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South Carolina
House of Representatives



Legislative Oversight Committee

Tuesday, August 13, 2019

10:00 a.m.

Blatt Building - Room 110

Pursuant to Committee Rule 4.9, S.C. ETV shall be allowed access for internet streaming whenever technologically feasible.

AGENDA

I. Approval of minutes

II. **OPPORTUNITY FOR PUBLIC INPUT** about the

**Department of Alcohol and Other Drug Abuse Services;
Department of Education;
Department of Probation, Parole and Pardon Services;
Secretary of State's Office; and
South Carolina Housing Finance and Development Authority**

For information about providing testimony to the House Legislative Oversight Committee click [here](#).

Individuals can sign up to testify by calling the House Legislative Oversight Committee at 803-212-6810, emailing the Committee at hcommlegov@schouse.gov, or signing up in person a few minutes prior to the meeting. S.C. Code of Laws Section 2-2-70 provides that all testimony given to the investigating committee must be under oath.

An **ongoing opportunity for public input is available on the Committee's website**, which allows individuals to provide comments to the House Legislative Oversight Committee anonymously.

III. Committee Administrative Matters

IV. Adjournment



SC HOUSE LEGISLATIVE OVERSIGHT COMMITTEE

For Immediate Release

July 26, 2019

Contact: Chairman, Wm. Weston J. Newton at (803) 212-6810

WestonNewton@schouse.gov

INVITATION FOR PUBLIC TESTIMONY

Your input is wanted about these five agencies

Department of Alcohol and Other Drug Abuse Services; Department of Education; Department of Probation, Parole and Pardon Services; Secretary of State's Office; and South Carolina Housing Finance and Development Authority

Columbia, SC - The House Legislative Oversight Committee has scheduled a meeting on Tuesday, August 13, 2019, at 10:00 a.m. in Room 110, Blatt Building to receive **public input about the Department of Alcohol and Other Drug Abuse Services; Department of Education; Department of Probation, Parole and Pardon Services; Secretary of State's Office; and South Carolina Housing Finance and Development Authority.**

During this time, Speaker Jay Lucas and the South Carolina House of Representatives' Legislative Oversight Committee are pleased to invite the public to provide comments and recommendations about these agencies. Individuals can sign up to speak by calling the House Legislative Oversight Committee at 803-212-6810, emailing the Committee at hcommlegov@schouse.gov, or signing up in person a few minutes prior to the meeting.

This meeting provides the opportunity to have an individual member of the public's face and voice connected with the comments while speaking directly to Committee members. Information relating to providing testimony to the Committee is available online. Also, there is an ongoing opportunity to provide anonymous input, through a public input link on the Committee's website. It is the Committee's practice to publish responses to online surveys verbatim as received by the Committee. To access these online materials, go to www.scstatehouse.gov, click on the "Citizens' Interest" tab on the top row, then on the "Agency Oversight by House Legislative Oversight Committee" link and finally click on the agency for which you would like to view responses from the public.

The Committee's vision is for South Carolina agencies to become, and continuously remain, the most effective state agencies in the country through processes which eliminate waste and efficiently deploy resources thereby creating greater confidence in state government. Comments from those citizens who choose to provide input are important to the Members of the House Legislative Oversight Committee because they may help direct the Committee to additional potential areas for improvement within these agencies.

The specific task of the House Legislative Oversight Committee is to conduct legislative oversight studies on state agencies over the course of seven years. The purpose of a legislative oversight study is to determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether or not they should be continued, curtailed or even eliminated. Also, the Committee recognizes that an oversight study serves the purpose of informing the public about an agency. Any legislator may file legislation, which will go through the normal legislative process, to implement recommendations this Committee may have relating to the agencies.

Suggestions for additional ways to inform the public about this meeting and the House Legislative Oversight Committee's process are welcomed.

###

Providing Testimony to the House Legislative Oversight Committee

The House Legislative Oversight Committee conducts studies and investigations of state agencies in order to determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether those programs should be continued, curtailed, or eliminated. It also works to inform the public about the agencies it studies.

Public input is a cornerstone of the oversight process. Input from people who interact with state agencies may help direct the Committee to potential areas for improvement.

