



South Carolina  
House of Representatives  
Legislative Oversight Committee

# TABLE OF CONTENTS

March 28, 2023

## Contents

Agenda .....	2
Meeting Minutes.....	4
Agency Overview.....	11
Agency Presentation .....	14

## Agenda



South Carolina  
House of Representatives  
Legislative Oversight Committee

ECONOMIC DEVELOPMENT, TRANSPORTATION,  
AND NATURAL RESOURCES SUBCOMMITTEE

Chairman Travis A. Moore

The Honorable Gary S. Brewer, Jr.  
The Honorable William M. "Bill" Hixon  
The Honorable Russell L. Ott  
The Honorable Marvin R. Pendarvis

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**A G E N D A**

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Tuesday, March 28, 2023  
Immediately Upon Adjournment  
Room 110 - Blatt Building

- I. Approval of minutes from April 27, 2022, and September 20, 2022
- II. Discussion of the study of the Jobs-Economic Development Authority
- III. Adjournment

## Meeting Minutes

*Chair Wm. Weston J. Newton*

*First Vice-Chair:  
Joseph H. Jefferson, Jr.*

## **Legislative Oversight Committee**

*Kambrell H. Garvin  
Rosalyn D. Henderson-Myers  
Max T. Hyde, Jr.  
Kimberly O. Johnson  
John R. McCravy, III  
Travis A. Moore  
Melissa Lackey Oremus  
Marvin R. Pendarvis  
John Taliaferro (Jay) West, IV*



**South Carolina House of Representatives**

*Gil Gatch  
William M. "Bill" Hixon  
Jeffrey E. "Jeff" Johnson  
Josiah Magnuson  
Timothy A. "Tim" McGinnis  
Adam M. Morgan  
Russell L. Ott  
Michael F. Rivers, Sr.  
Chris Wooten*

*Jennifer L. Dobson  
Research Director*

*Cathy A. Greer  
Administration Coordinator*

**Post Office Box 11867  
Columbia, South Carolina 29211  
Telephone: (803) 212-6810 • Fax: (803) 212-6811  
Room 228 Blatt Building**

*Charles L. Appleby, IV  
Legal Counsel*

*Lewis Carter  
Research Analyst/Auditor*

*Riley E. McCullough  
Research Analyst*

### **Economic Development, Transportation, and Natural Resources Subcommittee**

**Tuesday, April 27, 2022**

**9:00 a.m.**

**Blatt Room 321**

### **Archived Video Available**

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, 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. The Economic Development, Transportation, and Natural Resources and Education and Cultural Subcommittee meeting was called to order by Subcommittee Chair William M. "Bill" Hixon on Wednesday, April 27, 2022, at 9:00 a.m. in Room 321 of the Blatt Building. Subcommittee Chair Hixon, Representative Adam M. Morgan; and Representative Russell L. Ott were present for all or a portion of the meeting

## Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings. It is the practice of the Legislative Oversight Committee to provide minutes for its subcommittee meetings.
- II. Representative Ott made a motion to approve the meeting minutes from the prior two meetings held on August 5, 2021, and February 28, 2022. A roll call vote was held, and the motion passed.

Rep. Ott's motion to approve the meeting minutes	Yea	Nay	Not Voting
Rep. Hixon	✓		
Rep. Morgan	✓		
Rep. Ott	✓		
Rep. Pendarvis			✓

## Discussion of the Study of the Department of Commerce

- I. Chair Hixon reminds all previously sworn in that they remain under oath. Secretary of Commerce Harry M. Lightsey III provided brief comments about the agency's involvement with the Carolina Panthers Rock Hill Development. Members ask questions, which Secretary Lightsey answers.
- II. Subcommittee Chair Hixon placed a statement into the record from Representative Pendarvis noting his approval of the findings and recommendations as presented in the meeting packet.
- III. Representative Ott made a motion to approve the subcommittee's findings and recommendations as presented in the meeting packet. A roll call vote was held, and the motion passed.

