

SENATOR SETZLER

~~117.141. (GP: Public Service Authority Evaluation and Recommendation Committee) (A) (1) From funds appropriated by the General Assembly for this purpose, there is created the Public Service Authority Evaluation and Recommendation Committee to be composed of nine members:~~

~~(a) the Speaker of the House of Representatives or his designee;~~
~~(b) the Majority Leader of the House of Representatives or his designee;~~
~~(c) the Minority Leader of the House of Representatives or his designee;~~
~~(d) the President Pro Tempore of the Senate or his designee;~~
~~(e) the Majority Leader of the Senate or his designee;~~
~~(f) the Minority Leader of the Senate or his designee;~~
~~(g) one member appointed by the Governor from the State at large. No person shall be appointed by the Governor to the committee if such person is employed by, receives compensation from, or accepts retirement or other benefits from a publicly owned utility, an investor-owned utility, an electric cooperative, or any association or organization that represents a publicly owned utility, an investor-owned utility, or an electric cooperative or otherwise participates in the energy industry or marketplace;~~

~~(h) one member appointed by the President Pro Tempore who is a member of the Senate from a direct-serve Public Service Authority territory; and~~

~~(i) one member appointed by the Speaker of the House of Representatives who is a member of the House from a direct-serve Public Service Authority territory;~~

~~(2) Vacancies shall be filled in the manner of original appointment.~~

~~(B) The members of the committee shall elect a chairman and other officers as they consider necessary. The committee shall meet upon the call of the chairman or a majority of its members. Members shall receive per diem, mileage, and subsistence as provided by law for members of legislative or other state committees as appropriate to be paid from the approved accounts of the office or house of their appointing authority. Meeting space and staff support shall be provided by the General Assembly as needed and required. The committee shall make recommendations to the General Assembly as soon as practicable, at which time the committee is dissolved, unless otherwise continued as provided by law.~~

~~(C) The committee shall evaluate objectives including but not limited to the following:~~

~~(1) determine the manner in which the General Assembly may best protect ratepayers and taxpayers in regard to Santee Cooper;~~

~~(2) analyze whether selling Santee Cooper is in the best interests of South Carolina taxpayers, the ratepayers of Santee Cooper, and the ratepayers of the Electric Cooperatives of South Carolina;~~

~~(3) determine whether the assets of Santee Cooper should be considered for sale as a whole or in parts and which assets of Santee Cooper, if any, should be retained by the State;~~

~~(4) obtain a valuation of Santee Cooper and its assets;~~

~~(5) develop a transparent and public process to conduct hearings, receive bids from potential purchasers, and evaluate a potential sale of Santee Cooper;~~

~~(6) determine the future role of Santee Cooper, whether sold or retained by the State; and~~

~~(7) determine the manner in which the natural resources owned by Santee Cooper are protected or managed for public enjoyment and wildlife habitat.~~

~~(D) To assist with meeting those objectives, it is recommended that the committee consider actions including but not limited to the following:~~

~~(1) determine the criteria necessary to assess the viability and feasibility of the potential sale of Santee Cooper;~~

~~(2) identify all assets of Santee Cooper and then determine which assets, if any, of Santee Cooper should be considered for sale;~~

~~(3) evaluate whether Santee Cooper's water system, the Santee Cooper lakes, or both should be part of any sale;~~

~~(4) obtain a valuation of Santee Cooper's assets, both collectively and separately, with a specific valuation for the transmission, distribution, and generation assets of Santee Cooper;~~

~~(5) establish the criteria, parameters, and process to receive bid proposals from potential purchasers of Santee Cooper's assets;~~

~~(6) evaluate whether the South Carolina Consolidated Procurement Code or other state law impacts the sale parameters and, if so, determine the best course of action to address the same in its requests for proposals;~~

~~(7) as allowed by the South Carolina Consolidated Procurement Code or other state law, conduct public hearings to receive a bid from each potential prospective bidder and set a time for the same;~~

~~(8) analyze the impact of the potential sale of Santee Cooper on current employees and retirees and whether bidders must maintain current workforce levels and pension commitments for a set period post sale;~~

~~(9) develop or cause to be developed the request for proposals to be used by potential bidders;~~

~~(10) establish the time frame for receipts for proposals from potential bidders and evaluation of proposals by the committee and make a recommendation to the General Assembly on whether a sale is in the best interests of ratepayers and taxpayers;~~

~~(11) require that all bid proposals shall be made as the best and final offer from each bidder;~~

~~(12) identify legislation needed to complete any potential sale;~~

~~(13) determine whether the committee should hire an investment bank or other third-party expert to assist with the evaluation of offers received;~~

~~(14) determine the impact of Santee Cooper's debt, including all bonded indebtedness, in the sale of Santee Cooper's assets, including a requirement that all bids must satisfy the indebtedness of Santee Cooper existing at the close of sale;~~

~~(15) identify potential risks to South Carolina taxpayers and ratepayers that could result from the sale of Santee Cooper, either in whole or in part, including, but not limited to, the loss of tax exempt status of a buyer, impact on economic development, and whether sale at this time would not preclude South Carolina from recovering the full value of Santee Cooper;~~

