the IDEA, funding for children with disabilities must, to the extent practicable, be held harmless to budget cuts or reductions to the extent those funds are required to meet federal maintenance of effort requirements under the IDEA. In the event cuts to funds that are needed to maintain fiscal effort are necessary, when administering such cuts, the department

must not reduce funding to support children with disabilities who qualify for services under the IDEA in a manner that is disproportionate to the level of overall reduction to state programs in general. By December 1, 2012, the department must submit an estimate of the IDEA MOE requirement to the General Assembly and the Governor. The department is directed to transfer \$350,000 to the South Carolina Autism Society for the Autism Parent-School Partnership Program.”

Time effective

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 4th day of June, 2013.

Approved the 7th day of June, 2013.

No. 104

(R121, H3711)

A JOINT RESOLUTION TO APPROPRIATE MONIES FROM THE CAPITAL RESERVE FUND FOR FISCAL YEAR 2012-2013, AND TO ALLOW UNEXPENDED FUNDS APPROPRIATED TO BE CARRIED FORWARD TO SUCCEEDING FISCAL YEARS AND EXPENDED FOR THE SAME PURPOSES.

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

Capital Reserve Fund appropriation

SECTION 1. In accordance with the provisions of Section 36(B)(2) and (3), Article III, Constitution of South Carolina, 1895, and Section 11-11-320(C) and (D) of the 1976 Code, there is appropriated from the monies available in the Capital Reserve Fund for Fiscal Year 2012-2013 the following amounts:

(1)	F03-Budget and Control Board Consumer Protection and Statewide Cyber Security Improvements	\$ 10,000,000
(2)	H63-Department of Education School Bus Lease and Purchase	\$ 10,500,000
(3)	F03-Budget and Control Board Division of Information Security	\$ 4,840,508
* (4)	<i>F03-Budget and Control Board Statehouse Dehumidification and Heating</i>	\$ 60,000
** (5)	<i>H09-The Citadel Cadet Accountability System</i>	\$ 1,500,000
** (6)	<i>H15-University of Charleston Computer Science Program</i>	\$ 100,000
(7)	H15-University of Charleston Science Center	\$ 2,000,000
(8)	H17-Coastal Carolina University Science Center	\$ 1,500,000
(9)	H21-Lander University National Center for Montessori Education	\$ 750,000
(10)	H47-Winthrop University Withers/WTS Building Roof Replacement Maintenance and Repairs	\$ 750,000
(11)	H59-State Board for Technical and Comprehensive Education CATT Program/readySC	\$ 7,538,694
** (12)	<i>H59-State Board for Technical and Comprehensive Education Manufacturing Skills Standards Council Initiative</i>	\$ 2,500,000
(13)	H59-State Board for Technical and Comprehensive Education Central Carolina Technical College-Advanced	

* See note at end.

** See note at end.

	Manufacturing Technology Training Center	\$ 3,500,000
** (14)	<i>J20-Department of Alcohol and Other Drug Abuse Services Keystone Alcohol and Drug Abuse Capital Improvement Rock Hill</i>	\$ 750,000
** (15)	<i>J20-Department of Alcohol and Other Drug Abuse Services McCord Center Fire Safety -Alcohol and Drug Abuse</i>	\$ 250,000
** (16)	<i>J20-Department of Alcohol and Other Drug Abuse Services Circle Park Florence County -Alcohol and Drug Abuse</i>	\$ 150,000
(17)	L04-Department of Social Services Child Support Enforcement System Development	\$ 212,221
(18)	P12-Forestry Commission Firefighting Equipment	\$ 2,000,000
** (19)	<i>P20-Clemson University-PSA Advanced Plant Technology Lab</i>	\$ 3,000,000
(20)	P32-Department of Commerce Deal Closing Fund	\$ 3,322,234
(21)	P32-Department of Commerce Business Incubator Program	\$ 1,000,000
(22)	R44-Department of Revenue Repayment of Loan Authorized by the Budget and Control Board on 12/12/12	\$ 20,170,000
(23)	N20-Law Enforcement Training Council (Criminal Justice Academy) HVAC System	\$ 1,682,032
(24)	A17-Legislative Services Agency Data Center and Server Room	\$ 950,000
(25)	K05-Department of Public Safety Deferred Maintenance -Roof Replacement	\$ 300,000

** See note at end.

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|------|--|----|-----------|
| (26) | N20-Law Enforcement Training Council (Criminal Justice Academy) Replace Water Supply Lines Oldest Dorms | \$ | 147,492 |
| (27) | R44-Department of Revenue Implement Tax Processing System Improvements | \$ | 7,533,374 |
| (28) | H18-Francis Marion University Health Sciences Building (2 to 1 Match) | \$ | 1,750,000 |
| (29) | H59-State Board for Technical and Comprehensive Education Aiken Technical-Academic Building in Support of STEM and Engineering | \$ | 640,000 |
| (30) | H59-State Board for Technical and Comprehensive Education Denmark Technical-Plant Funding for Science Building | \$ | 435,750 |
| (31) | H59-State Board for Technical and Comprehensive Education Greenville Technical -Enterprise Campus Development | \$ | 435,750 |
| (32) | H59-State Board for Technical and Comprehensive Education Horry-Georgetown Technical -Culinary Arts Academic Building (1 to 1 Match) | \$ | 435,750 |
| (33) | H59-State Board for Technical and Comprehensive Education Midlands Technical-Quickjobs Program-Equipment | \$ | 500,000 |
| (34) | H59-State Board for Technical and Comprehensive Education Piedmont-Phase II -Laurens Advanced Manufacturing Center | \$ | 909,000 |
| (35) | H59-State Board for Technical and Comprehensive Education Technical College of Lowcountry-Transitioning | | |

	Military Support and Training	\$ 318,000
(36)	H59-State Board for Technical and Comprehensive Education Tri-County Technical -Oconee Workforce and Economic Development Center (1 to 1 Match)	\$ 750,000
(37)	H59-State Board for Technical and Comprehensive Education Trident Technical -Infrastructure/Roads/Ramps and Information Technology	\$ 435,750
(38)	H59-State Board for Technical and Comprehensive Education York Technical-Main Campus Road-Health and Safety Traffic Flow	\$ 640,000
** (39)	<i>H73-Vocational Rehabilitation Palmetto Center-Rebuild Facility -Fire and Life Safety Issues</i>	\$ 3,000,000
* (40)	<i>P16-Department of Agriculture Pee Dee Farmers Market -Replace Refrigeration Capacity</i>	\$ 75,000
(41)	P16-Department of Agriculture Farmers Market	\$ 7,060,000
(42)	P28-Department of Parks, Recreation, and Tourism Lake Greenwood Campground Electrical	\$ 800,000
(43)	P28-Department of Parks, Recreation, and Tourism State Park Sewer Repairs -Santee and Table Rock	\$ 550,000
(44)	P28-Department of Parks, Recreation, and Tourism Kings Mountain Bridge Replacement	\$ 250,000
(45)	P28-Department of Parks,	

** See note at end.

* See note at end.

