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**HOUSE WEEK IN REVIEW**

The House of Representatives amended, approved, and sent the Senate **H.5201**, the General Appropriation Bill, and **H.5202**, the joint resolution making appropriations from the Capital Reserve Fund, which together comprise the **FISCAL YEAR 2020-2021 STATE GOVERNMENT BUDGET**. The budget includes $9.6 billion in recurring state general fund revenue, after $629 million is transferred to the Tax Relief Trust Fund that provides for the residential property tax caps. The budget’s nonrecurring funds include $568 million in surplus funds estimated for Fiscal Year 2019-2020, $350 million in the Fiscal Year 2018-2019 Contingency Reserve Fund, and $162 million in Capital Reserve Funds.

$128 million in nonrecurring funds is used for providing one-time income tax credits that amount to $100 for each filer, and $120 million in recurring funds is devoted income tax relief by reducing the top income tax bracket by 0.2%.

The budget provides for an accelerated statewide farm-to-market road paving program to allow for paving on an estimated statewide total of 240 miles of these farm-to-market secondary roads within the state highway system, with projects in every county of the state. The paving program includes $77 million in nonrecurring funds allocated through the Department of Transportation and $23 million in nonrecurring funds distributed among the County Transportation Committees.

$50 million in nonrecurring funds is appropriated to begin a Disaster Relief and Resilience Reserve Fund that is to be used for disaster relief assistance, hazard mitigation and infrastructure improvements, and statewide resilience planning.

$10 million in nonrecurring funds is provided for the state FEMA match for Hurricane Dorian.

To allow South Carolina to take advantage of measures approved by the U.S. Congress to combat the coronavirus, the budget includes authorization for state agencies to receive funds from the federal government to be expended for COVID-19 preparedness and response.

$42 million in recurring funds is provided for a state employee recruitment and retention initiative that affords agencies flexibility in providing merit-based pay raises and bonuses. Funding for the initiative is equivalent to a 2% salary increase.

$38.9 million in recurring funds is included to cover the increased costs of operating the state's health and dental insurance plans and to provide coverage for adult well visits with no additional monthly premium costs.

A provision is included to revise retirement benefits after returning to covered employment under the South Carolina Retirement System and the Police Officers Retirement System to establish a protocol that allows retirees to return to covered employment without being subject to the ten thousand dollar earnings limitation.

A total of $32 million from the General Fund and $4 million in Education Improvement Act funds is devoted to the 1% increase in the employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System that is in keeping with the schedule for addressing the unfunded liability facing the state’s pensions established in Act 13 of 2017.

$213 million in recurring funds is used to provide a teacher salary increase of $3,000 per teacher. The increase allows the state’s teacher pay to exceed the Southeastern average by $2,456 and places South Carolina in the top half of states in the nation for average teacher salary.

$26 million in recurring funds is appropriated to increase the base student cost to $2,500 per pupil.

In order to receive the increased funding for the base student cost, a school district must implement a policy that prohibits the use of cellphones and other personal electronic communication devices by students during direct classroom instructional time.

$76 million in nonrecurring funds is provided for instructional materials.

The budget provides for a statewide expansion of full day 4K early childhood education which includes $37.6 million in Education Improvement Act funds through the State Department of Education, $15 million in EIA funds through the First Steps program, and $2 million in EIA funds for early childhood assessments.

$3 million in Education Improvement Act funds is allocated to First Steps for the enhancement or expansion or evidence-based programs that serve at-risk children and their families from birth to age three.

$60 million in nonrecurring funds is allocated for capital improvements in the most economically challenged school districts.

Eligibility is expanded for the Rural School District and Economic Development Closing Fund established within the Department of Commerce to facilitate economic development and infrastructure improvements.

$10 million in recurring funds is allocated for school resource officers.

$5.5 million in Education Improvement Act funds is included to address S.C. Public Charter School District growth.

$2.6 million in recurring funds is devoted to the SC Virtual Schools Program.

$3 million in recurring funds, $22.5 million in nonrecurring funds, and $500,000 in lottery funds is provided for school buses. $7.9 million in funds from the Volkswagen Environmental Trust is allocated for purchasing school buses.

The budget includes a higher education tuition mitigation initiative in which a total of $47.6 million in additional recurring funds is distributed among the state’s institutions of higher learning. In order to retain these appropriations, the institutions must comply with provisions for freezing in-state tuition and mandatory fees during the 2020-2021 academic year.

The Capital Reserve Fund is devoted to capital needs at the state’s colleges and universities, with a total of $160 million in these nonrecurring funds allocated among the institutions for repairs, renovations, and maintenance of various facilities.