Rep. Ott's motion to approve the meeting minutes	Yea	Nay	Not Voting
Rep. Hixon	✓		
Rep. Morgan	✓		
Rep. Ott	✓		
Rep. Pendarvis			✓

- IV. Subcommittee Chair Hixon directed staff to draft the report and provide a copy of it to all subcommittee members by Wednesday, June 15, 2022.

If any member would like to provide a written statement for inclusion in the report, the deadline for providing those statements will be 5:00 p.m. on Wednesday, June 22, 2022. Subcommittee Chair Hixon will provide notice to the full Committee that a Subcommittee Study is available for consideration, unless he receives a written request for another meeting from a subcommittee member prior to 5:00 p.m. on Wednesday, June 22, 2022.

Deadlines are subject to change at the Subcommittee Chair's discretion.

### Adjournment

- I. There being no further business, the meeting is adjourned.

*First Vice-Chair:  
Joseph H. Jefferson, Jr.*

## **Legislative Oversight Committee**



*Kambrell H. Garvin  
Rosalyn D. Henderson-Myers  
Jeffrey E. "Jeff" Johnson  
John R. McCravy, III  
Adam M. Morgan  
Melissa Lackey Oremus  
Marvin R. Pendarvis  
Tommy M. Stringer  
Chris Wooten*

**South Carolina House of Representatives**

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*Riley E. McCullough  
Research Analyst*

**Economic Development, Transportation, and Natural Resources Subcommittee  
Tuesday, September 20, 2022  
10:30 a.m.  
Blatt Room 317**

### **Archived Video Available**

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, 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. The Economic Development, Transportation, and Natural Resources Subcommittee meeting was called to order by Chair William M. (Bill) Hixon on Thursday, March 11, 2021, in Room 110 of the Blatt Building. Subcommittee members include Representative Adam M. Morgan; Representative Russell L. Ott; and Representative Marvin R. Pendarvis. All members of the Subcommittee were present for either all or a portion of the meeting.

### **Minutes**

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings. It is the practice of the Legislative Oversight Committee to provide minutes for its subcommittee meetings.



## Discussion of the Jobs-Economic Development Authority (JEDA)

- I. Chair Hixon swears in Mr. Harry Huntley, Executive Director of the Jobs-Economic Development Authority.
- II. Director Huntley begins his presentation to the Subcommittee and discusses the following topics:
  - a. Mission;
  - b. History
  - c. Agency Board;
  - d. Organizational Structure
  - e. Agency Finances;
  - f. Overview of Financing Options Available to businesses;
  - g. Services;
  - h. Process;
  - i. Examples of projects;
  - j. Challenges;
  - k. Continued discussion of projects and process; and
  - l. Investments.

Members ask questions of Mr. Huntley, who responds to their questions.

- III. Chair Hixon swears in Grant Gillespie, Director of the State Fiscal Accountability Authority.

Mr. Gillespie provides comments regarding Act 202 (South Carolina Housing Tax Credit H.5075), which requires the State Fiscal Accountability Authority to develop a state ceiling allocation plan annually, to specify requirements of the plan, and to provide a process for periodic allocations of the state ceiling.

- IV. Director Huntley continues his presentation to the Subcommittee and discusses the following topics:
  - a. Services: and
  - b. Venture capital investments.

Members ask questions of Mr. Huntley, who responds to their questions.

- V. Chair Hixon reminds Chris Huffman, Chief Financial Officer of the Department of Commerce that he remains under oath.

Mr. Huffman provides comments regarding venture capital investments and InvestSC.

Members ask questions of Mr. Huffman and Mr. Huntley, who respond to their questions.

- VI. Director Huntley continues his presentation to the Subcommittee and discusses the following topics:

- a. Services;
- b. Venture capital investments and InvestSC;
- c. Business Development Corporation;
- d. State Small Business Credit Initiative;
- e. RecoverSC Local Government Liquidity Program;
- f. Internal changes

Members ask questions of Mr. Huntley, who responds to their questions.