~~(16) determine which course of action, whether the sale or retention of Santee Cooper or another option, provides maximum rate relief to Santee Cooper ratepayers, customers of the Electric Cooperatives of South Carolina, and industrial customers of Santee Cooper;~~

~~(17) determine the total assets of Santee Cooper and identify those not necessary for generation, transmission, or distribution needs in order for these assets to be sold without violating Section 58-31-360;~~

~~(18) evaluate Santee Cooper's plan and strategy for future generation facilities in order to meet future electric demand, Santee Cooper's timeline for the same, and costs for such projects to the ratepayers;~~

~~(19) ascertain future economic development projects for Santee Cooper and the projected revenue estimated from the same and whether an investor-owned utility can provide the same economic development impact as Santee Cooper;~~

~~(20) calculate the revenue to Santee Cooper from industrial and other nonresidential ratepayers, excluding revenue derived from the Electric Cooperatives of South Carolina;~~

~~(21) evaluate whether diversification of Santee Cooper's generation portfolio, including purchases of generation from outside Santee Cooper, provides a more cost effective manner to service customer needs;~~

~~(22) obtain information on the current amounts of cash on hand and in reserve of Santee Cooper;~~

~~(23) obtain a current estimate of Santee Cooper's pension liabilities;~~

~~(24) evaluate projected revenue growth and its impact on the ability of Santee Cooper to meet debt obligations;~~

~~(25) quantify the current amounts of long-term and short-term debt of Santee Cooper;~~

~~(26) identify the structure of each of Santee Cooper's bond offerings;~~

~~(27) review proposed rate schedules in both the long and short terms to determine the full impact of V.C. Summer on ratepayers;~~

~~(28) determine whether Santee Cooper's debt-to-equity ratio comports with market ratios of other electric utilities;~~

~~(29) determine whether Santee Cooper has obtained efficiency or performance studies related to expenses for workforce management and how Santee Cooper's ratios relate to industry standards;~~

~~(30) evaluate the electric cooperatives' structure, including the role of the Central Electric Power Cooperative;~~

~~(31) evaluate options to provide maximum rate relief to electric cooperative customers either through the sale or retention of Santee Cooper;~~

~~(32) analyze the central contract between Santee Cooper and the electric cooperatives to determine the impact of that agreement on any sale or management agreement involving Santee Cooper;~~

~~(33) solicit input from the electric cooperatives and other industrial customers on the potential sale or long-term viability of Santee Cooper;~~

~~(34) direct Santee Cooper to inventory all assets at the V.C. Summer site and to obtain a salvage or sale valuation for those assets, with any monies received from such salvage or sale to be used as directed in the Rate Relief and Stabilization Fund;~~

~~(35) determine whether Santee Cooper should be subject to oversight by the Public Service Commission or Joint Bond Review Committee;~~

~~(36) provide alternative governance structures for Santee Cooper, other than a board of directors, based on other state-owned utilities; and~~

~~(37) study any other factors that the committee finds relevant to the objectives contained herein.~~

The Department of Administration shall conduct a competitive bidding process for the sale of some or all of the Public Service Authority ("Santee Cooper"). The department shall procure such professional services, including, but not limited to, financial institutions, legal counsel, and industry consultants, as are necessary to conduct the sale, the evaluation of bids received, and related activities.

Staff from the State Fiscal Accountability Authority's Procurement Services Division shall assist the department in conducting the competitive bidding process and procuring necessary professional services.

The department shall conduct a thorough evaluation of all bids received through the competitive bidding process. The evaluation must take into account at least the following:

(1) the financial capability of each bidder;

(2) the bidder's complete defeasement of all of Santee Cooper's bonds and other indebtedness;

(3) the bidder's agreement to provide meaningful short-term and long-term rate relief for all customer classes;

(4) the bidder's provision of reasonable financial and other protections for Santee Cooper employees and retirees in a manner that would not impact South Carolina's pension system liability or the liability associated with providing health insurance coverage to employees who have retired from employment at Santee Cooper;

(5) the bidder's proposed location for its headquarters post-acquisition;

(6) the bidder's agreement to comply with all applicable federal and state environmental protections regarding Lakes Marion and Moultrie, their rivers and tributaries, and other recreational assets of Santee Cooper, including a covenant to maintain the present status quo regarding these lakes and other resources and the quality of and access to them; and

(7) the bidder's agreement to partner with the State for future economic development projects.

At the conclusion of its evaluation of the bids, the department shall make a recommendation regarding the bid that the department considers to be in the best interest of the State, its taxpayers, and the ratepayers of Santee Cooper.

The department shall present to the Chairman of the Senate Finance Committee and the Chairman of the House of Representatives Ways and Means Committee its full evaluation of each bid and its recommendation for a proposed purchaser for Santee Cooper, justifications for its recommendation, a proposed contract to execute the sale, and any supporting documents. The Senate Finance Committee and the House Ways and Means Committee shall each meet as soon as practicable to review and make a recommendation regarding the proposed sale. Upon receipt of the recommendation from their respective committees, the President of the Senate and the Speaker of the House of Representatives shall convene their respective bodies to consider any legislation concerning the sale.

