Legislative Oversight Committee December 9, 2019

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South Carolina House of Representatives



Legislative Oversight Committee

Monday, December 9, 2019 Room 110 - Blatt Building 1:30 p.m.

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

AMENDED AGENDA

- I. Approval of minutes
- II. Discussion of any subcommittee study in which notice has been provided pursuant to Committee Standard Practice 11.9 that a study is available for consideration by the full Committee
 - A. The Economic Development, Transportation, and Natural Resources Subcommittee's Study of Rural Infrastructure Authority is available for consideration. (Executive Summary; Full Report).
- III. Discussion of Committee administrative matters, including but not limited to, <u>Next</u>
 <u>Agencies to Study</u>
- IV. Adjournment

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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Room 228 Blatt Building

Gary E. Clary
Chandra E. Dillard
Lee Hewitt
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

Friday, September 27, 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.

Minutes

I. Representative Eddie Tallon moves to approve the minutes from the meeting on August 13, 2019. A roll call vote was held, and the motion passed.

Representative Tallon's motion to approve the minutes from the meeting on August 13, 2019.		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.	V				
Bill Taylor	✓				
John T. West	V				
Robert Q. Williams	✓				
Christopher Sloan "Chris" Wooten	✓				
Wm. Weston J. Newton	✓				

Discussion of Agenda and Procedure

- I. Chairman Newton states that one purpose of this meeting is to continue the discussion of the following items: the Education and Culture Affairs Subcommittee's study of the Wil Lou Gray Opportunity School; the Economic Development, Transportation, and Natural Resources Subcommittee's Study of the Department of Motor Vehicles; and the Executive Subcommittee's study of the Aeronautics Commission.
- II. Chairman Newton states that the other purpose of this meeting is to discuss the next potential agencies for study.

Discussion of the Wil Lou Gray Opportunity School

- I. Representative Jefferson provides an overview of the Education and Cultural Affairs Subcommittee's study of the Wil Lou Gray Opportunity School, or "WLG."
- II. Representative Jefferson explains that the subcommittee produced nine recommendations that fall into four categories: governance, promising practices, applicant pool, and student experience. Further, Representative Jefferson elaborates on the individual recommendations presented for each category.
- III. Representative Jefferson provides the individual recommendations within WLG, regarding the following topics:
 - i. Enhancing Training;
 - ii. Measuring Governance Effectiveness;
 - iii. Adding Board Performance Measures;
 - iv. Formal Evaluations;
 - v. Posting Promising Practices;
 - vi. "At-Risk" Students;
 - vii. Personnel Interaction Tracking System; and
 - viii. Demographic Data Collection from Applications.
- IV. Representative Jefferson provides a list of internal changes implemented by WLG regarding the following topics:
 - i. Reviewing Marketing Strategies;
 - ii. Raising the Age Limit; and
 - iii. Mental Health Intervention.
- V. Representative Williams asks Representative Jefferson questions regarding the board training recommendation.
- VI. Representative Jefferson moves to approve the study on WLG.

Representative Jefferson's motion to approve the study on WLG.	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	✓	

VII. Chairman Newton announces that the Education and Cultural Subcommittee study on the Wil Lou Gray Opportunity School is approved.

Discussion of the Department of Motor Vehicles

- I. Representative Hixon provides an overview of the Economic Development, Transportation, and Natural Resources Subcommittee's study on the Department of Motor Vehicles, or "DMV."
- II. Representative Hixon states that the subcommittee has 29 individual recommendations arising from the DMV study. Further, he states that the recommendations include topics regarding:
 - i. Efficiency;
 - ii. Consumer Protection;
 - iii. Regulatory Review;
 - iv. Conformity with Current DMV Practice;
 - v. Informing Constituents;
 - vi. Driver's Licenses and Identification Cards;
 - vii. Motor Vehicle Registration and Sales;
 - viii. License Plates;
 - ix. Customer Service; and
 - x. Finances.
- III. Mr. Kevin Shwedo, Executive Director of the South Carolina Department of Motor Vehicles, under oath, addresses Committee member questions regarding Real ID implementation, service fees, the DMV emergency contact program, license plates, insurance, and temporary tags issued by out-of-state used car dealerships.

- IV. Representative Stringer moves, and after discussion on the issue, withdraws a motion to send the DMV study back to subcommittee. Members involved in the discussion of the issue include: Representative Caskey, Representative Hixon, and Representative Pendarvis.
- V. Representative Hixon moves for the committee to adopt the DMV study recommendations, including the changes discussed at this meeting regarding the in-person fee applying only to commercial customers.