Recreation, and Tourism	
Asbestos Abatement and	
Mold Removal	\$ 200,000
	\$ 112,656,555

Regulation of expenditure of appropriations to the Budget and Control Board for Statewide Cyber Security and Consumer Protection

SECTION 2. (A) For the current fiscal year, of the funds appropriated to the Budget and Control Board for Statewide Cyber Security and Consumer Protection, the State shall provide at a minimum, one additional year of identity theft protection and identity theft resolution services to each eligible person, as defined in subsection (D), whose personal financial information was compromised as a result of the Department of Revenue Security Breach of 2012. These services must be free of charge and available on or before October 25, 2013. Any funds remaining shall be utilized by the Budget and Control Board to implement state agency cyber security improvements as recommended by Deloitte and Touche.

(B) The Budget and Control Board shall procure services pursuant to subsection (A) in the most cost efficient manner possible. Following the selection of a vendor, the contract shall be executed by the vendor and the Department of Revenue. The Budget and Control Board, with assistance from the Department of Revenue, shall issue a report to the General Assembly by February 1, 2014, containing findings and recommendations concerning the ongoing risk of identity theft to eligible persons, the services the contract or contracts provided, and the need, if any, for extending the period for the contracted services, including the levels of service required beyond the additional one year coverage period. No service provided pursuant to subsection (A) may be procured for a cost if the same service is available to eligible persons for free under state or federal law.

(C) In order to ensure that every eligible person obtains identity theft protection and identity theft resolution services pursuant to subsection (A), to the extent allowed by federal or state law, including Section 30-2-320, the Department of Revenue, working with the contracted vendor, shall develop and implement a policy to make enrollment as simple as possible for each eligible person. The policy may include automatic enrollment, provided that there is an opt-out mechanism for otherwise eligible persons, and enrollment authorization on a tax return filed in this State. By March 15, 2014, the Department

of Revenue shall issue a report to the Governor and the General Assembly detailing the number of eligible persons that enrolled and the number of people eligible to enroll in the identity theft protection and identity theft resolution services program procured pursuant to subsection (A). The report also must detail efforts made to encourage enrollment in the programs.

(D) Identity Theft Protection as used herein means a product and/or service designed to prevent an incident of identity fraud or identity theft or otherwise protect the privacy of a person's personal identifying information, as defined in Section 16-13-510 (D), by precluding a third party from gaining unauthorized acquisition of another's personal identifying information to obtain financial resources or other products, benefits, or services.

Identity Theft Resolution Services as used herein means products and services designed to assist persons whose personal identifying information, as defined in Section 16-13-510 (D), was obtained by a third party, whereby minimizing the effects of the identity fraud or identity theft incident and restoring the person's identity to pre-theft status.

Eligible Person used herein means a taxpayer that filed a return with the Department of Revenue for any taxable year after 1997 and before 2013, whether by paper or electronic transmission, or any person whose personally identifiable information was contained on the return of another eligible person, including minor dependents.

(E) Nothing in this section creates a private right of action.

Regulation of expenditure of appropriations to the Department of Alcohol and Other Drug Abuse Services for the McCord Center Fire Safety-Alcohol and Drug Abuse

SECTION 3. The \$250,000 appropriated in SECTION 1 to J20-Department of Alcohol and Other Drug Abuse Services for McCord Center Fire Safety-Alcohol and Drug Abuse are for the McCord Alcohol and Drug Abuse Treatment Facility operated by the Tri-County Commission on Alcohol and Drug Abuse, and is for the installation of fire safety and suppression equipment only.

Posting of appropriations, carry forward

SECTION 4. The Comptroller General shall post the appropriations contained in this joint resolution as provided in Section 11-11-320(D) of the 1976 Code. Unexpended funds appropriated pursuant to this

joint resolution may be carried forward to succeeding fiscal years and expended for the same purposes.

Time effective

SECTION 5. This joint resolution takes effect thirty days after the completion of the 2012-2013 Fiscal Year in accordance with the provisions of Section 36(B)(3)(a), Article III, Constitution of South Carolina, 1895, and Section 11-11-320(D)(1) of the 1976 Code.

Ratified the 19th day of June, 2013.

Certain Items Vetoed by the Governor -- 6/25/13.

Certain Items overridden by House -- 6/26/13.

Certain Item sustained by House -- 6/26/13.

Certain Items overridden by Senate -- 6/27/13

PLEASE NOTE

Text printed in *italic*, **boldface** indicates sections vetoed by the Governor on June 25, 2013.

*Indicates those vetoes sustained by the General Assembly on June 26, 2013.

**Indicates those vetoes overridden by the General Assembly on June 26 and 27, 2013.

No. 105

(R112, H3971)

AN ACT TO AMEND ACT 432 OF 1947, AS AMENDED, RELATING TO THE GREENVILLE HOSPITAL SYSTEM, SO AS TO, AMONG OTHER THINGS, RENAME THE SYSTEM THE GREENVILLE HEALTH SYSTEM; TO AUTHORIZE AN INCREASE IN BOARD MEMBERS UP TO SEVENTEEN, TO ESTABLISH PROCEDURES FOR EFFECTING SUCH INCREASE, TO REVISE HOUSE OF REPRESENTATIVES DISTRICTS FROM WHICH MEMBERS MUST BE APPOINTED, TO FURTHER REVISE MEMBER RESIDENCY REQUIREMENTS, TO REVISE TERMS FOR MEMBERS