The department must execute any documents necessary in order to effectuate the sale upon the enactment of a joint resolution approving the sale. The net proceeds of the sale shall be deposited in the State Retirement Systems Group Trust.

Santee Cooper is directed to provide any and all resources necessary to conduct the competitive bidding process and evaluation of the bids received.

The Public Service Authority Evaluation and Recommendation Committee, as created pursuant to Proviso 117.162 of Act 264 of 2018, shall provide to the department all of the committee's work product.

SENATOR LEATHERMAN

~~91.26. (LEG: Lawsuit Party of Interest *Intervention by Legislature*) When the Lieutenant Governor is named as a party to a lawsuit challenging actions taken by the Senate, the President Pro Tempore shall be automatically substituted as the party representing the Senate as the Lieutenant Governor is not a party in interest. Upon being served with the lawsuit, the Lieutenant Governor shall immediately notify the President Pro Tempore of the Senate and the Clerk of the Senate. Upon receiving notice from the Lieutenant Governor, the President Pro Tempore shall notify the court and the plaintiff/petitioner that the President Pro Tempore of the Senate is invoking the provisions of this proviso and substituting himself as the party representing the Senate. The Court shall make necessary changes to the caption of the lawsuit and otherwise. However, the provisions of this proviso are not effective if the actions challenged are solely the actions taken by the Lieutenant Governor. The provisions contained in this proviso do not apply to actions filed before, or otherwise pending, as of the effective date of this act. The President of the Senate, on behalf of the Senate, and the Speaker of the House of Representatives, on behalf of the House of Representatives have an unconditional right to intervene on behalf of their respective bodies in a state court action and may provide evidence or argument, written or oral, if a party to that court action challenges:~~

~~(a) the constitutionality of a state statute;~~

~~(b) the validity of legislation; or~~

~~(c) any action of the Legislature.~~

~~In a federal court action that challenges the constitutionality of a state statute, the validity of legislation, or any action of the Legislature, the Legislature may seek to intervene, to file an amicus brief, or to present argument in accordance with federal rules of procedure.~~

~~Intervention by the Legislature pursuant to this provision does not limit the duty of the Attorney General to appear and prosecute legal actions or defend state agencies, officers or employees as otherwise provided.~~

~~In any action in which the Legislature intervenes or participates, the Senate and the House of Representatives shall function independently from each other in the representation of their respective clients.~~

~~The Attorney General shall notify the President of the Senate and the Speaker of the House of Representatives of a claim that challenges the constitutionality of a state statute, the validity of legislation, or any action of the Legislature.~~

Senator Hembree

1.3. (SDE: EFA Formula/Base Student Cost Inflation Factor *State Aid to Classrooms*) 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 Revenue and Fiscal Affairs Office to match inflation wages of public school employees in the Southeast *via an allocation from the State Aid to Classrooms appropriation*. The base student cost for the current fiscal year has been determined to be \$2,485. *The funds appropriated for State Aid to Classrooms shall be allocated as follows: 65.41 percent must be allocated based on the Education Finance Act formula and the differentiated student weightings in this Act; 28.88 percent must be allocated based on the manner of distribution of EFA employer contributions in the prior fiscal year; and 5.72 percent must be allocated to fully implement the State Minimum Teacher Salary Schedule with a minimum starting teacher salary of \$35,000. \$33,600. The department is authorized to adjust the percentage allocation related to EFA employer contributions to accommodate for the disbursement of the state retirement funds and any other related employee allocations sent to districts.* For the current fiscal year, the total pupil count is projected to be 727,513720,316. *These funds represent an average per pupil of \$3,846 in State Aid to Classrooms. The average per pupil funding is projected to be \$6,198 \$6,506 state, \$1,281 \$1,315 federal, and \$5,982 \$6,406 local. This is an average total funding level of \$13,461-\$14,227 excluding revenues of local bond issues. It is the intent of the General Assembly that the consolidation of the Education Finance Act and Education Finance Act - Employer Contributions appropriations, and the subsequent allocation of the State Aid to Classrooms appropriation back to these categories, should not significantly alter the application of funding formulas or maintenance of effort requirements referencing the Education Finance Act and Education Finance Act - Employer Contributions.*

1.89 and 1A.36. (SDE: 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 Revenue and Fiscal Affairs Office. For the current school year the Southeastern average teacher salary is projected to be \$52,830. 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.*

Additionally, for the current fiscal year, a local school district board of trustees must increase the salary compensation for all eligible 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. For Fiscal Year 2019-20, the requirement that school districts maintain local salary supplements per teacher no less than their prior fiscal year level is suspended if additional State funds fill the gap.

Funds allocated by Proviso 1.3 for implementing a revised state minimum salary schedule for Teacher Salaries must be used to increase salaries of those teachers eligible pursuant to Section 59-20-50(4)(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, by not less than ~~four~~ five percent. Districts must use the district salary schedule utilized the prior fiscal year as the basis for providing the increase.