Opportunities to provide testimony to the Committee

The Committee periodically holds public input meetings to hear testimony on agencies that are under study. The bulk of each study takes place at the Subcommittee level. Public testimony may be allowed at Subcommittee meetings, with permission of the Subcommittee chair. To see scheduled meetings, sign up for Committee updates, or contact the Committee, please visit <http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>.

If you choose to testify before the Committee or one of its Subcommittees, please bear the following in mind:

1. All Committee and Subcommittee meetings are open to the public, and whenever technologically feasible, a video of each meeting is made available online.
2. You may be asked to keep testimony within a certain timeframe, often between three and five minutes.
3. You may provide written materials to supplement oral testimony.
4. Committee members may ask questions during testimony.
5. All testimony must be given under oath.
6. While the Committee cannot intervene in any individual's ongoing matter with an agency, the following are examples of topics that may be particularly helpful to the Committee:
 - The agency's communication of information to the public;
 - Experiences with the agency that reflect on its overall ability to fulfill its mission;
 - Multiple similar experiences with the agency that may indicate a pattern;
 - Specific concerns about actions of agency leadership; and
 - Ideas about ways in which an agency could better (i.e., more effectively or efficiently) fulfill its mission.

Other opportunities to provide input to the Committee

Providing public testimony under oath is not the only way to contribute to the oversight process. Other options include:

- Providing input by way of online public surveys;
- Emailing the Committee at HCommLegOv@schouse.gov; and
- Calling or meeting with Committee staff, who will provide a summary of your comments to the Committee.

If you have any questions about providing input to the House Legislative Oversight Committee, please contact the Committee by telephone at (803) 212-6810 or by email at HCommLegOv@schouse.gov.

Chair Wm. Weston J. Newton

*First Vice-Chair:
Laurie Slade Funderburk*

*Micajah P. (Micah) Caskey, IV
Neal A. Collins
Patricia Moore "Pat" Henegan
William M. (Bill) Hixon
Jeffrey E. (Jeff) Johnson
Mandy Powers Norrell
Tommy M. Stringer
Bill Taylor
Robert Q. Williams*

*Jennifer L. Dobson
Research Director*

*Cathy A. Greer
Administration Coordinator*

Legislative Oversight Committee



South Carolina House of Representatives

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Chandra E. Dillard
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Joseph H. Jefferson, Jr.
Marvin R. Pendarvis
Robert L. Ridgeway, III
Edward R. Tallon, Sr.
John Taliaferro (Jay) West, IV
Chris Wooten*

*Charles L. Appleby, IV
Legal Counsel*

*Carmen J. McCutcheon Simon
Research Analyst/Auditor*

*Kendra H. Wilkerson
Fiscal/Research Analyst*

Legislative Oversight Committee Meeting

**Tuesday, June 25, 2019
Blatt Building Room 110**

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.8, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- I. Pursuant to Committee Rule 3.1, the public-input meeting of the House Legislative Oversight Committee was called to order by Chairman Wm. Weston J. Newton. All members of the Committee were present for all or a portion of the meeting, except Representative Mandy Powers Norrell and Representative Tommy M. Stringer.

Minutes

- I. Representative Gary E. Clary moved to approve the minutes from the meeting on May 8, 2019. A roll call vote was held, and the motion passed.

Representative Clary’s motion to approve the minutes from the meeting on May, 8 2019:	Yea	Nay	Not Voting: Present	Not Voting: Absent
Micajah P. “Micah” Caskey, IV	✓			
Gary E. Clary	✓			
Neal A. Collins	✓			
Chandra E. Dillard	✓			
Laurie Slade Funderburk	✓			
Patricia Moore “Pat” Henegan	✓			
Lee Hewitt	✓			
William M. “Bill” Hixon	✓			
Joseph H. Jefferson, Jr.	✓			
Jeffrey E. Johnson	✓			
Mandy Powers Norrell				✓
Marvin R. Pendarvis	✓			
Robert L. Ridgeway, III	✓			
Tommy M. Stringer				✓
Edward R. “Eddie” Tallon, Sr.	✓			
Bill Taylor	✓			
John T. West	✓			
Robert Q. Williams	✓			
Christopher Sloan “Chris” Wooten	✓			
Wm. Weston J. Newton	✓			

Discussion of Agenda and Procedure

- I. Chairman Newton stated that one purpose of this meeting was to continue the discussion of the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee’s study of the Department of Labor, Licensing and Regulation or LLR.