FROM SIX YEARS TO THREE YEARS, TO AUTHORIZE A MEMBER TO SERVE TWO TERMS, TO PROVIDE FOR STAGGERED TERMS, TO REVISE THE NOMINATION AND APPOINTMENT PROCESS, AND TO PROVIDE THAT THE BOARD IS COMMITTED TO MAINTAINING A DIVERSE BOARD; TO AUTHORIZE THE GREENVILLE HEALTH SYSTEM TO AMEND ITS NAME WITH INPUT FROM THE LEGISLATIVE DELEGATION, TO INCLUDE COMMUNITY AND PROFESSIONAL REPRESENTATIVES ON BOARD COMMITTEES, TO FURTHER SPECIFY HEALTH PROFESSIONALS FOR WHOM TEACHING PROGRAMS MAY BE PROVIDED AND TO WHOM FACILITY REGULATIONS APPLY, TO FURTHER SPECIFY PROVIDING FREE SERVICES TO COMMUNITY RESIDENTS, TO CONTRACT DIRECTLY WITH INSURERS AND EMPLOYERS TO PROVIDE HEALTH CARE ON A POPULATION RISK OR AN EPISODIC BASIS, TO DELETE CERTAIN DISPOSAL OF PROPERTY PROVISIONS, TO CONDUCT INVESTIGATIONS INTO HEALTH CONDITIONS AND NEEDS, TO ENTER INTO AGREEMENTS WITH HEALTH CARE PROVIDERS FOR SHARING OR FURNISHING SERVICES AND FOR MANAGEMENT OF FACILITIES OR FOR REDUCING DUPLICATIVE SERVICES; TO FURTHER CLARIFY UNCONTESTABLE BOND PROVISIONS; TO FURTHER PROVIDE FOR THE ESTABLISHMENT AND OPERATION OF THE GREENVILLE HEALTH SYSTEM POLICE DEPARTMENT; TO MAKE TECHNICAL CORRECTIONS; TO CONFORM THE PROVISIONS OF ACT 432 WITH THE CHANGE IN THE SYSTEM'S NAME; AND TO REPEAL CERTAIN SECTIONS OF ACT 432 OF 1947 AND TO REPEAL ACT 1013 OF 1948, ACTS 555 AND 558 OF 1961, ACT 1286 OF 1966, AND ACT 744 OF 1967 ALL RELATING TO THE GREENVILLE HOSPITAL SYSTEM.

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

Greenville Hospital System renamed Greenville Health System, board composition and appointment procedures revised

SECTION 1. Section 4 of Act 432 of 1947, as last amended by Act 379 of 2008, is further amended to read:

“Section 1. (A) For the purpose of operating and at all times maintaining adequate hospital facilities for the residents of Greenville County, including those residents in the City of Greenville and as otherwise provided by law, including, but not limited to, Section 44-7-78, Code of Laws of South Carolina, 1976, there is established the Greenville Health System (formerly known as the Greenville Hospital System) which must be governed by a board of trustees selected pursuant to this section.

(B)(1) The board of trustees shall consist of not fewer than twelve or more than seventeen members. A membership above twelve must be first requested by the board of trustees and then approved by the Greenville County Legislative Delegation. Members must be appointed by the Greenville County Legislative Delegation pursuant to this section. All members must be qualified electors. Members filling house district residency seats, as provided for in this subsection, must, at the time of their appointment and throughout their term of office, be residents of Greenville County residing in specified house districts that constitute a part of the specific house district residency seat. Six of the members must be considered as filling house district residency seats, with one seat being filled by a person residing in House District 17, 18, or 36; one residing in House District 10 or 19; one residing in House District 20, 21, or 35; one residing in House District 22 or 24; one residing in House District 23 or 25; and one residing in House District 16, 27, or 28. The remaining members must be at large, at least four of whom must reside in Greenville County. Two of the members must reside in the City of Greenville, but no more than three of the members may reside in the city limits of a single municipality. Appointment of members who are residents of the City of Greenville must be submitted for review by the City of Greenville as provided in subsection (B)(3). Members shall represent all communities served by the Greenville Health System regardless of residency and shall make decisions in the best interest of the Greenville Health System as a whole and all those it serves.

(2)(a) Except as provided for in subitem (c) and subsection (D), members shall serve terms of three years, which expire on October first of the appropriate year, and until their successors are appointed and qualify; however, under no circumstance may a member continue to serve longer than six months after the expiration of his term. If the Greenville County Legislative Delegation has not filled a seat within six months of the expiration of the term, the member serving in that seat shall cease serving and the seat is vacant until filled in accordance with this section. Members may not serve more than two terms, except

that a member who fills a term of one year or less may be reappointed to serve two terms.

(b) Vacancies must be filled in the manner of the original appointment for the unexpired portion of the term. Appointments must be filed in the office of the Clerk of Court for Greenville County, who shall certify their appointment to the Governor, who shall commission the member for the term provided.

(c) Members appointed to fill a new seat on the board, if any, must be appointed for a term beginning October first, with the length of the initial term being of a duration that results in approximately one-third of the members of the board being appointed annually.

(3) The board of trustees shall publicize vacancies, and recommendations may be made to the board from any individual, organization, or group. The board shall submit a nominee for each vacancy to the Greenville County Legislative Delegation. The board shall provide the legislative delegation with biographical information on nominees and must be available to discuss the recommendations and shall make each nominee available, if requested by the legislative delegation, to meet with the delegation. The legislative delegation with a quorum present and by majority-weighted vote shall vote to appoint a nominee for each vacancy. However, if after the board has submitted its initial nominee, the delegation requests an additional nominee, the board has one hundred twenty days to submit the additional nominee. If the board does not submit an additional nominee within one hundred twenty days of the request, the legislative delegation has sixty days to appoint a qualified member to fill the vacancy without considering nominations from the board. If the board does submit an additional nominee within the one hundred twenty days and the delegation by vote does not appoint the nominee, the delegation has sixty days to appoint a qualified member to fill the vacancy without considering the nominations from the board. An individual selected by the delegation who is a resident of the City of Greenville must be submitted by the legislative delegation to the City Council of the City of Greenville for concurrence, and the city council shall act timely on the request for concurrence. If the city council does not concur in the appointment, the board shall submit an additional nominee to the legislative delegation to fill the seat and the legislative delegation shall vote to appoint the nominee or request an additional nominee, and upon approval of the nominee shall submit that nominee to the City of Greenville for concurrence. The board is committed to maintaining a diverse board, believing that diversity is a source of strength and that the skills needed in building healthy communities can best be

developed through exposure to widely diverse people, culture, ideas, and leadership. All recommendations, nominations, and appointments to the board shall take into account race, gender, expertise, and other qualifications as may be pertinent to service on the board so that members are mindful, to the greatest extent possible, of the needs of all segments of the population of Greenville County and those served by the Greenville Health System.

(C)(1) The board shall elect from among its members a chairman, vice chairman, and secretary.

(2) Members shall serve on the board of trustees without compensation.

(D) Members shall continue to serve until their terms expire and until their successors are appointed and qualify.”