For purposes of this provision teachers shall be defined by the Department of Education using the Professional Certified Staff (PCS) System.

SENATOR SETZLER

MOVE TO AMEND 59.15:

59.15. (AG: State Crime Victim Compensation) A county or municipality may retain carry forward funds that were collected pursuant to Sections 14-1-206 (B) and (D), 14-1-207 (B) and (D), 14-1-208 (B) and (D), and 14-1-211 (B) of the 1976 Code, but no more than \$25,000 or ten percent of funds collected in the prior fiscal year, whichever is higher. If a county or municipality does not spend at least ninety percent of the funds collected pursuant to Sections 14-1-206 (B) and (D), 14-1-207 (B) and (D), 14-1-208 (B) and (D), and 14-1-211 (B) on Article 16, Chapter 3, Title 16 first priority and/or second priority programs during the fiscal year that the funds are received then the county or municipality shall remit any unspent funds that are greater than the allowed carried forward funds, regardless of the year collected, to the State Victim Assistance Program (SVAP) with the Office of the Attorney General within 120 days after the end of the fiscal year. All funds must be accounted for in the annual audit for each county or municipality.

The State Crime Victim Compensation Department shall offer training and technical assistance to each municipality and county annually on acceptable use of both priority one and priority two funds and funds available for competitive bid.

The State Crime Victim Compensation Department is authorized to transfer to the State Victim Assistance Program any state funds deemed available under Crime Victims Compensation authority to the State Victim Assistance Programs be placed in the competitive bid process.

The State Victim Assistance Program shall offer any funds remitted to it to non-profit organizations that provide direct victim services on a competitive bid process. These funds may be used by the non-profit for administrative costs and victim services.

A county or municipality may be exempt from the remittance requirements of this proviso upon submission of a plan to the State Crime Victim Compensation Department that meets the statutory requirements for the use of funds. A county or municipality must submit the report within 60 days after the end of the fiscal year. The State Crime Victim Compensation Department will review the submitted plan and advise the county or municipality of plan compliance with statutory requirements.

SENATORS PEELER AND SHEHEEN

117.155.(GP: Higher Education Tuition Mitigation) The following recurring funds have been appropriated in Part IA to institutions of higher education to mitigate tuition and mandatory fee increases for in-state, full-time undergraduate students:

<u>(1) The Citadel</u>	<u>\$ 764,651;</u>
<u>(2) Clemson University</u>	<u>\$ 5,716,806;</u>
<u>(3) University of Charleston</u>	<u>\$ 2,659,523;</u>
<u>(4) Coastal Carolina University</u>	<u>\$ 2,145,346;</u>
<u>(5) Francis Marion University</u>	<u>\$ 1,464,038;</u>
<u>(6) Lander University</u>	<u>\$ 1,200,335;</u>
<u>(7) South Carolina State University</u>	<u>\$ 919,875;</u>
<u>(8) University of South Carolina-Columbia</u>	<u>\$ 8,313,496;</u>
<u>(9) University of South Carolina-Aiken</u>	<u>\$ 1,262,954;</u>
<u>(10) University of South Carolina-Upstate</u>	<u>\$ 2,498,567;</u>
<u>(11) University of South Carolina-Beaufort</u>	<u>\$ 780,527;</u>
<u>(12) University of South Carolina-Lancaster</u>	<u>\$ 649,998;</u>
<u>(13) University of South Carolina-Salkehatchie</u>	<u>\$ 384,972;</u>
<u>(14) University of South Carolina-Sumter</u>	<u>\$ 454,205;</u>
<u>(15) University of South Carolina-Union</u>	<u>\$ 471,844;</u>
<u>(16) Winthrop University</u>	<u>\$ 1,958,372; and</u>
<u>(17) Medical University of South Carolina</u>	<u>\$ 4,523,265.</u>

In order to retain the above appropriations, each institution of higher education listed above must certify to the Commission on Higher Education by August 1, 2019, that, ~~excluding tuition increases due to pension increases required by the provisions of Sections 9-1-1085 and 9-11-225 of the 1976 Code and any state health plan increase~~, there is no in-state tuition or mandatory fee increase for the 2019-2020 academic year its tuition and mandatory fees for all in-state, full-time undergraduate students did not exceed the rate of inflation for the 2018 Higher Education Price Index or 2.75% whichever is less.

The Commission on Higher Education shall develop the process by which institutions provide the certification. Any institution unable to provide such certification to the commission shall remit their respective above recurring allocation to the General Fund by September 1, 2019.

By October 1, 2019, the Commission on Higher Education shall report to the House Ways and Means Committee, the Senate Finance Committee, and the Executive Budget Office the institutions that failed to certify that the in-state tuition increase met the guidelines outlined in this provision. The Executive Budget Office, is directed to reduce the recurring appropriation of any institution found to be non-compliant with the certification.