Chairman Newton stated that the other purpose of this meeting was to receive public testimony about the Rural Infrastructure Authority. Chairman Newton added that because public notice was given that the opportunity to provide public input about the Rural Infrastructure Authority would begin at 2:30 p.m., the Committee would begin with public input first.

Public Input

- I. Members of the public provided testimony about the Rural Infrastructure Authority or RIA. Constituent testimony and Committee minutes summarizing testimony are not the comments or expression of the House Legislative Oversight Committee, any of its Subcommittees, the House of Representatives, or any of these entities staff.

Before each person testifies, Chairman Weston Newton administered an oath to the person. Below are the names of each person who testified and the time in the archived video at which the testimony begins.

Andrena Powell-Baker (08:37)

Ms. Powell-Baker testified that she resides in Union County and is the President of the South Carolina Economic Developers' Association (SCEDA). Ms. Powell-Baker provided background about SCEDA and explained that SCEDA serves as the voice of economic development for South Carolina. Ms. Powell-Baker testified that RIA is active and engaged in counties and communities throughout South Carolina. She stated she has received many positive comments about the RIA staff. Ms. Powell-Baker also testified about how RIA supports local communities by providing grants to fund water and sewer projects, and included details of two recent projects in Anderson and Union counties. Ms. Powell-Baker then answered questions from the Committee members regarding membership in SCEDA and recent projects RIA has assisted with.

Scott Tanner (21:18)

Mr. Tanner testified that he resides in Clarendon County and is the City Administrator for the city of Manning. Mr. Tanner provided the details of four projects that RIA has assisted Manning within the last five years, including replacing outdated sewer lines and upgrading the wastewater treatment facility. Mr. Tanner stated that these projects were vital to Manning and could not have been completed without the help of RIA. Mr. Tanner then answered questions from the Committee members regarding administering CDBG funds, timeline in securing grants from RIA, and timeline for completing projects.

Discussion of the Rural Infrastructure Authority

- I. Ms. Bonnie Ammons, Executive Director of the South Carolina Rural Infrastructure Authority, under oath, addressed the Committee regarding the public input and answers questions from the Committee members regarding the areas of interest the RIA focuses on, areas of potential expansion for the RIA, sources of funding, and the RIA board.

Discussion of Department of Labor, Licensing and Regulation

- I. Ms. Emily Farr, Agency Director for the Department of Labor, Licensing and Regulation, still under oath, addresses the Committee and answers questions from the members regarding the study.

- II. Representative Bill Hixon moves that the Committee follow up with LLR in January 2020 regarding results of its licensing fee analysis and the steps it is taking to address problems identified.

Representative Hixon’s motion that the Committee follow up with LLR in January 2020 regarding results of its licensing fee analysis and the steps it is taking to address problems identified:	Yea	Nay	Not Voting: Present	Not Voting: Absent
Micajah P. “Micah” Caskey, IV			✓	
Gary E. Clary	✓			
Neal A. Collins	✓			
Chandra E. Dillard	✓			
Laurie Slade Funderburk	✓			
Patricia Moore “Pat” Henegan	✓			
Lee Hewitt	✓			
William M. “Bill” Hixon	✓			
Joseph H. Jefferson, Jr.	✓			
Jeffrey E. Johnson	✓			
Mandy Powers Norrell				✓
Marvin R. Pendarvis	✓			
Robert L. Ridgeway, III	✓			
Tommy M. Stringer				✓
Edward R. “Eddie” Tallon, Sr.	✓			
Bill Taylor	✓			
John T. West	✓			
Robert Q. Williams	✓			
Christopher Sloan “Chris” Wooten				✓
Wm. Weston J. Newton	✓			

III. Representative Bill Hixon moves that the Committee recommend that the General Assembly consider amending state law to:

- a. Allow fingerprints submitted by the Real Estate Commission licensees to be kept on file by SLED for subsequent background checks; and
- b. Allow the Real Estate Commission, with licensees' permission, to utilize fingerprints already on file with other state agencies to perform required background checks.