Powers and duties

SECTION 2. Section 5 of Act 432 of 1947, as last amended by Act 1285 of 1966, is further amended to read:

“Section 2. The Greenville Health System is authorized and empowered to do all things necessary or convenient for the establishment and maintenance of adequate health care facilities for the communities it serves and, without limiting in any way the generality of the foregoing, is empowered to:

- (1) adopt and use a corporate seal;
- (2) amend its name as determined by the board of trustees after receiving input from the Greenville County Legislative Delegation;
- (3) adopt bylaws, rules, and regulations for the conduct of its business and expenditure of its funds, as it may deem advisable, including establishing committees of the board of trustees, which may include community and professional representatives;
- (4) operate the hospital conveyed to it by the City of Greenville, and such other hospitals, health care facilities, clinics, programs, and services as it may lease, acquire, construct, or develop;
- (5) acquire by gift, purchase, or otherwise, all kinds and descriptions of real and personal property;
- (6) accept gifts, grants, donations, devises, and bequests;
- (7) enlarge and improve any facility that it may acquire or construct;
- (8) adequately staff and equip any health care facility that it may operate;
- (9) provide and operate outpatient departments and services;

(10) establish and operate clinics deemed necessary by the board of trustees to the health of the residents of Greenville County and the communities served;

(11) provide teaching and instruction programs and schools for physicians, nurses, allied health professionals, pharmacists, case workers, administrators, and other persons;

(12) employ personnel as may be necessary for its efficient operation;

(13) establish and promulgate rates for the use of its services and facilities;

(14) provide regulations concerning the use of its facilities and access to its programs and services, including rules governing the conduct of physicians, nurses, technicians, allied health professionals, social workers, and others while on duty or practicing their profession in its facilities and patients and visitors using its services and facilities; the determination of whether patients presented to the health system for treatment are subject for charity; and to fix compensation to be paid by patients and others utilizing its services;

(15) provide free or discounted services for residents of the county and the communities it serves;

(16) contract directly or in conjunction with insurers, employers, and individuals for the provision of health care services on a population risk or episodic basis and to expend the proceeds derived from these activities to support its programs and services;

(17) determine the fiscal year upon which its affairs must be conducted;

(18) expend any funds received in any manner, and the proceeds derived from issuance of bonds, to defray any costs incident to establishing, constructing, equipping, and maintaining its facilities and services;

(19) apply to the federal government and state agencies and any other governmental agencies, industries, and philanthropic programs for a grant of monies to aid in providing any health care facility or program, conducting research, and providing health care services;

(20) dispose of any property, real or personal, that it may possess;

(21) conduct periodic investigations into hospital, medical, and health conditions and needs in Greenville County and the communities it serves;

(22) exercise the power of eminent domain, in the manner provided by the general laws of the State of South Carolina for procedure by any county, municipality, or authority created by or organized under the

laws of this State or by the Department of Transportation or by railroad corporations;

(23) borrow money from banking or other lending institutions in such amounts and on such terms as the board may determine is for the best interest to the board for the operation of the hospital or for the acquisition of real or personal property or to enlarge or improve any hospital facilities and to secure such loan or loans by pledge of revenues;

(24) enter into affiliation, cooperation, territorial management, joint operation, and other similar agreements with other providers for the:

(a) sharing, dividing, allocating, or exclusive furnishing of services, referral of patients, management of facilities, and other similar activities; or

(b) reducing or eliminating duplicative services in a market in order to improve quality or reduce cost; and

(25) exercise all powers now or hereinafter granted to regional health service districts pursuant to Articles 15 and 16, Chapter 7, Title 44, Code of Laws of South Carolina, 1976.”

Accountings and audits, petitions for additional hospital facilities

SECTION 3. Section 6 of Act 432 of 1947 is amended to read:

“Section 3. (A) The board shall at all times keep full and accurate account of its actings and doings and of its receipts and expenditures, and at least once within four months following the close of its fiscal year, a complete audit of its affairs must be made by a qualified public accountant. Copies of the audit must be filed with the Clerk of Court for Greenville County, the Clerk of the City Council of the City of Greenville, and with the Secretary or Acting Secretary of the Greenville County Delegation to the General Assembly.

(B) If a petition, containing the authentic signatures of more than ten percent of the qualified electors of any incorporated town or any district now in existence or hereafter created, lying wholly within Greenville County or partly within Greenville County and any adjoining county, asks the board to establish additional hospital facilities to be located in the town or district, the board promptly shall investigate the need of additional hospital facilities and if the board finds that such need exists, the board shall cause plans and specifications to be made for the type of facilities that the board determines is needed. If the town or district makes available to the board not less than fifty percent of the total of the estimated cost of the

construction and equipment of such facilities, the board shall cause the facility to be promptly constructed, and upon its completion the facility must be operated as a part of its general hospital.”

Bonds

SECTION 4. Section 8 of Act 432 of 1947 is amended to read:

“Section 4. All bonds, revenues, or general obligations issued pursuant to the provisions of this act are deemed incontestable and valid and binding obligations, according to their tenor and effect, notwithstanding the provisions of other statutes.”

Greenville Health System police department powers and duties

SECTION 5. An undesignated section of Act 432 of 1947, as added by Act 312 of 2010, is designated and amended to read:

“Section 5. (A)(1) The Greenville Health System may establish a police department and appoint and employ police and security officers to carry out the functions of the department. While on duty, uniformed police and security officers shall wear distinctive uniforms prescribed by the board of trustees or its designees.

(2) The police officers must be commissioned as constables pursuant to Section 23-1-60, Code of Laws of South Carolina, 1976, and take the oath of office prescribed by law and the State Constitution for those officers.

(3) The jurisdiction of a police officer is limited to the grounds and streets and roads through and contiguous to the property of the Greenville Health System and not more than one hundred yards beyond its boundary.

(B) While performing his duties, a Greenville Health System police officer has all the powers of municipal and county law enforcement officers to make arrests for both felonies and misdemeanors and possess all of the common law and statutory powers, privileges, and immunities of police officers. A Greenville Health System police officer shall:

(1) preserve the peace, maintain order, and prevent unlawful use of force or violence or other unlawful conduct on the hospital grounds and protect all persons and property located there from injury, harm, and damage;

(2) enforce and assist hospital officials in the enforcement of the laws of the State, county and municipal ordinances, and the lawful regulations of the institution and assist and cooperate with other law enforcement agencies and officers.

(C) The jurisdiction of police officers of the Greenville Health System does not extend beyond the boundaries set by the provisions of subsection (A)(3), and these police officers may not arrest a person outside these boundaries. If the person leaves these boundaries, the police officer shall contact the appropriate law enforcement agency to effectuate an arrest.

(D) Greenville Health System police officers may designate and operate emergency vehicles and patrol cars in the manner provided by law for municipal and county law enforcement officers. These regular assigned patrol vehicles or units must bear distinctive and conspicuous lettering and markings on the sides and rear of the vehicle which provide clear identification of the institution. The chief law enforcement executive for the Greenville Health System may designate unmarked vehicles assigned to administrative, special, or investigative duties which must be operated in the manner provided by law for municipal and county law enforcement officers.

(E) The chief law enforcement executive or other appropriate official, with the approval of the board of trustees, shall establish within the police department a system of ranks and grades and a promotion policy to ensure efficient operation of the department and the establishment of responsibility within it.

(F) The police department may install, maintain, and operate radio systems on radio frequencies under licenses issued by the Federal Communications Commission, or its successor.