## Conclusion

- I. There being no further business, the meeting is adjourned.

## Agency Overview



# South Carolina House of Representatives Legislative Oversight Committee

## SUMMARY OF JEDA PRESENTATION: 3/28/2023

### MISSION

The mission of JEDA is to promote and develop the business and economic welfare of South Carolina by assisting in the financing of public and private projects throughout the state. JEDA does this through the issuance of private activity bonds at favorable tax-exempt interest rates.

### BOND VS. LOAN

#### BOND



- A debt instrument for the government or a company to raise money by selling, in effect, IOUs for a certain amount of time.

#### LOAN

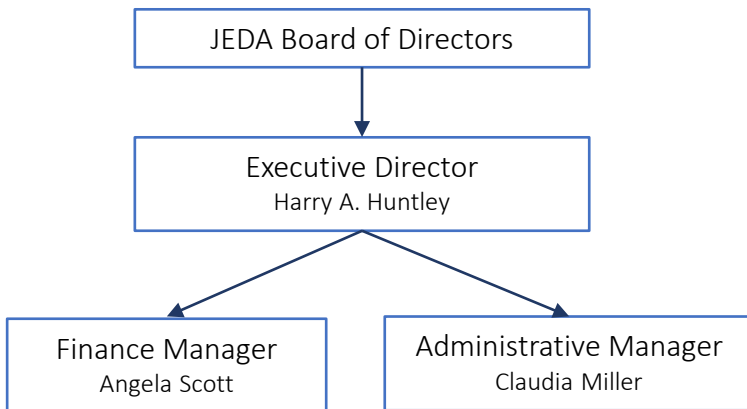


- A debt instrument provided by a bank or financial institution that allows recipient a fixed amount of money at time of transaction.

#### CRITICAL DIFFERENCES

- The main difference is that a bond is highly tradeable. If you purchase a bond, there is usually a marketplace where you can trade it.
- Interest rates on government bonds are generally lower. Loans are likely to have higher interest rates.
- Government bonds are treated as low-risk.

### ORGANIZATIONAL CHART



- Executive Director appointed by Board of Directors
- Executive Director selects and controls all other personnel
- JEDA personnel are not state employees (41-43-90), but do
  - Participate in S.C. Retirement System;
  - Participate in State Health Insurance Group; and are
  - Protected by S.C. Tort Claims Act

### SELF-FUNDED AGENCY

- JEDA operates at no cost to S.C. taxpayers nor from tax dollars appropriated by the S.C. General Assembly.
- JEDA is a completely self-funded authority and an enterprise agency that is not part of the State SCEIS or payroll system.
- JEDA offsets its costs mainly through bond issuance fees, annual bond fees, and bond application fees.
- In 2022, the JEDA regulations were amended and the current fee schedule, adopted in 2009, are now included in the Regulation (68-30).

## BUDGET SUBMISSIONS

- 1992 Act 404, Section 11, amended JEDA statute 41-43-280 to read:

Notwithstanding any provision of law or regulation to the contrary, the authority shall continue to be an "agency" for purposes of Chapter 78 of Title 15, but the authority is not considered an "agency" or "state agency" or any other form of state institution for purposes of Sections 2-7-65 and 2-57-60.

- JEDA submits a budget to the Budget Office each year. Based on statutory language above, JEDA does not believe this should be required.
- In 2005 and 2013, the Budget Office requested that JEDA be removed from the budget process, but no further action has been taken.