Representative Hixon's motion that the Committee recommend that the General Assembly consider amending state law to A) allow fingerprints submitted by the Real Estate Commission licensees to be kept on file by SLED for subsequent background checks; and B) allow the Real Estate Commission, with licensees' permission, to utilize fingerprints already on file with other state agencies to perform required background checks:	Yea	Nay	Not Voting: Present	Not Voting: Absent
Micajah P. "Micah" Caskey, IV	✓			
Gary E. Clary	✓			
Neal A. Collins				✓
Chandra E. Dillard	✓			
Laurie Slade Funderburk	✓			
Patricia Moore "Pat" Henegan	✓			
Lee Hewitt	✓			
William M. "Bill" Hixon	✓			
Joseph H. Jefferson, Jr.	✓			
Jeffrey E. Johnson				✓
Mandy Powers Norrell				✓
Marvin R. Pendarvis	✓			
Robert L. Ridgeway, III	✓			
Tommy M. Stringer				✓
Edward R. "Eddie" Tallon, Sr.	✓			
Bill Taylor				✓
John T. West	✓			
Robert Q. Williams				✓
Christopher Sloan "Chris" Wooten	✓			
Wm. Weston J. Newton	✓			

- IV. Representative Robert L. Ridgeway moves that the Committee adopt the Subcommittee Study of the Department of Labor, Licensing, and Regulation, including the changes adopted today.

Representative Ridgeway’s motion that the Committee adopt the Subcommittee Study of the Department of Labor, Licensing, and Regulation, including the changes adopted today:	Yea	Nay	Not Voting: Present	Not Voting: Absent
Micajah P. “Micah” Caskey, IV	✓			
Gary E. Clary	✓			
Neal A. Collins				✓
Chandra E. Dillard	✓			
Laurie Slade Funderburk	✓			
Patricia Moore “Pat” Henegan				✓
Lee Hewitt	✓			
William M. “Bill” Hixon	✓			
Joseph H. Jefferson, Jr.	✓			
Jeffrey E. Johnson				✓
Mandy Powers Norrell				✓
Marvin R. Pendarvis	✓			
Robert L. Ridgeway, III	✓			
Tommy M. Stringer				✓
Edward R. “Eddie” Tallon, Sr.	✓			
Bill Taylor				✓
John T. West	✓			
Robert Q. Williams				✓
Christopher Sloan “Chris” Wooten	✓			
Wm. Weston J. Newton	✓			