(G) It is unlawful for a person to:

(1) falsely represent himself to be a Greenville Health System police officer or agent or an employee of its police department and to act upon this representation to arrest, detain, search, or question a person or the property of a person;

(2) without the authority of the board of trustees, to wear the official uniform, insignia, badge, or identification of the Greenville Health System police department.

(H) A person arrested by a Greenville Health System police or security officer must be processed in the manner in which a person arrested is processed by municipal and county law enforcement officers.”

Acts repealed

SECTION 6. Sections 2, 3, and 7 of Act 432 of 1947, Act 1013 of 1948, Acts 555 and 558 of 1961, Act 1286 of 1966, and Act 744 of 1967 are repealed.

Time effective

SECTION 7. This act takes effect upon approval by the Governor.

Ratified the 11th day of June, 2013.

Approved the 13th day of June, 2013.

No. 106

(R5, S379)

AN ACT TO AMEND ACT 930 OF 1970, AS AMENDED, RELATING TO THE SCHOOL DISTRICT BOARD OF TRUSTEES FOR KERSHAW COUNTY, SO AS TO REVISE THE SPECIFIC ELECTION DISTRICTS FROM WHICH THE MEMBERS OF THE KERSHAW COUNTY SCHOOL DISTRICT BOARD OF TRUSTEES SHALL BE ELECTED BEGINNING WITH SCHOOL TRUSTEE ELECTIONS IN 2014, AND TO PROVIDE FOR DEMOGRAPHIC INFORMATION IN REGARD TO THESE NEWLY DRAWN ELECTION DISTRICTS.

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

Election districts reapportioned

SECTION 1. Section 1 of Act 930 of 1970, as last amended by Act 202 of 2005, is further amended to read:

“Section 1B. Notwithstanding another provision of law, beginning with the school trustee elections in 2014, successors to the members of the governing body of the Kershaw County School District Board of Trustees must be elected in the manner provided by law from one of

the applicable single-member election districts of the nine defined single-member election districts as shown on Kershaw County School District Map S-55-00-13 as maintained in the Office of Research and Statistics of the State Budget and Control Board. The demographic information shown on this map is as follows:

District	Pop	Dev.	%Dev.	NH Wht	%NH Wht	NH Blk	%NH Blk	All Oth
1	6,971	116	1.69%	5,793	83.10%	904	12.97%	274
2	6,916	61	0.89%	5,193	75.09%	1,228	17.76%	495
3	6,946	91	1.33%	5,420	78.03%	1,086	15.63%	440
4	6,925	70	1.02%	3,928	56.72%	2,483	35.86%	514
5	6,771	-84	-1.23%	3,526	52.08%	3,031	44.76%	214
6	6,855	0	0%	5,163	75.32%	1,474	21.50%	218
7	6,729	-126	-1.84%	5,057	75.15%	1,404	20.86%	268
8	6,810	-45	-0.66%	4,369	64.16%	2,025	29.74%	416
9	6,774	-81	-1.18%	4,560	67.32%	1,794	26.48%	420

District	VAP	NHWVAP	%NHWVAP	NHBVAP	%NHBVAP	AllOthVAP
1	5,184	4,340	83.72%	660	12.73%	184
2	5,105	3,945	77.28%	864	16.92%	296
3	5,135	4,068	79.22%	766	14.92%	301
4	5,080	2,928	57.64%	1,828	35.98%	324
5	5,198	2,836	54.56%	2,211	42.54%	151
6	5,258	4,049	77.01%	1,065	20.25%	144
7	5,325	4,115	77.28%	1,040	19.53%	170
8	5,125	3,427	66.87%	1,431	27.92%	267
9	5,148	3,576	69.46%	1,314	25.52%	258

C. The boundaries of the Kershaw County School District are not altered by the provisions of this act. These school district lines are as defined by law and any census blocks which may be divided are done so only for statistical purposes and to establish a population base.”

Time effective

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 27th day of February, 2013.

Approved the 1st day of March, 2013.

No. 107

(R15, S517)

AN ACT TO AMEND ACT 185 OF 1997, RELATING TO THE BOARD OF TRUSTEES OF SCHOOL DISTRICT NO. 4 OF MCCORMICK COUNTY, TO PROVIDE THAT IN THE EVENT OF A VACANCY ON THE BOARD OCCURRING FOR ANY REASON OTHER THAN EXPIRATION OF A TERM, THE BOARD SHALL CALL A SPECIAL ELECTION TO FILL THE UNEXPIRED TERM, AND TO MAKE TECHNICAL CHANGES.

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

McCormick County School Board vacancies

SECTION 1. Section 1 of Act 185 of 1997 (codified as Section 21-3550 of the 1962 Code) is amended to read:

“Section 1. The County Board of Education of McCormick County is hereby constituted as the Board of Trustees of School District No. 4 of McCormick County, with all powers and duties prescribed by law for such board of trustees. The board shall consist of seven members to be elected in the general election commencing with the general election of 1976 for terms of four years and until successors are elected and qualify, except that of those first elected three shall serve for terms of two years only. The four members receiving the greatest number of votes shall serve for four years and those receiving the least number of votes shall serve for two years. If the members receive the same number of votes, the length of terms shall be determined by lot.

All candidates shall be qualified electors of McCormick County and shall file and qualify as candidates, to be voted on at the time of the general election, by filing or registering a statement of candidacy with the Board of Election and Registration of McCormick County not later than twelve o'clock noon on September first or, if September first falls on Sunday, not later than twelve o'clock noon on the following Monday of the year in which the general election is to be held.

In the event of a vacancy on the board occurring for any reason other than expiration of a term, the board shall call a special election to fill the unexpired term. However, if the vacancy occurs within ten months of a regular trustee election, the vacancy must be filled for the

unexpired term or for a full term as appropriate at the next regular election.

The board shall elect a chairman who shall serve for one year.”

Time effective

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 9th day of April, 2013.

Approved the 12th day of April, 2013.

No. 108

(R39, S621)

A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE STATE BOARD OF EDUCATION, RELATING TO ASSISTING, DEVELOPING, AND EVALUATING PROFESSIONAL TEACHING (ADEPT), DESIGNATED AS REGULATION DOCUMENT NUMBER 4325, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

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

Regulations approved

SECTION 1. The regulations of the State Board of Education, relating to Assisting, Developing, and Evaluating Professional Teaching (ADEPT), designated as Regulation Document Number 4325, and submitted to the General Assembly pursuant to the provisions of Article 1, Chapter 23, Title 1 of the 1976 Code, are approved.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 15th day of May, 2013.

Became law without the signature of the Governor -- 5/22/2013.