## PRIVATE ACTIVITY BONDS

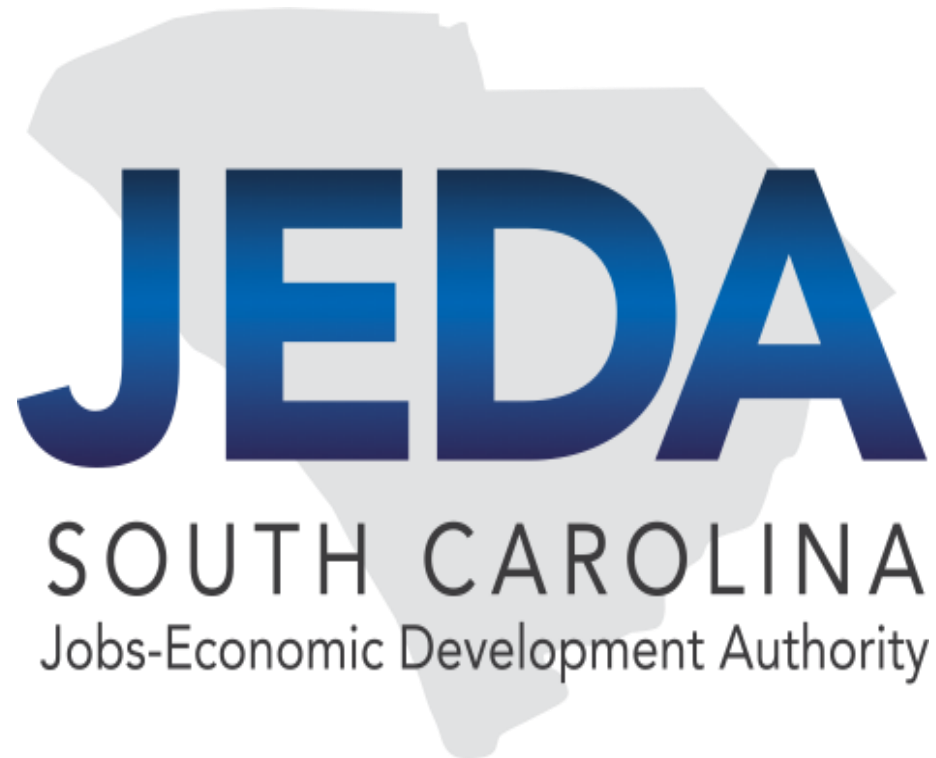
“The term “conduit issuer” refers to an issuer of tax-exempt bonds in a conduit financing. A conduit financing is generally a situation where tax-exempt bonds are issued by a state or local government and the proceeds are used for a defined qualified purpose by an entity other than the government issuing the bonds (the conduit borrower).”

-IRS, [Your Responsibilities as a Conduit Issuer of Tax-Exempt Bonds](#), Page. 1

- Prior to the creation of JEDA, private activity bonds were issued by the counties, which were limited in their scope and lacked transparency.
- JEDA serves as conduit issuer of bonds on behalf of a borrowing entity. Under the Internal Revenue Code, certain for-profit entities and Section 501(c)(3) organizations can finance their projects with tax-exempt bonds, but these entities cannot do so directly.
- They must borrow through a “conduit” issuer of bonds in order to receive the tax-exempt financing.
- Entities do not borrow from JEDA, but rather through JEDA, using JEDA as access to the capital markets at tax-exempt rates.
- The marketplace determines if a bond is marketable, not JEDA.
- JEDA and its counsel analyze each project’s eligibility for tax-exempt bond financing, as specified by Federal law.
- JEDA has become the largest conduit issuer of private activity bonds in the State.



## Agency Presentation



# MISSION

The mission of JEDA is to promote and develop the business and economic welfare of South Carolina by assisting in the financing of public and private projects throughout the state. JEDA does this through the issuance of private activity bonds at favorable tax-exempt interest rates.

JEDA is a completely self-funded agency and operates at no cost to taxpayers.



# HISTORY

The recession of 1981-1983 in South Carolina was due, in part, to the nationwide economic downturn, and the inability to overcome the tremendous job losses sustained by the textile manufacturers across the State.

While certain manufacturing entities grew during this period, the overall loss in employment highlighted the need to transition from traditional manufacturing, especially textiles, to more employment in services and non-labor intensive manufacturing.