SENATOR HEMBREE

117.155.(GP: Higher Education Tuition Mitigation) The following recurring funds have been appropriated in Part IA to institutions of higher education to mitigate tuition and mandatory fee increases for In-State, full-time, undergraduate students:

<u>(1) The Citadel</u>	<u>\$ 764,651 918,239;</u>
<u>(2) Clemson University</u>	<u>\$ 5,716,806 6,865,082;</u>
<u>(3) University of Charleston</u>	<u>\$ 2,659,523 3,193,714</u>
<u>(4) Coastal Carolina University</u>	<u>\$ 2,145,346 2,576,259;</u>
<u>(5) Francis Marion University</u>	<u>\$ 1,464,038 1,758,105;</u>
<u>(6) Lander University</u>	<u>\$ 1,200,335 1,441,434;</u>
<u>(7) South Carolina State University</u>	<u>\$ 919,875 1,104,641;</u>
<u>(8) University of South Carolina-Columbia</u>	<u>\$ 8,313,496 8,007,320;</u>
<u>(9) University of South Carolina-Aiken</u>	<u>\$ 1,262,954 1,516,630;</u>
<u>(10) University of South Carolina-Upstate</u>	<u>\$ 2,498,567 3,000,429;</u>
<u>(11) University of South Carolina-Beaufort</u>	<u>\$ 780,527 937,303;</u>
<u>(12) University of South Carolina-Lancaster</u>	<u>\$ 649,998 780,556;</u>
<u>(13) University of South Carolina-Salkehatchie</u>	<u>\$ 384,972 462,297;</u>
<u>(14) University of South Carolina-Sumter</u>	<u>\$ 454,205 545,436;</u>
<u>(15) University of South Carolina-Union</u>	<u>\$ 471,844 566,618;</u>
<u>(16) Winthrop University</u>	<u>\$ 1,958,372 2,351,730; and</u>
<u>(17) Medical University of South Carolina</u>	<u>\$ 4,523,265 142,978.</u>

In order to retain the above appropriations, each institution of higher education listed above must certify to the Commission on Higher Education by August 1, 2019, that, excluding tuition increases due to pension increases required by the provisions of Sections 9-1-1085 and 9-11-225 of the 1976 Code and any state health plan increase, there is no in-state tuition or mandatory fee increase for the 2019-2020 academic year.

The Commission on Higher Education shall develop the process by which institutions provide the certification. Any institution unable to provide such certification to the commission shall remit their respective above recurring allocation to the General Fund by September 1, 2019.

By October 1, 2019, the Commission on Higher Education shall report to the House Ways and Means Committee, the Senate Finance Committee, and the Executive Budget Office the institutions that failed to certify that the in-state tuition increase met the guidelines outlined in this provision. The Executive Budget Office, is directed to reduce the recurring appropriation of any institution found to be non-compliant with the certification.

Institution	In State Undergraduate	% of All SC Students	Allocation
Research Institutions			
Clemson University	12,964	18.52%	\$6,699,157.89
USC Columbia & SOM	15,121	21.60%	\$7,813,789.45
Medical University of SC	1,962	2.80%	\$1,013,694.62
The Citadel	1,734	2.48%	\$896,045.96
College of Charleston	6,031	8.62%	\$3,116,524.31
Coastal Carolina	4,865	6.95%	\$2,513,992.84
Francis Marion	3,320	4.74%	\$1,715,612.79
Lander	2,722	3.89%	\$1,406,595.79
SC State	2,086	2.98%	\$1,077,942.25
USC Aiken	2,864	4.09%	\$1,479,974.41
USC Upstate	5,666	8.10%	\$2,927,910.26
USC Beaufort	1,770	2.53%	\$914,648.99
Winthrop	4,441	6.34%	\$2,294,890.48
USC Lancaster	1,474	2.11%	\$761,690.74
USC Salkehatchie	873	1.25%	\$451,123.48
USC Sumter	1,030	1.47%	\$532,253.36
USC Union	1,070	1.53%	\$552,923.40
	<u>69,993</u>		<u>\$36,168,771.00</u>

Amendment Senator Scott -
Denmark Technical College

The State Tech Board anticipates that Denmark Technical College will run a deficit of \$1 million in FY 2019-20. Senator Scott is requesting the following:

- Appropriate \$1 million, to be administered by the St. Tech Board, in the event Denmark Tech has an operating shortfall. Of this \$1 million:
 - \$300,000 to replace local match for operations and
 - \$200,000 for equipment.

SENATOR ALEXANDER

38.14. (DSS: Family Foster Care Payments) The Department of Social Services shall furnish as Family Foster Care payments for individual foster children under their sponsorship and under kinship care:

ages	0 - 5	\$404 <u>\$500</u>	per month
ages	6 - 12	\$469 <u>\$523</u>	per month
ages	13 +	\$535 <u>\$589</u>	per month

These specified amounts are for the basic needs of the foster children to include kinship care assistance. 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.