A provision is included to require all public institutions of higher learning to prepare a report listing any fee increases assessed in the current fiscal year and the reason for the increase. The report must be submitted by November 30 to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee.

The Commission on Higher Education is charged with determining which of the state’s public institutions of higher learning are in compliance with the statutory provisions for required instruction on the United States Constitution, the Declaration of Independence, and the Federalist Papers. A report on compliance with this instruction on American founding documents must be submitted to the Chairman of the House Education and Public Works Committee and the Chairman of Senate Education Committee by November 1.

Full funding is provided for the LIFE, HOPE, and Palmetto Fellows higher education scholarship programs through $326 million in Education Lottery funds.

The Commission on Higher Education is afforded $28.4 million in lottery funds for need-based grants, representing an approximate 40% increase from last year.

$51 million in lottery funds is provided for tuition assistance through the Commission on Higher Education and the Board of Technical and Comprehensive Education

The Board of Technical and Comprehensive Education is afforded $17 million in lottery funds for SC Workforce Industry Needs scholarships that help provide full tuition at technical colleges for SC WINS recipients seeking degrees in industry sectors with critical workforce needs.

The Board of Technical and Comprehensive Education is provided $11 million in lottery funds for workforce scholarships and grants, $12.5 million in unclaimed prize money for high demand job skill training equipment.

$8 million in nonrecurring funds and $2.5 million in capital reserve funds is allocated to the Ready SC Program which provides worker training at the state’s technical colleges that is customized to the needs of new and expanding business and industry.

$10 million in recurring funds is provided for instructional programs at the state’s technical colleges.

$10 million in nonrecurring funds is appropriated for career and technology education centers which will assist school districts, two- and four-year colleges, and the business community in creating a new model for delivering career and technical education and dual enrollment opportunities.

The budget includes a provision establishing the Workforce and Education Data Oversight Committee to support the mission of the Coordinating Council for Workforce Development by collecting data from various state government agencies and institutions and analyzing the compiled data to improve the effectiveness of the state’s educational delivery system in providing economic opportunities.

The Department of Social Services, Vocational Rehabilitation Department, Denmark Technical College, and the State Board for Technical and Comprehensive Education are charged with exploring the feasibility of developing and implementing a residential workforce development program for foster and disabled youth at least 18 years of age to provide higher educational and transitional employment opportunities.

$3.7 million in nonrecurring funds is provided for the Deal Closing Fund that the Department of Commerce uses to recruit new business to the state. The Department of Commerce is afforded $4 million in nonrecurring funds for the Locate SC Site Inventory, $1.5 million in nonrecurring funds for the SC Association for Community Economic Development, and $9 million in nonrecurring funds for the SC Technology and Aviation Center.

The Rural Infrastructure Authority is afforded $2 million in recurring funds for the Rural Infrastructure Fund and $4.3 million in nonrecurring funds for the Water and Sewer Regionalization Fund.

The Department of Parks, Recreation and Tourism receives $1 million in recurring funds for tourism recovery advertising, $2 million in recurring funds and $1 million in nonrecurring funds for destination specific tourism marketing, $10 million in nonrecurring funds for film incentives, $1.1 million in nonrecurring funds for SC Association of Tourism Regions, $3 million in nonrecurring funds for state parks revitalization, $1.7 million in nonrecurring funds for the SC Aquarium, and $10 million in nonrecurring funds to rebuild the state’s welcome centers.

The Department of Transportation receives $10 million in nonrecurring funds for upgrades to the state’s rest areas.

The State Ports Authority is afforded $1 million in nonrecurring funds for the Jasper Ocean Terminal Port Facility Infrastructure Fund and $200, 00 in nonrecurring funds for a Port of Georgetown engineering study.

The Division of Aeronautics receives $2 million for airport improvement projects.

The Department of Archives and History receives $3.7 million in nonrecurring funds for community development grants, $1.5 million in nonrecurring funds for historic preservation, $1 million in nonrecurring funds for the SC Revolutionary Wary Sestercentennial Commission, $100,000 in nonrecurring funds for the African American Heritage Commission’s Greenbook of SC.

The State Museum is provided $3.7 million to begin the second phase of its exhibit renovations.

The Arts Commission is afforded $1 million in recurring funds for community arts development, $1 million in nonrecurring funds for arts organization facilities upgrades, and $500,000 in nonrecurring funds for community arts development and education grants.