# CREATION OF JEDA

- A special task force by Governor Dick Riley was appointed in November 1982, to create an agency with broad authority to meet the growing needs of businesses across the State.
- In 1983 the legislature created the South Carolina Jobs-Economic Development Fund Act.
- Prior to the creation JEDA, bonds to finance hospitals and small manufacturers were issued only through counties. The process was inefficient, time consuming and lacked transparency.
- JEDA was established as the statewide qualified issuer of private activity bonds.

# CREATION OF JEDA

Section 41-43-70. Functions and duties of the authority generally.

The authority shall promote and develop the business and economic welfare of this State, encourage and assist through loans, investments, research, technical and managerial advice, studies, data compilation and dissemination, and similar means, in the location of new business enterprises in this State and in rehabilitation and assistance of existing business enterprises and in the promotion of the export of goods, services, commodities, and capital equipment produced within the State, so as to provide maximum opportunities for creation and retention of jobs and improvement of the standard of living of the citizens of the State, and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State. In the promotion, development, and advancement of these programs, the authority must give consideration to the development of and assistance to small businesses in this State as may be defined by regulation of the authority.

# JEDA PROGRAMS

## Industrial Revenue Bond Program

JEDA's Industrial Revenue Bond Program is a tax-exempt bond program that allows small manufacturing facilities, 501(c)(3) organizations and solid waste disposal facilities access to capital markets to finance their economic development related projects.

## Taxable Bond Program

JEDA's Taxable Bond Program works well with a wide variety of enterprises and provides access to the public debt markets at favorable rates.

## State Small Business Credit Initiative (SSBCI)

JEDA is the state agency designated by the Legislature to implement the program for South Carolina. Funds allocated by US Treasury and matched with private funds will be used in a loan participation program and venture capital program to help businesses grow and expand, ultimately creating and retaining jobs in South Carolina.

# JEDA MILESTONES

Since its inception in 1983 through fiscal year 2022, we have accomplished great things.

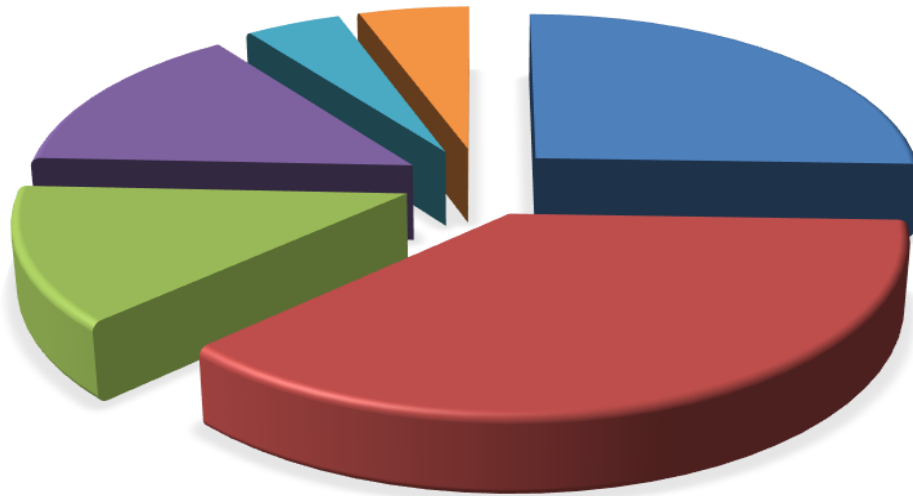
- Issued 620 bonds for \$14.5 billion
- Retained or created over 310,000 jobs
- Recognized by The Bond Buyer Municipal Marketplace as the largest issuer of tax-exempt bonds in SC
- Implemented the \$18 million State Small Business Credit Initiative (SSBCI) 1.0 Program for SC in 2011. JEDA partnered with Business Development Corp. (BDC) leading to over \$300 million in new bank lending and created 1,183 new jobs.
- SSBCI 2.0 Program (\$101 million) approved by US Treasury in 2022 for participation loan funding and venture capital investment.