SENATOR LEATHERMAN

50.21. (CMRC: Development - Funding for Rural Infrastructure) There is established within the Department of Commerce the Rural School District and Economic Development Closing Fund. The Secretary of Commerce shall use the fund to facilitate economic development and infrastructure improvements for projects that create a minimum of fifty jobs located within the twenty-eight school districts with the lowest Index of Taxpaying Ability (ITA) in the State of South Carolina in counties that contain a school district that has been defined by the Department of Education as having a poverty rate greater than or equal to 86%. The ITA for any given school district is based on the assessed value of total taxable property in the district divided by the total taxable property in the state. The Department of Commerce shall coordinate with the Department of Revenue to receive the annual list of state school districts index of taxpaying ability. Funds ~~are to~~ shall be used on, but not limited to, ~~economic development projects, water and sewer infrastructure, and school building infrastructure~~ school building infrastructure, water and sewer infrastructure, and economic development projects that directly benefit the qualifying school districts. The funds must be designated for a district project in a year that the district is one of the twenty-eight lowest school districts on the ITA list. However, once **Once** a project begins **is committed**, the funds may be utilized to finish that specified project, even if the ~~school county~~ does not remain ~~in the lowest twenty-eight~~ after the project begins **an eligible county in subsequent years**. **The Department of Commerce must develop a plan on fund deployment that gives priority to counties that are classified as Tier IV, pursuant to Section 12-6-3360 (B), and that includes steps to ensure that the qualifying school districts within the eligible counties are the priority in economic development projects. This plan must be reviewed by JBRC before these funds may be expended. Funds disbursed through this proviso shall only be used on expenditures that are not eligible for the Department of Commerce's Closing Fund. In addition, the department must provide an annual report on the expenditure of funds to the Chairman of the Finance Committee and the Chairman of the Ways and Means Committee.** Any unexpended funds at the end of the fiscal year shall be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

Senator Leatherman

52.cr. (Patriots Point: Clamagore Reef) The Patriots Point Redevelopment Authority shall utilize the \$1,000,000 appropriated in Act No. 286 of 2014, by proviso 118.16, Item (9) for the Medal of Honor Museum for USS Clamagore Veteran Memorial Reef.

SENATORS LEATHERMAN:

74.cs. (Commissioner Salaries) For Fiscal Year 2019-20, Section 42-3-40 of the 1976 Code is suspended.

117.157. (GP: Magistrates **and Masters-In-Equity** Compensation) Notwithstanding Proviso 117.112 (Employee Compensation), in the current fiscal year the salary for each magistrate **and each master-in-equity** must be calculated using the same schedule and same circuit judge salary as was in effect in Fiscal Year 2018-19.

117.bca. (Base Compensation Alignment) For Fiscal Year 2019-20, the base compensation for the following judges, circuit solicitors, and circuit public defenders are set as follows:

Chief Justice of the Supreme Court -- \$179,550

Associate Justices of the Supreme Court -- \$171,000

Chief Judge of the Court of Appeals -- \$169,290

Associate Judges of the Court of Appeals -- \$166,725

Circuit Court Judges -- \$162,450

Family Court Judges -- \$158,175

Circuit Solicitors -- \$162,450

Circuit Public Defenders -- \$162,450

Chief Judge of the Administrative Law Court -- \$146,205

Associate Judges of the Administrative Law Court -- \$129,960

117.jr. (Judicial Retirement Calculations) The difference between the base compensation provided for each office in Proviso 117.bca and the Fiscal Year 2018-19 salary for each office shall not be included in the retirement calculations pursuant to Section 9-8-60(2).

117.112. (GP: Employee Compensation) The amounts appropriated to F300-Statewide Employee Benefits for Employee Pay Increases must be allocated by the Department of Administration, Executive Budget Office 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~~ two percent, except that employees of institutions of higher education and technical colleges that earn a base salary of \$100,000 or more shall not be eligible to receive the increase in compensation.

(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~~ two percent, except that employees of institutions of higher education and technical colleges that earn a base salary of \$100,000 or more shall not be eligible to receive the increase in compensation. 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~~ two percent.

(4) With respect to local health care providers compensation increases shall be ~~zero~~ two 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~~ Department on Aging, compensation shall be increased by ~~zero~~ two 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~~ Department 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~~ two 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.~~

(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~~ two percent.

(7) For Fiscal Year ~~2016-17~~ 2019-20, the Executive Budget Office is directed to review Executive Branch agencies to determine whether their budgets warrant an other fund authorization increase due to the ~~zero~~ two percent compensation increase for all full-time employees. If so warranted, the Executive Budget Office shall work with the Office of the Comptroller General to increase such authorization for the affected agencies.

The Department of Administration 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 State Fiscal Accountability Authority is authorized to use excess appropriations for the current fiscal year designated for statewide employer contributions for other statewide purposes. At the discretion of the Executive Director of the State Fiscal Accountability Authority, such action may be considered a permanent transfer into the receiving agency's base budget.

Funds appropriated in Part IA, F300, Section 106, Statewide Employee Benefits may be carried forward from the prior fiscal year into the current fiscal year.

(A) There is created the 'South Carolina Farm Aid Fund'. This fund is separate and distinct from the general fund of the State and all other funds. Earnings on this fund must be credited to it. Revenues credited to this fund in a fiscal year must be used in that fiscal year to operate a grant program that provides financial assistance to farmers.