No. 109

(R64, S674)

A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE DEPARTMENT OF NATURAL RESOURCES, RELATING TO TERMS AND CONDITIONS FOR THE PUBLIC'S USE OF LAKES AND PONDS OWNED AND LEASED BY THE DEPARTMENT OF NATURAL RESOURCES, DESIGNATED AS REGULATION DOCUMENT NUMBER 4341, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

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

Regulations approved

SECTION 1. The regulations of the Department of Natural Resources, relating to Terms and Conditions for the Public's Use of Lakes and Ponds Owned and Leased by the Department of Natural Resources, designated as Regulation Document Number 4341, and submitted to the General Assembly pursuant to the provisions of Article 1, Chapter 23, Title 1 of the 1976 Code, are approved.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 4th day of June, 2013.

Became law without the signature of the Governor -- 6/11/13.

No. 110

(R89, S732)

A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE BOARD OF COSMETOLOGY, RELATING TO REQUIREMENTS OF LICENSURE IN THE FIELD OF COSMETOLOGY (EDUCATIONAL REQUIREMENTS), DESIGNATED AS REGULATION DOCUMENT NUMBER 4336, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

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

Regulations approved

SECTION 1. The regulations of the Board of Cosmetology, relating to Requirements of Licensure in the Field of Cosmetology (Educational Requirements), designated as Regulation Document Number 4336, and submitted to the General Assembly pursuant to the provisions of Article 1, Chapter 23, Title 1 of the 1976 Code, are approved.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 11th day of June, 2013.

Became law without the signature of the Governor -- 6/18/2013.

No. 111

(R114, H4133)

A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE BOARD OF COSMETOLOGY, RELATING TO REQUIREMENTS OF LICENSURE IN THE FIELD OF COSMETOLOGY (EDUCATIONAL REQUIREMENTS), DESIGNATED AS REGULATION DOCUMENT NUMBER 4336,

PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

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

Regulations approved

SECTION 1. The regulations of the Board of Cosmetology, relating to Requirements of Licensure in the Field of Cosmetology (Educational Requirements), designated as Regulation Document Number 4336, and submitted to the General Assembly pursuant to the provisions of Article 1, Chapter 23, Title 1 of the 1976 Code, are approved.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 11th day of June, 2013.

Became law without the signature of the Governor -- 6/18/2013.

No. 112

(R123, H3774)

A JOINT RESOLUTION TO SUSPEND THE RUNNING OF CERTAIN GOVERNMENTAL APPROVALS AFFECTING THE DEVELOPMENT OF REAL PROPERTY WITHIN THE STATE FOR THE PERIOD BEGINNING JANUARY 1, 2013 AND ENDING DECEMBER 31, 2016; AND TO PROVIDE GOVERNMENTAL ENTITIES ISSUING SUCH APPROVALS SHALL PUBLISH NOTICE IN THE STATE REGISTER LISTING THE TYPES OF THESE APPROVALS IT ISSUES AND NOTING THE SUSPENSION OF THE RUNNING OF THE PERIOD OF THE APPROVAL AND TO PROVIDE AN EXCEPTION FOR UNITS OF LOCAL GOVERNMENT.

Whereas, there exists a state of economic emergency in the State of South Carolina and the nation, which has drastically affected various

segments of the South Carolina economy, but none as severely as the state's banking, real estate, and construction sectors; and

Whereas, the real estate finance sector of the economy is in severe decline due to the creation, bundling, and widespread selling of leveraged securities, such as credit default swaps, and due to excessive defaults on subprime mortgages and the resultant foreclosures on a vast scale, thereby widening the mortgage finance crisis. The extreme tightening of lending standards for home buyers and other real estate borrowers has reduced access to the capital markets; and

Whereas, as a result of the crisis in the real estate finance sector of the economy, real estate developers and redevelopers, including home builders, commercial, office, and industrial developers, have experienced an industry-wide decline, including reduced demand, canceled orders, declining sales and rentals, price reductions, increased inventory, fewer buyers who qualify to purchase homes, layoffs, and scaled-back growth plans; and

Whereas, the process of obtaining planning board and zoning board of adjustment approvals for subdivisions, site plans, and variances can be difficult, time consuming, and expensive, both for private applicants and governmental bodies; and

Whereas, the process of obtaining the myriad of other governmental approvals, such as wetlands permits, land disturbance and stormwater management permits, treatment works approvals, on-site wastewater disposal permits, highway access permits, critical area permits and coastal zone consistency certifications, and numerous waivers and variances, can be difficult and expensive. Changes in the law can render these approvals, if expired or lapsed, difficult to renew or reobtain; and

Whereas, the citizens of this State and county and municipal governments, including local sewer and water authorities, obtain permits and approvals from state governmental agencies, particularly the Department of Health and Environmental Control, which permits and approvals may expire or lapse due to the state of the economy and the inability of both the public sector and the private sector to proceed with projects authorized by the permit or approval; and

Whereas, the citizens of this State and county and municipal governments also obtain determinations of consistency, conformance, or endorsement with state or regional plans from state and regional governmental entities that may expire or lapse without implementation due to the state of the economy; and

Whereas, the current national recession has severely weakened the building industry, and many landowners and developers are seeing their life's work destroyed by the lack of credit and dearth of buyers and tenants due to the crisis in real estate financing and the building industry, uncertainty over the state of the economy, and increasing levels of unemployment in the construction industry; and

Whereas, the construction industry and related trades are sustaining severe economic losses, and the lapsing of governmental development approvals would exacerbate, if not addressed, those losses; and

Whereas, financial institutions that loaned money to property owners, builders, and developers are experiencing erosion of collateral and depreciation of their assets as permits and approvals expire, and the extension of these permits and approvals is necessary to maintain the value of the collateral and the solvency of financial institutions throughout the State; and

Whereas, due to the current inability of builders and their purchasers to obtain financing under existing economic conditions, more and more once-approved permits are expiring or lapsing, and, as these approvals lapse, lenders must reappraise and thereafter substantially lower real estate valuations established in conjunction with approved projects, thereby requiring the reclassification of numerous loans, which, in turn, affects the stability of the banking system and reduces the funds available for future lending, thus creating more severe restrictions on credit and leading to a vicious cycle of default; and

Whereas, as a result of the continued downturn of the economy and the continued expiration of approvals that were granted by state and local governments, it is possible that thousands of governmental actions will be undone by the passage of time; and

Whereas, obtaining an extension of an approval pursuant to existing statutory or regulatory provisions can be both costly in terms of time and financial resources and insufficient to cope with the extent of the

present financial conditions; moreover, the costs imposed fall on the public as well as the private sector; and

Whereas, it is the purpose of this joint resolution to prevent the wholesale abandonment of already approved projects and activities due to the present unfavorable economic conditions by tolling the term of these approvals for a finite period of time as the economy improves, thereby preventing a waste of public and private resources. Now, therefore,

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

Citation

SECTION 1. This joint resolution may be cited as the "Permit Extension Joint Resolution of 2013".

Definitions

SECTION 2. As used in this joint resolution:

(1) "Department" means the South Carolina Department of Health and Environmental Control.