# JEDA MILESTONES

- Created the RecoverSC Local Government Liquidity Program, which was recognized by The Bond Buyer as the Innovative Deal of the Year in 2021.
- Partnered with the SC Energy Office and Business Development Corp. to create the Energy Efficiency Revolving Loan Fund.
- Established the Qualified Energy Conservation Bond Program
- Managed the Economic Recovery Zone Bond Program
- Amended the JEDA statutes in 2017 moving the bond approval process to the Coordinating Council for Economic Development. The improved efficiency, timeliness and transparency has led to more than a 50% increase in bond issuances.

# JEDA MILESTONES

Through affordable bond issues, provided \$14.5 billion through 620 bond issues to fund project costs in our State



204 Manufacturing

96 Non-Profits

32 Other

101 Education

28 Solid Waste

159 Hospital &  
Health Care

# JEDA AS A CONDUIT ISSUER

JEDA serves as conduit issuer of private activity bonds on behalf of a borrowing entity.

## What is a Conduit Issuer?

- Organization that issues securities (bonds) to raise capital for non-governmental projects where the funds generated are used by a third party to invest in an activity that has public benefit.
- Examples of Private Activity Bonds:
  - 501(c)(3) (Charitable) Organizations
  - Medical Facilities
  - Residential Rental Housing
  - Solid Waste Facilities
  - Educational Facilities
  - Cultural Institutions
  - Small manufacturers



# JEDA AS A CONDUIT ISSUER

## What is a bond?

A Bond is an interest-bearing instrument that represents a loan made by an investor to a borrower. It's like an IOU.

## Bonds vs. Loans

- Bonds may have lower interest rates than bank loans
- Bonds give greater freedom to operate; loans have restrictive bank covenants that oftentimes restrict operations
- Bonds have staggered/flexible maturity dates; loans generally have strict repayment requirements
- Bonds can be traded on open marketplace; bank loans generally stay with bank originating loan
- Interest income received on bonds is generally tax exempt, making them attractive to bond holders/investors

# JEDA AS A CONDUIT ISSUER



- JEDA acts as a conduit to issue private activity bonds
- The bond documents flow through JEDA. The bond proceeds flow through a bank or trustee.
- Investors may earn tax advantages (interest income is tax exempt)

# JEDA AS A CONDUIT ISSUER

- Bonds issued by JEDA are payable solely by the underlying borrower from the revenues and assets pledged for each individual bond issue.
- JEDA is not a lender and does not enhance or improve the credit of the underlying borrower.
- JEDA funds are not at risk in connection with the bond issuance, and **no funds of the State of South Carolina** or any political subdivision thereof are at risk. Each JEDA bond contains language to that effect.

# JEDA AS A CONDUIT ISSUER

- Prior to the creation of JEDA, private activity bonds were issued by the counties, which were limited in their scope and lacked transparency.
- As the statewide qualified issuer, JEDA can issue all types of private activity bonds, providing a timely, predictable and transparent process for qualified borrowers across the State.
- JEDA is the largest conduit issuer of private activity bonds in the State.

# JEDA AS A CONDUIT ISSUER

- Under the Internal Revenue Code, certain for-profit entities and Section 501(c)(3) organizations can finance their projects with tax-exempt bonds but must use a qualified issuer such as JEDA to do so.
- Entities do not borrow from JEDA, but rather through JEDA, using JEDA as access to the capital markets at more favorable rates.

# JEDA AS A CONDUIT ISSUER

- JEDA and its counsel analyze each project's eligibility for tax-exempt bond financing, as specified by Federal law.
- The investor marketplace determines if a bond is marketable, not JEDA.
- JEDA does not assume the responsibility of determining the creditworthiness of a project or borrower, nor does it assume the resulting legal liability from making such a determination.

# WHY JEDA?

## Advantages to Borrowers:

- Transparent, streamlined process listed on website
- Transparent fees listed on website with caps in place to keep fees as low as possible
- Most economical alternative
- Local bond and issuer counsel on all transactions familiar with SC laws and JEDA
- We provide to borrowers, Post Issuance Compliance reminders and checklists for all tax-exempt bonds.