(B) To be eligible for a grant, the person must have:

(a) experienced a verifiable loss of agricultural commodities of at least thirty percent as a result of the flooding occurring in the aftermath of Hurricanes Michael and Florence for which:

(i) the Governor declared a state of emergency in the State for the county in which the farm is located; and

(ii) the United States Secretary of Agriculture issued a Secretarial Disaster Declaration for the county in which the farm is located;

(b) a farm number issued by the Farm Service Agency;

(c) signed an affidavit, under penalty of perjury, certifying that each fact of the loss presented by the person is accurate; and

(d) a signed affidavit, under penalty of perjury, certifying that no federal funds have been received for these specific disasters, and in the event that federal funds are received, the person will return all state monies received under this program.

(C) The Department of Agriculture shall administer the grant program authorized by this proviso. The Department of Revenue shall assist the Department of Agriculture in the administration of the grant program by providing auditing services, accounting services, and review and oversight of all financial aspects of the grant program. There is created the Farm Aid Advisory Board to make recommendations to the department regarding the duties of the department in administering the grant program. The Commissioner of Agriculture, or his designee, shall serve ex officio, as chairman of the board. Also, the Director of the Department of Revenue, or his designee, the Vice President for Public Service and Agriculture of Clemson Public Service Activities, or his designee, and the Vice President for Land Grant Services of South Carolina State Public Service Activities, or his designee, shall serve on the board. Finally, the following additional members shall be appointed to the board:

(a) the Commissioner of Agriculture shall appoint one member representing South Carolina Farm Bureau;

(b) the Commissioner of Agriculture shall appoint one member representing a farm credit association;

(c) the Director of the Department of Revenue shall appoint one member representing the crop insurance industry; and

(d) the Director of the Department of Revenue shall appoint one member who is an agricultural commodities producer.

By July twentieth of the current fiscal year, the board shall hold its initial meeting to recommend an application process by which a person with a loss resulting from the flooding occurring in the aftermath of Hurricanes Michael and Florence may apply for a grant. Upon adoption of an application process, the Department of Agriculture shall provide the Chairmen of the House Ways and Means Committee

and the Senate Finance Committee with a written copy of its application process within ten days after its adoption. A person shall apply not later than forty-five days after the adoption of the application process. The department must ensure every person interested in applying for a grant has access to adequate resources to submit his application in a timely manner, and upon request, the department must assist a person with the preparation of his application.

(D) Each grant awarded by the department may not exceed twenty percent of the person's verifiable loss of agricultural commodities. However, a person, including any grant made to a related person, may not receive grants aggregating more than one hundred thousand dollars. Also, a person, including any grant made to a related person, may not receive grants that when combined with losses covered by insurance, exceed one hundred percent of the actual loss. If a grant is made to a related person, the amount to be included in the limits set by this section must be the amount of the grant multiplied by the person's ownership interest in the related person. However, a person who shares an ownership interest with another person or entity may not be refused a grant solely because the other person or related person has otherwise received the maximum grant amount, but in this case, the person's grant amount is limited by the person's ownership interest.

(b) If the total amount of grants allowed pursuant to subitem (a) exceeds the monies in the fund, then each person's grant must be reduced proportionately.

To determine loss, the department:

(a) must measure the person's cumulative total loss of all affected agricultural commodities for the year in which the flooding occurred against the person's expected production of all agricultural commodities affected by the flooding occurring in the aftermath of Hurricanes Michael and Florence;

(b) shall use the person's applicable actual production history yield, as determined by the Federal Crop Insurance Corporation, to determine loss for insured agricultural commodities. In determining loss for uninsured agricultural commodities, the department shall use the most recent year's county price and county yield, as applicable, as determined by the National Agriculture Statistics Service, United States Department of Agriculture; and

(c) may require any documentation or proof it considers necessary to efficiently administer the grant program, including the ownership structure of each entity and the social security numbers of each owner. Minimally, in order to verify loss, the department shall require the submission of dated, signed, and continuous records. These records may include, but are not limited to, commercial receipts, settlement sheets, warehouse ledger sheets, pick records, load summaries, contemporaneous measurements, truck scale tickets, contemporaneous diaries, appraisals, ledgers of income, income statements of deposit slips, cash register tape, invoices for custom harvesting, u-pick records, and insurance documents.

Grant awards must be used for agricultural production expenses and losses due to the flooding which demonstrate an intent to continue the agricultural operation; however, awards may not be used to purchase new equipment. The department shall develop guidelines and procedures to ensure that funds are expended in the manner outlined in grant applications, and may require any documentation it determines necessary to verify the appropriate use of grant awards including receipts.

If the department determines that a person who received a grant provided inaccurate information, then the person shall refund the entire amount of the grant. If the department determines that a person who received a grant used the funds for ineligible expenses, then the person must refund the amount of the ineligible expenses. If the person does not refund the appropriate amount, the Department of Revenue shall utilize the provisions of the Setoff Debt Collection Act to collect the money from the person.