The Department of Agriculture is appropriated $1.1 million in recurring funds for federal hemp farming compliance and $630,000 in nonrecurring funds for hemp testing laboratory equipment.

Clemson PSA receives $1.1 million in recurring funds and SC State receives $802,600 in recurring funds for their extension programs.

The Forestry Commission is provided $1 million in nonrecurring funds for firefighting equipment.

The Department of Health and Environmental Control receives $1 million in recurring funds for the additional newborn screenings of Dylan’s Law, $5 million in recurring funds for salary increases for critical position retention, $997,000 in recurring funds for vaccine funding for disease control response, $1 million in recurring funds for hazardous waste emergency response, $1.95 million in recurring funds for the air quality program, $1 million in recurring funds for ocean outfalls, and $2.2 million in nonrecurring funds for its nursing program expansion.

The Department of Health and Human Services is afforded $47.3 million in recurring funds for Medicaid maintenance of effort to address program cost growth, $13.9 million in recurring funds for the community long term care census and assistance to the CLTC program that allows aging and disabled individuals to receive care in their communities instead of nursing homes and other institutional settings, $7.9 million in recurring funds for healthcare provider reimbursement rates, $6.7 million in recurring funds for disproportionate share hospital allotment increase, $492,000 in recurring funds for the SC Office of Rural Health, $150,000 in nonrecurring funds for cervical cancer awareness, $7.4 million in nonrecurring funds for the Medicaid Management Information System, and $1.7 million in nonrecurring for medical contracts.

The budget includes a provision for the Department of Health and Human Services to transfer $1 million to the Medical University of South Carolina Hospital Authority to develop a comprehensive approach to advancing the awareness, detection, treatment, and scientific knowledge of sickle cell disease and trait within South Carolina. The MUSC Hospital Authority is authorized to partner with independent research entities to advance curative therapies for sickle cell disease and trait and is authorized to endow one or more nationally leading academic research centers with a research chair named the “Rena N. Grant Endowed Chair for Hematology” in furtherance of this goal. Additionally, to improve the quality of care provided to sickle cell patients, the authority is charged with performing statewide cultural competency training in all hospitals, including urgent care centers, in this state in order to educate and increase the awareness of health care professionals that are most likely to treat sickle cell patients on the symptoms and stigma associated with sickle cell disease and trait, especially pain relief.

Funding is continued for the Rural Health Initiative partnership between the Department of Health and Human Services and the University of South Carolina School of Medicine which includes an emphasis on rural residency placement and infrastructure improvements in underserved areas. $2 million in recurring funds is provided to enhance Telemedicine operations and $5 million in nonrecurring funds is provided for infrastructure.

As part of the Rural Health Initiative, the South Carolina Center for Rural and Primary Healthcare is charged with studying how to develop a coordinating system for mobile health clinics operating within the state to ensure that they are serving the entire state, including rural and underserved areas.

The Department of Mental Health is afforded $5 million in recurring funds for inpatient services, $7.98 million in recurring funds for workforce sustainability initiatives, $600,000 in recurring funds for school mental health services, $625,897 in recurring funds for the sexually violent predator treatment program, $46.8 million in nonrecurring funds for VA nursing homes certification state match, and $400,000 in recurring funds for emergency department telepsychiatry.

The budget includes a mental health crisis stabilization initiative which provides for the Department of Mental Health, Department of Health and Human Services, Department of Health and Environmental Control, Department of Alcohol and Other Drug Abuse Services, and all other relevant agencies coordinate their efforts to ensure that the statewide system for the delivery of mental health services

The Department of Alcohol and Other Drug Abuse Services is charged with creating pilot programs with rural community-based nonprofits to provide counseling services to combat the opioid crisis. DAODAS is authorized to create a trust fund, which may receive donations from public and private sources, that is to be used to award grants to rural community-based nonprofits.

The Department of Social Services receives $14 million for child welfare efforts which includes staff equity increases, case worker staffing, increased Group Home Board Payments, and increased Foster Family Board Payments. $2.6 million is provided for adult advocacy staff and emergency stabilization beds.

The Department of Disabilities and Special Needs is afforded $10.1 million for various rate increases and $2 million for the Greenwood Genetic Center for Autism Research.

The Department of Corrections receives $100 million in nonrecurring funds for security and prison safety equipment upgrades, $7.5 million for fire alarm replacement, $9 million in recurring funds for recruitment and retention, $9 million in recurring funds for critical need health services positions, $5 million in recurring funds for the Hepatitis C treatment program, $3 million in recurring funds for the expansion of the gang enforcement security team, and $3 million in recurring funds and $1 million in nonrecurring funds for long term programming and reentry needs.