(2) "Development" means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any building or other structure or facility, or any grading, soil removal or relocation, excavation or landfill, or any use or change in the use of any building or other structure or land or extension of the use of land.

(3) "Development approval" means an approval issued by the State, an agency or subdivision of the State, or a unit of local government, regardless of the form of the approval, that is for the development of land or for the provision of water or wastewater services by a governmental entity, including:

(a) an approval of an erosion and sedimentation control plan, land disturbance permit application, or stormwater management plan granted by a local government or by the department;

(b) a water or wastewater permit issued by the department, including authorization for construction and installation of lines and infrastructure extending water and sewer service and authorization to connect to available or proposed lines and infrastructure;

(c) an NPDES permit issued by the department for the construction, operation, and expansion of a publicly owned treatment works;

(d) a 401 water quality certification issued by the department;

(e) an air quality permit issued by the department;

(f) an approval by a county or its authorized boards and commissions of sketch plans, preliminary plats, plats regarding a subdivision of land, a site specific development plan or a phased development plan, or a building permit;

(g) an approval by a city or its authorized boards and commissions of sketch plans, preliminary plats, plats regarding a subdivision of land, a site specific development plan or a phased development plan, or a building permit;

(h) a permit issued by the Office of Coastal Resource Management.

Issuance of expired building permits

SECTION 3. A governmental entity that issued a building permit that has expired and has not been renewed by the governmental entity for one year, shall issue the building permit at no additional cost; however, the building permit must comply with existing rules and regulations in effect at the time the building permit is reissued.

Retroactive suspension of the running of the period of development approvals and vested rights for valid development approvals

SECTION 4. This joint resolution is intended to apply retroactively. For development approval that is current and valid on December 31, 2012, the running of the period of the development approval and any associated vested right is suspended during the period beginning January 1, 2013, and ending December 31, 2016.

Restrictions on the application of provisions

SECTION 5. This joint resolution may not be construed or implemented to:

(1) extend a permit or approval issued by the United States or its agencies or instrumentalities;

(2) extend a permit or approval for which the term or duration of the permit or approval is specified or determined pursuant to federal law;

- (3) shorten the duration that a development approval would have had in the absence of this joint resolution;
- (4) prohibit the granting of additional extensions provided by law;
- (5) affect an administrative consent order issued by the department in effect or issued at any time from the effective date of this joint resolution to December 31, 2016;
- (6) affect the ability of a governmental entity to revoke or modify a development approval pursuant to law;
- (7) modify a requirement of law that is necessary to retain federal delegation by the State of the authority to implement a federal law or program; or
- (8) affect a Certificate of Need issued pursuant to Article 3, Chapter 7, Title 44 or a Demonstration of Need issued pursuant to Article 2, Chapter 96, Title 44.

Public notice of development approvals and applicable suspensions

SECTION 6. Within thirty days after the effective date of this joint resolution, each agency or subdivision of the State to which this joint resolution applies shall submit a notice for publication to the State Register listing the types of development approvals that the agency or subdivision issues and noting the suspension provided in this joint resolution. This section does not apply to units of local government.

Provisions to be liberally construed

SECTION 7. The provisions of this joint resolution must be liberally construed to effectuate the purposes of this joint resolution.

Time effective

SECTION 8. This joint resolution takes effect upon approval by the Governor.

Ratified the 19th day of June, 2013.

Approved the 20th day of June, 2013.

No. 113

(R28, S10)

A JOINT RESOLUTION TO AUTHORIZE SCHOOL TRUSTEES OF A SCHOOL DISTRICT, IN FISCAL YEAR 2012-2013, TO SELL OR LEASE SCHOOL PROPERTY, REAL OR PERSONAL, IN THE SCHOOL DISTRICT AT ANY TIME THEY DEEM IT EXPEDIENT TO DO SO AND APPLY THE PROCEEDS OF THE SALE OR LEASE TO THE SCHOOL FUND OF THE DISTRICT.

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

Authorization to sell certain school property

SECTION 1. Notwithstanding Section 59-19-250, for Fiscal Year 2012-2013, school trustees of a school district that do not currently have the authority to do so, may sell or lease school property, real or personal, in the school district at any time they deem it expedient to do so and apply the proceeds of the sale or lease to the school fund of the district.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 2nd day of May, 2013.

Approved the 3rd day of May, 2013.

No. 114

(R32, H3453)

A JOINT RESOLUTION TO REQUIRE LOCAL SCHOOL DISTRICTS TO DECIDE AND NOTIFY TEACHERS OF THEIR EMPLOYMENT FOR THE 2013-2014 SCHOOL YEAR BY MAY 5, 2013; TO PROVIDE THAT A CONTINUING-CONTRACT

TEACHER WHO IS BEING RECOMMENDED FOR FORMAL EVALUATION THE FOLLOWING SCHOOL YEAR MUST BE NOTIFIED IN WRITING ON OR BEFORE THE DATE THE SCHOOL DISTRICT ISSUES THE WRITTEN OFFER OF EMPLOYMENT OR REEMPLOYMENT; TO REQUIRE TEACHERS WHO ARE REEMPLOYED BY WRITTEN NOTIFICATION TO NOTIFY THE DISTRICT BOARD OF THEIR ACCEPTANCE WITHIN TEN DAYS OF RECEIPT OF WRITTEN NOTIFICATION OF EMPLOYMENT; AND TO ALLOW DISTRICTS TO UNIFORMLY NEGOTIATE SALARIES OF CERTAIN RETIRED TEACHERS BELOW THE DISTRICT SALARY SCHEDULE.

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

Employment notification required

SECTION 1. Notwithstanding Section 59-25-410, the boards of trustees of the several school districts shall decide and notify, in writing, the teachers, as defined in Section 59-1-130, in their employ concerning their employment for the 2013-2014 school year by May 5, 2013.

Other notification required

SECTION 2. Notwithstanding Regulation 43-205.1, a continuing-contract teacher who is being recommended for formal evaluation the following school year must be notified in writing on or before the date the school district issues the written offer of employment or reemployment.

Response notification required

SECTION 3. Notwithstanding Section 59-25-420, any teacher who is reemployed by written notification pursuant to Section 59-25-410 shall notify the board of trustees in writing of his acceptance of the contract for the 2013-2014 school year no later than ten days following receipt of written notification. Failure on the part of the teacher to notify the board of acceptance within the specified time limit is conclusive evidence of the teacher's rejection of the contract.

Salaries which may be negotiated

SECTION 4. Notwithstanding another provision of law, school districts uniformly may negotiate salaries below the school district salary schedule for the 2013-2014 school year for retired teachers who are not participants in the Teacher and Employee Retention Incentive Program.

Time effective

SECTION 5. This joint resolution takes effect on April 15, 2013.