Representative Hixon's motion to approve the study on DMV, including the changes discussed at this meeting.	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	1			✓
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	✓			

VI. Chairman Newton announces that the Economic Development, Transportation, and Natural Resources Subcommittee's study on the South Carolina Department of Motor Vehicles is approved, including the changes made during the meeting.

Discussion of the South Carolina Aeronautics Commission

I. Representative Clary provides an overview of the Executive Subcommittee's study of the South Carolina Aeronautics Commission, or "Aeronautics."

- II. Representative Clary states that the subcommittee has 10 recommendations for the agency and seven for the General Assembly. Further, he states that the recommendations include topics regarding:
 - a. Lack of Minority Representation on Commission;
 - b. State Official Business Flights;
 - c. Centralization of Manned Aircraft Information:
 - d. Centralization of Unmanned Aircraft Information;
 - e. Funding;
 - f. Transparency;
 - g. Accountability Procedures;
 - h. Modernization of Laws;
 - i. Grant Funding Prerequisites;
 - j. Waiver Request; and
 - k. Aircraft Mileage Assessment for Property Taxes.
- III. Mr. James Stephens, Executive Director for the South Carolina Aeronautics Commission, under oath, addresses the Committee regarding the Columbia Airport property, staff diversity, publication of flight logs, substance-screening procedures for pilots, the relationships between different aviation authorities, and aviation education.
- IV. Representative Clary moves for the study to include three additional recommendations relating to updating statutes, posting of budget control report on the Aeronautics website, and sending additional information to the Secretary of State's Office.

Representative Clary's motion to adopt the Aeronautics study, with aforementioned additional recommendations.	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	✓		

V. Chairman Newton announces that the Executive Subcommittee's study on the South Carolina Aeronautics Commission has been approved, including the three additional recommendations.

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 announces that the Committee should consider identifying all remaining agencies for study in 2020. The Committee meeting in December would address which agencies are up next for study. Voting on which agencies to study will occur during the December meeting.
- II. There being no further business; the meeting adjourns.

The full report of the Economic Development, Transportation, and Natural Resources Subcommittee's study of the Rural Infrastructure Authority (RIA), issued on October 16, 2019, is available on the House Legislative Oversight Committee's webpage.

Finding

The **Subcommittee has one finding** arising from its study of the agency:

Finding

1. The Subcommittee supports legislative action to provide resources to support statewide access to broadband services, including in rural communities.

Recommendations

The **Subcommittee** has five recommendations arising from its study of the agency. All recommendations are to the General Assembly and relate to modernization of laws.

Recommendations to the General Assembly

- 1. Consider clarifying the role and responsibilities of RIA's Local Government Division by repealing S.C. Code of Laws § 1-11-25 and amending § 11-50-30(E).
 - This removes references to an obsolete program and reflects the duties this division had at the time of its transfer to RIA.
- 2. Consider clarifying RIA's role in coordination of state infrastructure development efforts by amending S.C. Code of Laws § 11-50-30(C).
 - This could facilitate agency efforts to assess statewide needs and support regional approaches.
- 3. Consider removing outdated accounting requirements by repealing S.C. Code of Laws § 1-11-26.

 For example, this section requires maintenance of a separate bank account for grant funds, which is no longer required with modern accounting practices.
- 4. Consider updating terminology related to counties in which eligible rural infrastructure projects can be located by amending S.C. Code of Laws § 11-50-40(13).
 - This replaces the terms "distressed or least developed" with "Tier III or IV," in accordance with related sections of law.
- 5. Consider defining "environmental facilities" in the Rural Infrastructure Act by amending S.C. Code of Laws § 11-50-40.
 - Adding this definition makes this section consistent with other laws governing RIA programs.

Purpose of Oversight Study

To determine if agency laws and programs:

are being implemented and carried out in accordance with the intent of the General Assembly



should be continued, curtailed, or eliminated,

the Committee and Subcommittee evaluate:

the application, administration, execution, and effectiveness of the agency's laws and programs;

the organization and operation of the agency;



any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation pertaining to the agency.