Discussion of Committee Administrative Matters

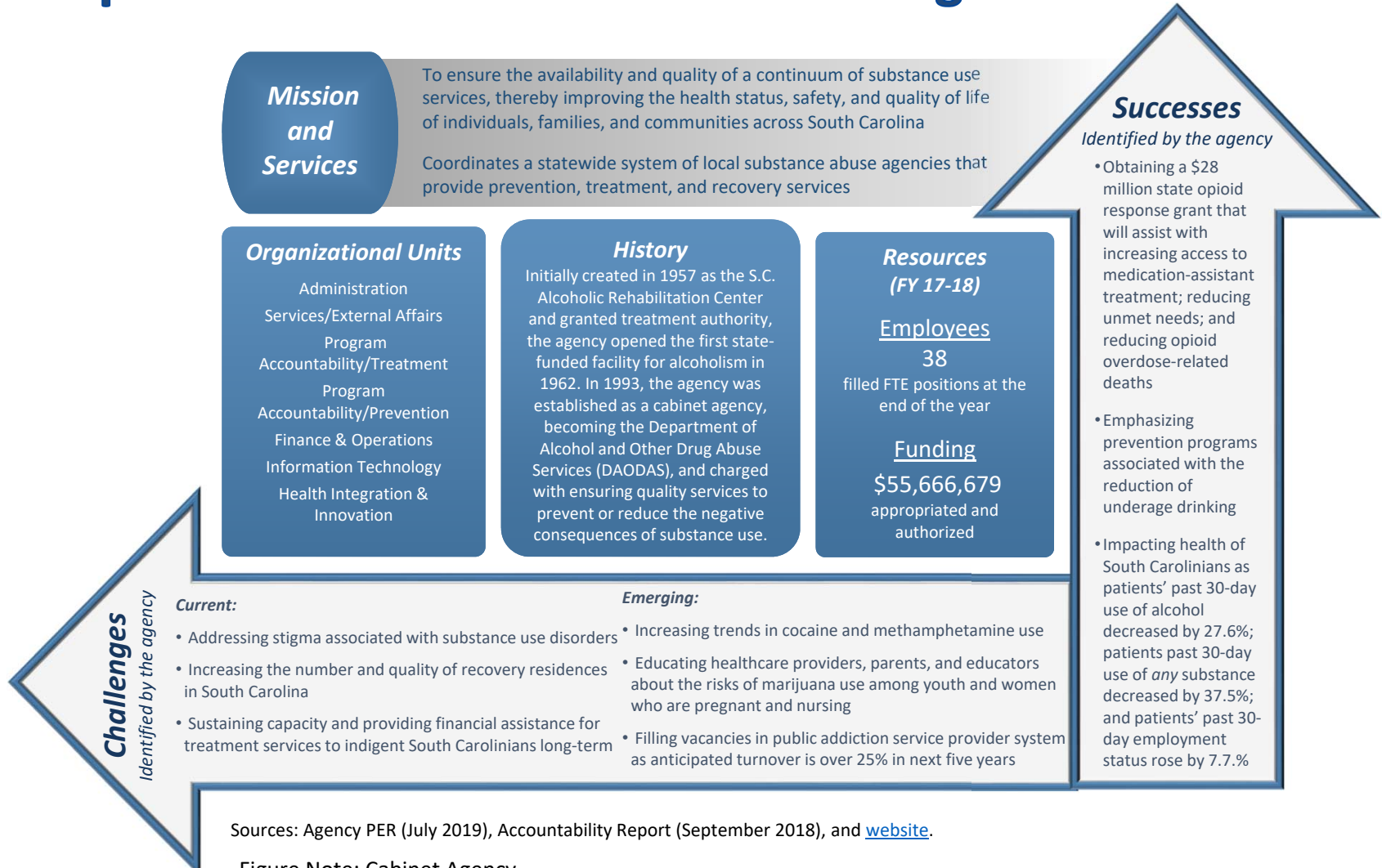
- I. Chairman Newton provides an overview of administrative matters, including the ability of members to submit written statements for inclusion in Committee Studies pursuant to Standard Practice Rule 12.6.

Chairman Newton also announced the Committee’s intent to schedule another Full Committee meeting in August to receive public input on the Department of Probation, Pardon and Parole; Department of Education; Secretary of State’s Office; SC Housing

Finance and Development Authority; and Department of Alcohol and Other Drug Abuse Services.

II. There being no further business; the meeting adjourns.

Department of Alcohol and Other Drug Abuse Services



Sources: Agency PER (July 2019), Accountability Report (September 2018), and [website](#).

Figure Note: Cabinet Agency
 Director Sara Goldsby

Department of Education

Mission and Vision

Provide leadership and support so that all public education students graduate prepared for success

All students graduate prepared for success in college, careers, and citizenship

Successes

Identified by the agency

Divisions

Data, Technology & Agency Operations
 Legal Affairs
 Federal Programs, Accountability & School Improvement
 District Operations & Support
 College & Career Readiness
 Educator, Community, & Federal Resources
 Administration (Communication, Chief Financial Officer; HR)

History

In 1710, the first free public school in SC was established. By 1811, a new law was passed to establish free schools throughout the state, which aspired to place at least one public school in each of the state's 44 election districts. The SC Constitution of 1868 provided the first guarantee of a free public school system, describing a modern system to be funded by state and local taxes, open to citizens of all races. This system became the foundation of the public school system used today.