Ratified the 2nd day of May, 2013.

Approved the 3rd day of May, 2013.

No. 115

(R62, S641)

A JOINT RESOLUTION TO DEFINE "FALCONRY" AND MAKE IT LAWFUL TO ENGAGE IN FALCONRY IN SOUTH CAROLINA JANUARY 1, 2014, THROUGH DECEMBER 31, 2014, TO PROVIDE FOR THE REGULATION OF FALCONRY, AND TO PROVIDE A PENALTY FOR VIOLATIONS.

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

Falconry allowed, regulations, penalty

SECTION 1. (A) Falconry is the hunting of wild quarry in its natural state and habitat by means of a trained bird of prey or raptor (Order Falconiformes or Order Strigiformes other than bald eagle).

(B) A resident of this State may lawfully engage in falconry in this State after December 31, 2013, if the person holds a valid South Carolina statewide hunting license and as of December 31, 2013, the person held a valid federal falconry permit and complies with the provisions of subsection (C)(1) of this section.

(C)(1) Those federal regulations governing engaging in falconry applicable in this State as of December 31, 2013, are deemed

incorporated into the text of this joint resolution, mutatis mutandis, and apply in this State after December 31, 2013. These regulations, as incorporated, must be enforced by the South Carolina Department of Natural Resources as applicable.

(2) After December 31, 2013, a person engaging in falconry in violation of the regulations made applicable in this State pursuant to this subsection is guilty of a misdemeanor and, upon conviction, must be fined not more than five hundred dollars, or imprisoned for not more than thirty days, or both.

Time effective

SECTION 2. The provisions of this joint resolution take effect upon approval by the Governor and apply only through December 31, 2014.

Ratified the 4th day of June, 2013.

Approved the 7th day of June, 2013.

No. 116

(R10, S351)

A JOINT RESOLUTION TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER OWNERSHIP OF THE BELTON NATIONAL GUARD ARMORY TO THE CITY OF BELTON.

Whereas, the National Guard Armory located at 700 Blue Ridge Avenue in Belton, South Carolina, will be vacated by the South Carolina National Guard in September 2013; and

Whereas, the City of Belton will use the armory for the benefit of the community. Now, therefore,

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

Ownership of armory transferred

SECTION 1. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the Belton National Guard Armory located at 700 Blue Ridge Avenue, Belton, South Carolina, to the City of Belton, South Carolina.

Time effective

SECTION 2. This joint resolution takes effect October 1, 2013.

Ratified the 21st day of March, 2013.

Approved the 22nd day of March, 2013.

No. 117

(R6, H3180)

A JOINT RESOLUTION TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER OWNERSHIP OF CLOVER NATIONAL GUARD ARMORY IN CLOVER, SOUTH CAROLINA, TO THE TOWN OF CLOVER.

Whereas, the National Guard Armory located at 301 Memorial Drive, Clover, South Carolina, has been vacated by the Army National Guard; and

Whereas, the Town of Clover will use the armory for the benefit of the community. Now, therefore,

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

Ownership of armory transferred

SECTION 1. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the Clover

National Guard Armory located at 301 Memorial Drive, Clover, South Carolina, to the Town of Clover, South Carolina.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 27th day of February, 2013.

Approved the 1st day of March, 2013.

No. 118

(R25, H3586)

A JOINT RESOLUTION TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER OWNERSHIP OF THE MULLINS NATIONAL GUARD ARMORY TO THE CITY OF MULLINS.

Whereas, the National Guard Armory located at 843 Miller Road in Mullins, South Carolina, will be vacated by the South Carolina National Guard; and

Whereas, the City of Mullins will use the armory for the benefit of the community. Now, therefore,

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

Transfer of National Guard Armory ownership

SECTION 1. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the Mullins National Guard Armory located at 843 Miller Road, Mullins, South Carolina, to the City of Mullins, South Carolina.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 18th day of April, 2013.

Approved the 23rd day of April, 2013.

No. 119

(R22, H3426)

A JOINT RESOLUTION TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO TRANSFER OWNERSHIP OF THE WILLIAMSTON NATIONAL GUARD ARMORY TO THE TOWN OF WILLIAMSTON.

Whereas, the National Guard Armory located at 123 Gossett Drive in Williamston, South Carolina, has been vacated by the South Carolina National Guard; and

Whereas, the Town of Williamston will use the armory for the benefit of the community. Now, therefore,

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

Ownership of armory transferred

SECTION 1. Notwithstanding the provisions of Sections 25-1-1660 and 1-11-58 of the 1976 Code and Act 248 of 2004, the State Budget and Control Board is directed to transfer ownership of the Williamston National Guard Armory located at 123 Gossett Drive, Williamston, South Carolina, to the Town of Williamston, South Carolina.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 18th day of April, 2013.

Approved the 23rd day of April, 2013.

No. 120

(A120, R12, S501)

A JOINT RESOLUTION TO AUTHORIZE THE CITY OF NORTH AUGUSTA TO RELOCATE THE WORLD WAR I AND WORLD WAR II MEMORIAL MONUMENT IN CALHOUN PARK TO THE VETERANS MEMORIAL AT WADE HAMPTON VETERANS PARK.

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

Monument movement

SECTION 1. Pursuant to Section 10-1-165(B) of 1976 Code, the City of North Augusta is hereby authorized to move the World War I and World War II Memorial Monument to a new location that is approximately 2,190 feet south of its present location in Calhoun Park at the intersection of Georgia Avenue and Carolina Avenue in downtown North Augusta. The monument may be moved to a location around the west arc of the central circle of the Veterans Memorial at Wade Hampton Veterans Park. Upon its relocation, the WWI and WWII Memorial Monument will be adjacent to future planned Memorial Monuments for North Augusta Veterans killed in the Korean and Vietnam Wars and will provide for greater citizen access and viewing.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 21st day of March, 2013.

Approved the 22nd day of March, 2013.

REGULATIONS OF STATE AGENCIES
August 24, 2012 - July 26, 2013

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The regulations contained in this index have been filed in the office of the Legislative Council and processed in accordance with the provisions of Article 1, Chapter 23, Title 1, *Code of Laws of South Carolina, 1976*, and became effective August 24, 2012 through July 26, 2013.

The texts of all regulations listed in this index have been published in the volume and issue of the *South Carolina State Register* noted opposite each entry and are available on the South Carolina General Assembly Home Page: www.scstatehouse.gov. If you do not have access to the Internet, the regulations are available for public inspection in the office of the promulgating agency, the Legislative Council, the State Library and the Department of Archives and History.

An explanation of abbreviations opposite regulations contained in this index, e.g. "SR37-1", means *South Carolina State Register*, Volume 37, Issue 1. Page numbers can be determined from the table of contents in the issue concerned. The number in parenthesis is the filing Document Number.

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