The Department of Juvenile Justice is afforded $5 million in nonrecurring funds for safety and security upgrades and $9.8 million in nonrecurring funds for security updates and renovations at the Broad River facility.

The Judicial Department is afforded $5 million in nonrecurring funds for case management modernization and $1.4 million in nonrecurring funds for its digital courtroom recorder project.

The Attorney General’s Office is provided $1.6 million for crime victim compensation funding.

$1 million in recurring funds and $2.5 million in nonrecurring funds is appropriated for Circuit Solicitor Prosecution Case Management System and IT infrastructure.

Indigent Defense is afforded $2.8 million for Criminal Justice System Workload Parity.

The budget emphasizes salary increases for law enforcement officers across multiple agencies.

The State Law Enforcement Division is afforded $1.8 million in recurring and $1.5 million in nonrecurring funds for technology equipment.

$2.3 million in nonrecurring funds is provided for local law enforcement grants through the Department of Public Safety. $1 million in recurring funds is provided for DPS vehicle replacement.

The Department of Motor Vehicles is afforded $5 million to modernize its database and $5 million for salary adjustments and other employee retention initiatives.

The budget includes an $11.6 million increase in recurring funds for the Local Government Fund that is consistent with the revised approach for sending revenue to political subdivisions established in Act 84 of 2019.

A budget provision precludes counties from obtaining the tax relief offered for solar panels and other renewable energy equipment by excluding this renewable energy resource property from county property tax collection.

$2 million in recurring and $5 million in nonrecurring funds is provided for Conservation Bank Trust grants.

The State Library is afforded $1 million in recurring funds for Aid to County Libraries, increasing the per capita distribution from $2.00 to $2.25.

The State Election Commission receives $9.3 million in nonrecurring funds for completion of the new voting system.

The Adjutant General is afforded $2 million for armory revitalization and $7.5 million for the Aiken Readiness Center.

The Department of Administration is appropriated $1.5 million for statewide employee recruiting and retention initiatives, $2.5 million recurring and $8.1 million nonrecurring for the SC Enterprise Information System, and $5 million for state-owned building capital needs.

The budget enhances funding for the constitutional reserve accounts that the state uses to cope with revenue shortfalls. An additional $13.6 million is used to fully fund the Capital Reserve Fund. $122 million is provided for the General Reserve Fund, which exceeds the constitutionally-required $34 million contribution.

The House made appointments to a conference committee to address its differences with the Senate on **S.601**, a bill **SUBJECTING EMPLOYEES OF RESIDENTIAL CHILD CARE FACILITIES TO CRIMINAL BACKGROUND CHECK REQUIREMENTS**.

The House made appointments to a conference committee to address its differences with the Senate on **S.76**, a bill that makes provisions for **EXTENDING THE ENERGY EFFICIENT MANUFACTURED HOMES INCENTIVE PROGRAM** for five additional years.

**BILLS INTRODUCED IN THE**

**HOUSE THIS WEEK**

AGRICULTURE, NATURAL RESOURCES AND

ENVIRONMENTAL AFFAIRS

**S.690 *DEPARTMENT OF NATURAL RESOURCES GEOLOGICAL SURVEY UNIT***

**Sen. Campsen**

The bill authorizes the department to conduct topographic mapping using light detection and ranging data collections to ensure compliance with certain FEMA standards.

**S.868 *SOUTH CAROLINA BEACH PRESERVATION POLICY* Sen. Campsen**

The bill applies certain exceptions to the establishment of a baseline for coastal erosion zones and to remove the study requirement in cases where primary oceanfront sand dunes.

**EDUCATION AND PUBLIC WORKS**

**S.419 *SC CAREER OPPORTUNITY AND ACCESS FOR ALL ACT* Sen. Hembree**

The legislation makes comprehensive revisions that are offered as a means of ensuring that the state's public school students receive the training needed to meet 21st century demands.

**S.754 *JOHN DE LA HOWE SCHOOL* Sen. Hembree**

The legislation establishes the Governor’s School for Agriculture at John de la Howe. It provides for training for students who have a career aptitude in agriculture, agribusiness, natural resources, and biotechnology. It also will serve as a research and resource center for students and conduct adult education programs for teachers, farmers, and persons involved in the industry of agricultural and natural resources. This residential and day school shall provide intensive pre-professional and professional instruction in agriculture that a student may complete to satisfy the requirements for a high school diploma and be prepared for college level study.