S.C. Code Ann. § 2-2-20(B) and (C)

Study Process

Full Committee schedules agency for study and gathers initial information

Subcommittee investigates through meetings and information requests

Subcommittee publishes report

Full Committee considers Subcommittee report and may conduct further investigation

Full Committee publishes report

Public Input

- Responses to an online public survey
- 3 Constituents testify
- 1 Online comment received

Subcommittee Membership

The Honorable William M. (Bill) Hixon (chair) The Honorable Lee Hewitt

The Honorable Mandy Powers Norrell The Honorable Marvin R. Pendarvis

Study Milestones

MEETINGS

Full Committee 12/5/18 6/25/19

Subcommittee 6/19/19 7/18/19 9/9/19

AGENCY REPORTS

March 2015 Seven-Year Plan Report

September 2018 Annual Accountability Report

April 2019 Program Evaluation Report

Agency Snapshot

Rural Infrastructure Authority

Agency Mission To assist in financing qualified infrastructure projects that will protect public health, comply with environmental quality standards, and support economic opportunities

Successes

Identified by the agency

History

The Rural Infrastructure
Authority was created in
2010 and began operating
in 2012, approving its first
grants in 2013. The
administration of two
loan programs was
transferred to RIA from
the Budget and Control
Board in 2015

Organizational Units

Major Deliverables (FY 17-18)

- Awarded \$22M in grants
- Closed \$144M in loans
- Assisted 439 local governments with information

Resources (FY 17-18)

Employees
9 filled FTE positions
at the end of the year

<u>Funding</u> \$166,141,450

Includes appropriations and State Revolving Fund expenditures, which are not appropriated

- Using available funds to award \$109.6M in grants and close nearly \$350M in loans since the agency's creation
- Helping to resolve health and environmental concerns, create jobs, and lower utility rates
- Training communities to identify financial resources for infrastructure improvements

Current:

- Developing expertise in small communities
- Attaining sustainability in communities with inadequate resources to invest in infrastructure
- Addressing resistance to regional approaches

Emerging:

- Planning for future agency leadership
- Identifying funding gaps and coordinating assistance
- Assessing statewide needs

Figure Note: RIA focuses on water infrastructure projects, including water and waste water systems and storm water drainage facilities.

Sources: Agency Program Evaluation Report (April 2019), Accountability Report (September 2018), and website.





Legislative Oversight Committee

https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php HCommLegOv@schouse.gov • (803) 212-6810

Legislative Oversight Subcommittees and Status of Studies

Updated November 13, 2019

Economic Development, Transportation, and Natural Resources	Education and Cultural	Executive	Healthcare and Regulatory	Law Enforcement and Criminal Justice
Rep. Hixon, Chair Rep. Hewitt Rep. Norrell Rep. Pendarvis	Rep. Jefferson, Chair Rep. Collins Rep. Henegan Rep. Stringer	Rep. Clary, Chair Rep. Dillard Rep. Funderburk Rep. Newton	Rep. West, Chair Rep. Ridgeway Rep. Taylor Rep. Wooten	Rep. Tallon, Chair Rep. Caskey Rep. Johnson Rep. Williams
		TO STUDY		
 Commerce, Dept. of Employment and Workforce, Dept. of Jobs Economic Development Authority Conservation Bank Forestry Commission Sea Grants Consortium 	 Arts Commission Higher Education Commission Library, State Museum Commission and Confederate Relic Room Technical and Comprehensive Education Board Tuition Grants Commission 	 Ethics Commission Financial Institutions, Board of Department on Aging 	 Health and Human Services, Department of Patients' Compensation Fund State Accident Fund Vocational Rehabilitation, Department of Consumer Affairs, Dept. of Insurance, Dept. of Workers' Compensation Commission 	 Administrative Law Court State Law Enforcement Division Attorney General's Office
	1	N PROGRESS		
Housing Finance and Development Authority Rural Infrastructure Authority	1. Education, Dept. of	Secretary of State's Office Retirement System Investment Commission (on hold)	Mental Health, Dept. of Alcohol and Drug Abuse, Dept. of	Corrections, Dept. of This study is being conducted by an ad hoc committee that also includes Reps. Clary, Dillard, and Jefferson Probation, Parole and Pardon, Dept. of
		C O M P L E T E D		
 Agriculture, Dept. of Human Affairs Commission Labor, Licensing and Regulation, Dept. of Minority Affairs, Commission for Motor Vehicles, Dept. of Revenue, Dept. of Transportation, Dept. of Transportation Infrastructure Bank 	 Archives and History, Dept. of Deaf and Blind, School for ETV Commission First Steps John de la Howe School Patriots Point Authority Wil Lou Gray Opportunity School 	 Adjutant General Aeronautics Commission Comptroller General's Office Election Commission Parks, Recreation and Tourism, Dept. of Treasurer's Office 	 Blind, Commission for the Disabilities and Special Needs, Dept. of Health and Environmental Control, Department of Social Services, Dept. of 	 Indigent Defense Juvenile Justice, Dept. of Law Enforcement Training Council Natural Resources, Dept. of Prosecution Coordination Comm. Public Safety, Dept. of