# WHY JEDA?

## Advantages to the State:

- Government approval of all projects through Coordinating Council for Economic Development
- Government oversight with TEFRA approval by Governor
- JEDA is completely self-funded.



# **AGENCY BOARD**

# ORGANIZATIONAL CHART

## JEDA BOARD OF DIRECTORS

### BOARD OF DIRECTORS

- Membership: Governor appoints, with advice and consent of the Senate, one Director from each Congressional District and one from the State at large, who serve as Chairman. Governor and Commerce Secretary [or their designees] serve as ex-officio members
- Terms:
  - To ensure a majority of the members' terms did not end in the same year, statute made the initial terms 3, 2, and 1 year for different congressional districts and stated vacancies must be filled for the unexpired term in the original appointment (41-43-40)
  - 3-year terms until successor is appointed and confirmed or they resign
  - May be removed by the Governor for cause or at will
- Experience: Must have experience in the fields of business, commerce, finance, banking, real estate or foreign trade. At least two Directors must have direct commercial lending experience

# RESPONSIBILITIES OF THE JEDA BOARD

## General Board Responsibilities

- Governing and policy-making body
- Adopt objectives and programs annually
- Appoint Executive Director
- Establish meeting and attendance guidelines
- Perform duties and responsibilities as mandated
- Monitor and confirm no conflict of interest with regard to bond projects

## Individual Member Responsibilities

- Attend regular and telephonic Board meetings
- Participate fully regarding Agency policy
- Review and approve annual budget
- Communicate with Executive Director & Staff
- Assist and support economic development legislation
- Develop own local communication network
- Participate in project activities
- Maintain liaison with public and private development allies

# JEDA BOARD

## Officers

### Chairman

- Presides over all meetings of the Board
- Serves as principal liaison with Governor
- Appoints and presides over Executive Committee

### Vice-Chairman

- Presides over Board meetings in absence of Chairman

## Meetings

### Time & Place

- Meets monthly
- Quarterly meetings required
- Meetings may be conducted via conference call

### Voting

- Directed by the Chairman
- Each attending member has one vote

### Minutes Recorded & Reported

- Copies maintained in Board notebook

# BOARD MEMBERS & TERMS

Seat	Name	Term
At Large Chairman	Michael W. Nix	July 27, 2022*
1 <sup>st</sup> Congressional District	Henry B. Fishburne	July 27, 2024*
2 <sup>nd</sup> Congressional District	W. William “Bucky” Drake	July 27, 2018*
3 <sup>rd</sup> Congressional District	Richard K. Blackwell	July 28, 2023
4 <sup>th</sup> Congressional District	Vacant	
5 <sup>th</sup> Congressional District	Gregory A. Thompson	July 12, 2018*
6 <sup>th</sup> Congressional District	Vacant	
7 <sup>th</sup> Congressional District	Vacant	
Ex-Officio	Ashely Teasdel	Co-terminus with Position
	SC Secretary of Commerce Designee	
Ex-Officio	Felton A. Lowrey	
	Governor Designee	Co-terminus with Governor

\* Continue to serve until a Successor is appointed and qualified

# JEDA BOARD OF DIRECTORS

- **Chairman Michael Nix**- 10 years of service, Greenwood, Chief Investment Officer, Verity Investment Partners [At Large]
- **Henry B. Fishburne** - 1 year service; Charleston, retired Attorney [1<sup>st</sup> District]
- **Bucky Drake**- 10 years of service; Columbia; retired; Drake Development Company [2<sup>nd</sup> District]
- **Richard K. Blackwell**- 1 year service; Seneca, VP Development, Agracel [3<sup>rd</sup> District]
- **Greg Thompson**- 10 years of service; Sumter; CEO Thompson Industries [5<sup>th</sup> District]
- **Felton A. Lowrey**- 9 years of service; Columbia; retired Banker [Governor Designee]
- **Ashely Teasdel**- less than 1 year of service- Deputy Secretary of Commerce  
[Secretary of Commerce Designee]