Resources (FY 18-19)

Employees
 1,192.22 FTE positions appropriated and authorized

Funding
 \$ 4,813,594,387 appropriated and authorized

School Safety

- Advocating for an increase in safety-related resources (e.g. SROs, counselors and mental health training)

Teacher Support

- Increasing salaries
- Increasing step raises
- Reducing teacher paperwork

Student Outcomes & Opportunities

- Increasing technical assistance to low performing schools
- Implementing Career and Technical Education (CTE)

School District Efficiency

- Contracting for the Alvarez & Marsal school district efficiency review
- Consolidating and sharing services across districts

Challenges

Identified by the agency

Current:

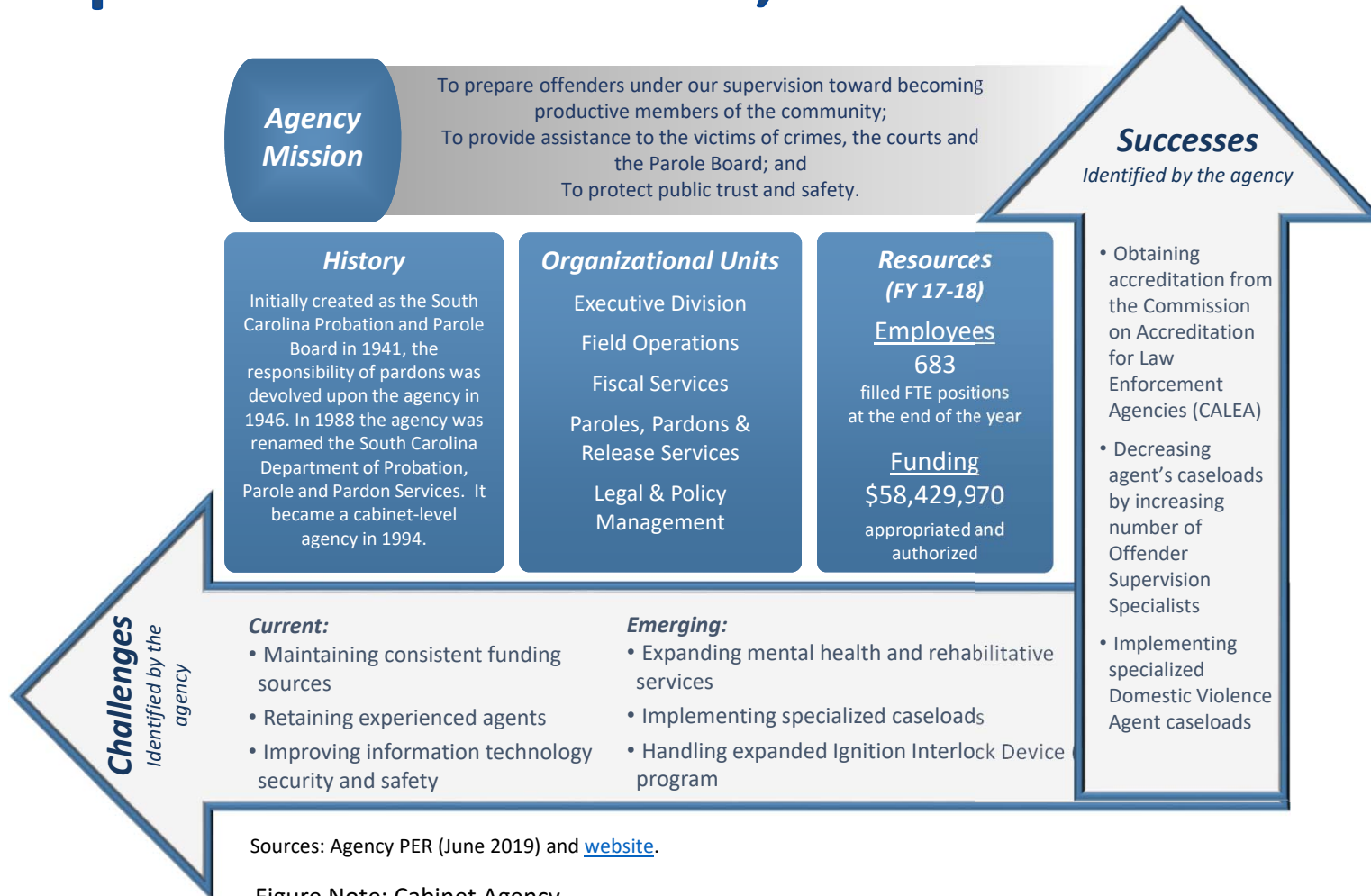
- Implementing Read to Succeed
- Recruiting and retaining teachers
- Improving data structure and infrastructure
- Adapting to changes in the funding model and an overall decrease in sales tax