**S.954 *DISPOSAL OF SURPLUS PROPERTY BY THE MIDLANDS TECHNICAL***

***COLLEGE ENTERPRISE CAMPUS AUTHORITY* Sen. Scott**

The legislation permanently authorizes the disposal of surplus property by the Midlands Technical College Enterprise Campus Authority. As a result, this legislation repeals the sunset provision in Act 189 of 2018.

**S.1026 *VEHICLE REGISTRATION AND LICENSE* Sen. Grooms**

If a commercial motor vehicle is registered through the International Registration Plan and is operated under a United States Department of Transportation (USDOT) number assigned to a person other than the vehicle’s owner, then the person to whom the USDOT number is assigned may register the commercial motor vehicle by submitting the appropriate application and fees to the Department of Motor Vehicles.

**H.5364 *SICKLE CELL DISEASE DESIGNATION ON DRIVER’S LICENSE* Rep. Henegan**

An applicant for a new, renewed, or replacement driver’s license may apply to the department to obtain a sickle cell disease designation on the front of her driver’s license by providing an original certificate from a licensed physician.

**JUDICIARY**

**H.5362 *ALCOHOL WHOLESALER PROPRIETARY INFORMATION* Rep. McCoy**

This proposal would prohibit beer manufacturers, brewers, or importers from requesting protected information about wholesalers.

**H.5363 *WOMEN ONLY ON WOMEN’S SPORTS TEAMS* Rep. Trantham**

To ensure continued inclusivity of females in sports, this pending legislation covers sports designated for females could only be comprised of female athletes. Sets out protections for educational institutions enforcing this language. It also allows causes of action for enforcing this legislation.

**LABOR, COMMERCE AND INDUSTRY**

**S.758 *CONTINUING EDUCATION WAIVER FOR EXPERIENCED LICENSED AUCTIONEERS***

**Sen. Gregory**

This bill revises continuing education requirements for licensed auctioneers by providing that a licensee with a minimum of twenty-five years of licensure may apply to the commission to be granted an experience-based continuing education waiver to maintain active licensure.

**S.882 *“SOUTH CAROLINA PRIVATE FLOOD INSURANCE ACT”* Sen. Cromer**

This bill enacts the “South Carolina Private Flood Insurance Act” to advance different flood insurance coverages for the benefit of consumers and insurers.

**WAYS AND MEANS**

**S.545 *ASSESSING THE PROPERTY OF MERCHANTS AND OTHER RELATED BUSINESSES***

**Sen. Alexander**

This bill revises provisions for assessing the property of merchants and other related businesses, to establish requirements for the Department of Revenue to follow certain North American Classification System Manual provisions.

**S.909 *PROFESSIONAL EMPLOYER ORGANIZATIONS* Sen. Gambrell**

This bill establishes circumstances in which professional employer organizations may be eligible for certain tax credits and economic incentives under the Enterprise Zone Act of 1995. The bill revises provisions for the Department of Insurance to regulate the acceptance of affidavit or certification of approval of qualified assurance organizations by eliminating the requirement that these functions be provided by regulation. The legislation revises requirements of professional employment organization services agreements between professional employer organizations and assigned employees, so as to provide organizations shall provide assigned employees with certain written notice of how the agreement affects them. The legislation revises requirements of professional employment organization services agreements between professional employer organizations and client companies, so as to provide that the terms of the agreement must be established by written contract. The legislation prohibits professional employer organizations from engaging in the sale of insurance or acting as third party administrator, and provides that the sponsoring and maintaining of employee benefit plans for the benefit of assigned employees does not constitute the sale of insurance.

**S.994 *PAYMENT OF LEE COUNTY TRANSPORTATION COMMITTEE MEMBERS***

**Sen. Malloy**

This bill makes provisions for each member of the Lee County Transportation Committee to be paid one hundred dollars from Lee County “C” Fund revenues for each meeting attended. The legislation provides that the Chairman of the Lee County Legislative Delegation shall be an ex-officio, nonvoting member of the Lee County Transportation Committee.

**H.5365 *CONFORMING STATE INCOME TAX LAWS WITH FEDERAL TAX PROVISIONS***

**Rep. G. M. Smith**

This bill makes revisions to update the reference to the federal Internal Revenue Code in South Carolina’s income tax laws and conform state tax provisions with federal provisions.

**H.5390 *PERMANENT IMPROVEMENT PROJECTS AT PUBLIC INSTITUTIONS OF HIGHER***

***LEARNING* Rep. Simrill**

This bill revises provisions relating to permanent improvement projects to adjust certain cost requirements to qualify as a permanent improvement project at a public institution of higher learning.

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