The department shall coordinate the exchange of information between the USDA and the Department of Revenue to identify any person that received a Farm Aid grant for the flooding occurring in the aftermath of Hurricanes Michael and Florence and also received federal aid relief for the same disaster. Any person that is determined to have received grant funds from both the state and federal government, must immediately repay the state grant they received.

If the department determines that a person knowingly provided false information to obtain a grant pursuant to this section or knowingly used funds for ineligible expenses, the person shall be subject to prosecution pursuant to Section 16-13-240.

Within forty-five days of the completion of the awarding of grants, but no later than the end of the fiscal year, the Farm Aid Advisory Board is dissolved. Any funds remaining in the fund upon dissolution shall lapse to the general fund.

The department may accept private funds, grants, and property to be used to make financial awards from the grant program.

The Department of Agriculture must administer the grant program authorized by this section using existing resources and funds.

If federal funds are allocated for persons that are otherwise eligible for a grant pursuant to this proviso before the current fiscal year begins, then the provisions of this proviso are not effective and no funds may be credited to the South Carolina Farm Aid Fund.

For purposes of this proviso:

‘Agricultural commodities’ means wheat, cotton, flax, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugar cane, tomatoes, grain sorghum, sunflowers, raisins, oranges, sweet corn, dry peas, freezing and canning peas, forage, apples, grapes, potatoes, industrial hemp, timber and forests, nursery crops, citrus, and other fruits and vegetables, nuts, tame hay, native grass, aquacultural species including, but not limited to, any species of finfish, mollusk, crustacean, or other aquatic invertebrate, amphibian, reptile, or aquatic plant propagated or reared in a controlled or selected environment, excluding stored grain.

(2) ‘Person’ means any individual, trust, estate, partnership, receiver, association, company, limited liability company, corporation, or other entity or group.

(3) ‘Related person’ means any person, joint venture, or entity that has a direct or indirect ownership interest of a person or legal entity.”

SENATOR LEATHERMAN

112.1. (DS: Excess Debt Service) The State Treasurer shall transfer, from debt service that exceeds the principal and interest due in the current fiscal year, \$54,078,993 to the State Law Enforcement Division for the Forensic Laboratory Building. Appropriated debt service in excess of necessary amounts must be transferred to fund the appropriations contained in Proviso 118.13. *The Office of State Treasurer shall transfer, from debt service that exceeds the principal and interest due in the current fiscal year, ~~\$85,000,000~~ **\$50,000,000** to the Department of Commerce for the Rural School District and Economic Development Closing Fund and ~~\$50,000,000~~ **\$65,000,000** to the Department of Education for school district capital improvements **\$20,000,000 to F300-Statewide Employee Benefits for Bonus Pay.** From such funds, effective on the first pay date that occurs on or after October 16, 2019, the Department of Administration shall allocate to state agencies \$20,000,000 to provide for a one-time lump sum bonus. Each permanent state employee, in a full-time equivalent position, who has been in continuous state service for at least six months prior to July 1, 2019, and who earns \$70,000 or less shall receive a \$600 one-time lump sum payment. This payment is not a part of the state employee's base salary and is not earnable compensation for purposes of employer or employee contributions to respective retirement systems. This appropriation may be used for payments to employees only in the same ratio as the employee's base salary is paid from appropriated sources and the employing agency shall pay the bonus for federal and other funded full-time equivalent positions employees from federal or other funds available to the agency in the proportion that such funds are the source of the employee's salary. The earnings limitation in Proviso 117.54 does not apply to this bonus. Any additional excess debt service funds available in Fiscal Year 2018-19 2019-20 may be expended in the fiscal year to pay down general obligation bond debt for which the State (1) is paying the highest rate of interest, (2) will achieve relief in constrained debt capacity, or (3) reduce the amount of debt issued. Up to ~~\$11,994,231~~ **\$5,552,123** of excess debt service funds from the prior fiscal year may be carried forward and expended for debt service purposes in the current fiscal year. Should excess debt service be less than \$135,000,000, the Rural School District and Economic Development Closing Fund shall be reduced ~~accordingly~~ **proportionately.***

SENATOR LEATHERMAN

AMEND PROVISIO AS FOLLOWS:

118.15. (SR: Taxpayer Rebate) In the event that amounts in excess of the Fiscal Year 2018-19 unobligated general fund revenue as certified by the Board of Economic Advisors become available due to increased income tax collections resulting from the lottery ticket redemption associated with the October 24, 2018 Mega Millions contest, those funds, combined with additional funds appropriated in this Act for taxpayer rebate, must be utilized to provide a one-time taxpayer rebate in an amount up to \$50 per taxpayer the Comptroller General shall transfer such amounts in excess of the total certified unobligated general fund revenue up to \$61,400,000 to a Taxpayer Rebate Fund after the close of Fiscal Year 2018-19. To the extent sufficient funds are available, the Department of Revenue shall provide a fifty dollar refund to each individual income tax return filed for tax year 2018 that has at least a state individual income tax liability of fifty dollars, after credits, for returns filed on or before October 15, 2019. The Department of Revenue may prorate this amount based upon actual funds and eligible returns and is directed to issue these checks on December 2, 2019.