Emerging:

- Replacing instructional materials
- Fulfilling the Profile of the SC Graduate
- Improving economic development
- Serving underperforming schools and districts

Sources: Accountability Report (September 2018) and [website](#).
 Figure Note: Superintendent of Education Molly Spearman
 State Constitutional Officer

Department of Probation, Parole and Pardon Services



Sources: Agency PER (June 2019) and [website](#).

Figure Note: Cabinet Agency
Director Jerry B. Adger

Secretary of State's Office

Agency Mission

To provide innovative technology to enhance the process of accurately maintaining, preserving and making available essential records while serving the public by providing prompt, efficient, and courteous service in order to fulfill our statutory duties.

Successes

Identified by the agency

History

The Office of the Secretary of State first was established in Section 22d of the 1776 State Constitution. The current Secretary of State, Mark Hammond, was elected in 2002.

Organizational Units

Administration and Internal Operations;
 Legal;
 Notaries, Authentications, Boards & Commissions;
 Public Charities & Municipalities;
 Investigations & Trademarks;
 Business Filings;
 Information Technology

Resources (FY 17-18)

Employees

33
 filled FTE positions at the end of the year

Funding

\$3,074,846
 appropriated and authorized

- Implementing an online business filing system, allowing users to file and retrieve corporate documents online
- Implementing an online Uniform Commercial Code (UCC) filing system, allowing users to file, search, and retrieve UCC documents online
- Implementing an online charities filing system for charities to file registrations, exemptions, and annual financial reports online
- Implementing a searchable online database for boards and commissions

Challenges

Identified by the agency

Current:

- Providing the most up-to-date technology to customers while conserving state resources
- Participating in multi-state charity enforcement actions with limited staff resources
- Providing physical security for staff and customers in the office building

Emerging:

- Implementing electronic and remote online notarization
- Regulating online crowdfunding platforms
- Collecting beneficial ownership information

Sources: Agency PER (May 2019) and [website](#).

Figure Note: Secretary of State Mark Hammond
 State Constitutional Officer

S.C. Housing

Agency Mission

Create quality affordable housing opportunities for the citizens of South Carolina

History & Purpose

Founded in 1971, S.C. Housing administers federal and state rental assistance and development programs for extremely low to moderate income families. Since 1979, S.C. Housing has issued mortgages for low-to-moderate income South Carolinians

Major Programs

- Single family mortgage programs
- Development programs, including the Low Income Housing Tax Credit
- S.C. Housing Trust Fund
- Rental assistance

Resources (FY 19-20)

Employees
130 FTE positions authorized

Funding
\$209,064,086
federal and other funds; agency receives no general fund appropriations

Successes

Identified by the agency (FY 17-18)

- Aaa bond rating
- \$447.8M investment resulting in an economic impact of \$793M and support of 5,336 jobs statewide
- More than 25,000 families assisted in acquiring quality, sustainable, affordable homes

Challenges

Identified by the agency (FY 17-18)

- Uncertainties surrounding private activity bonds due to potential changes in federal policies
- Changing financial market conditions
- Potential changes to tax credits that would threaten incentives for multifamily development

Sources: Agency Accountability Report (September 2018) and presentations to Subcommittee on July 18 and July 22, 2019.

Figure Note: Agency is governed by a nine-member board of commissioners. Mr. Robert D. Mickle, Jr., is acting chairman. Other commissioners include: Mr. Bradley Allen; Mr. Charles E. Gardner; Mr. David "Chris" Goodall; Mr. Kenneth E. Ormand, Jr.; Ms. Sue-Ann Gerald Shannon; and Ms. Mary Sieck. Executive Director is Bonita Shropshire.



Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

Website: <http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>

Phone Number: 803-212-6810

Email Address: HCommLegOv@schouse.gov

Location: Blatt Building, Room 228