Additional agencies may be assigned to these subcommittees, pursuant to the Legislative Oversight Committee's Rule 6, as the Legislative Oversight Committee determines its interpretation of the definition of the term agency as set forth in S.C. Code Section 2-2-10(1).

Agencies to Study: Summary Information Updated November 2019

Subcommittee	Agency	# of employees ¹	FY20 Funds ²	Restr. Recs? ³	Senate status ⁵
Economic	Commerce, Dept. of*	97	127.1M		Complete
Development,	Employment & Workforce*	575	167.5M		Complete
Transportation,	Jobs-Economic Dev. Authority*	2 ⁶	0.4M		
& Natural	Conservation Bank	2	11.6M		
Resources	Forestry Commission	323	35.9M		Complete
1100001000	Sea Grant Consortium	11	5.7M		Ongoing
	Currently under study:				
	Rural Infrastructure Authority	9	44.1M	Yes	Complete
	Housing Finance & Dev. Authority	109	209.1M		Ongoing
Education and	Arts Commission	12	5.8M		Ongoing
Cultural	Higher Education Commission	30	33.9M		Ongoing
	State Library	43	18.3M		
	State Museum	36	6.9M	Yes	Complete
	Confederate Relic Room	6	1.3M	Yes	Complete
	Tech & Comprehensive Ed Board	115	717.3M		Ongoing
	Tuition Grants Commission	4	33.9M		Ongoing
	Currently under study:				3 3
	Education, Dept. of	1,071	5,062.5M		
Executive	Ethics Commission	16	1.9M		Complete
	Board of Financial Institutions	46	5.6M		
	Dept. on Aging	43	52.1M		Complete ⁴
	Currently under study:				
	Secretary of State's Office	31	3.5M		Complete
	Retirement Sys. Inv. Comm. (on hold)	43	15.3M		Ongoing
Healthcare and	Health & Human Services*	1,270	7,791.7M		
Regulatory	Patients' Compensation Fund*	4	1.1M		
, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	State Accident Fund*	66	8.9M		Ongoing
	Vocational Rehab, Dept. of*	986	174.3M		Complete
	Consumer Affairs, Dept. of	40	3.7M		Complete
	Insurance, Department of	82	18M		Complete
	Workers' Comp. Commission	51	8.1M		Complete
	Currently under study:				
	Mental Health, Dept. of	4,143	504.3M		Complete
	Alcohol & Drug Abuse Svc., Dept. of	28	67.7M		Complete
Law	Administrative Law Court*	not available	4.6M		Complete
Enforcement	State Law Enf. Division (SLED)*	571	103.9M		Ongoing
and Criminal	Attorney General's Office	248	101M	Yes	5 5
Justice	Currently under study:				
Justice	Corrections, Department of	4,707	515.6M		Ongoing
	Probation, Parole, & Pardon	682	66M	Yes	

Table Notes: *Study of this agency has been requested by a constituent or a Member of the House

¹ <u>Dept. of Administration</u> – July 1, 2019.

² FY 19-20 Appropriations Act.

³ Restructuring recommendations as indicated in each agency's 2018-19 Accountability Report.

⁴ Senate review completed prior to agency reorganization.

⁵ <u>Senate Legislative Oversight Committee webpage</u>. Accessed September 18, 2019.

⁶ <u>JEDA website</u>. Accessed November 14, 2019.



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: https://www.scstatehouse.gov/CommitteeInfo/

HouseLegislativeOversightCommittee.php

Phone Number: 803-212-6810

Email Address: HCommLegOv@schouse.gov

Location: Blatt Building, Room 228

UPCOMING MEETINGS

Healthcare & Regulatory

Tuesday, Dec. 10th
(DAODAS)

Blatt 410 at 10:00 a.m.

Law Enforcement and

Criminal Justice

Wednesday, Dec. 11th (SCDC)

Blatt 110 at 10:30 a.m.

Education and Cultural

Wednesday, Dec. 18th (Dept. of Education)

Blatt 110 at 10:30 a.m.