# **AGENCY DIRECTOR AND ORGANIZATIONAL STRUCTURE**

# ORGANIZATIONAL CHART

JEDA BOARD OF DIRECTORS



HARRY A. HUNTLEY  
EXECUTIVE DIRECTOR



ANGELA SCOTT  
FINANCE MANAGER



CLAUDIA MILLER  
ADMINISTRATIVE  
MANAGER

## BOARD OF DIRECTORS

- Membership: Governor appoints, with advice and consent of the Senate, one Director from each Congressional District and one from the State at large, who serve as Chairman. Governor and Commerce Secretary [or their designees] serve as ex-officio members
- Terms: 3-year terms until successor is appointed and confirmed or they resign; may be removed by the Governor for cause or at will.
- Experience: Must have experience in the fields of business, commerce, finance, banking, real estate or foreign trade. At least two Directors must have direct commercial lending experience

## JEDA PERSONNEL

- Executive Director appointed by Board of Directors
- Executive Director selects and controls all other personnel
- JEDA personnel are not state employees (41-43-90), but do
  - Participate in S.C. Retirement System;
  - Participate in State Health Insurance Group; and are
  - Protected by S.C. Tort Claims Act



# **Agency Head: HARRY A. HUNTLEY, CPA**

- **Executive Director of JEDA (2008-Present)**
  - Elected by, and serves at the pleasure of the JEDA Board of Directors
  - Has direct supervision of all JEDA activities and is responsible for the implementation of policies and decisions of the Board.
  - Signs on behalf of JEDA all agreements, contracts, note and order for payment which may be required, except where Resolutions of the Board direct otherwise.
- **Executive Director of InvestSC (2007-Present)**
  - Nonprofit created by JEDA at request of Venture Capital Authority (per Section 41-43-240)
  - Elected by, and serves at pleasure of InvestSC Board of Directors

# AGENCY HEAD DUTIES

- Report to and maintain effective communication with Board
- Develop and recommend policies and practices to ensure agency meets objectives and mission
- Serve as Authority representative on all bond issuance activities
- Develop, recommends, implements and administers programs to meet needs of constituents and goals of Authority
- Monitor statutory powers of the Authority and recommend and develop adjustments as needed to meet requirements of changing market practices
- Educate Authority members through general & educational discussions and member participations, and dissemination of information necessary to fulfill Board's responsibility
- Provide timely information to Board on relevant local, state and national issues
- Develop and maintain relationships with representatives for constituent institutions to ensure continued awareness of the Authority, its functions, policies, practices and programs.
- Establish ongoing relationships with relevant professional entities and organizations whose relationships are essential to Authority's operation
- Manage relationships with relevant State agencies and SC General Assembly
- Market Authority and its policies and programs to Borrowers and other interested parties to explain benefits of conduit bond issuance through JEDA
- Manage JEDA Board meetings and finance approval process

# AGENCY HEAD DUTIES

- Direct day to day process by which Authority issues public and private debt and provide support and assistance throughout life of the transaction
- Manage JEDA Board meetings and finance approval process
- Direct day to day operation of Authority
- Develop annual budget of Authority and oversee financial recordkeeping and report results to Board
- Work with state selected audit firm on annual audited financials
- Direct, plan and coordinate annual JEDA Bond Summit
- Authority to select, direct & control Staff
- Responsible for duties of Agency staff
- Responsible to Board for program operation and budget
- Serves as spokesman for JEDA
- Signs all contract, agreements, documents
- Designs organizational structure of JEDA
- State Small Business Credit Initiative (SSBCI Program) – application, oversight and reporting

# AUTHORITY V. AGENCY

Authority = State Agency, except for certain purposes. Those purposes are outlined in each authorities' applicable statute.

## Examples of Authorities

- Jobs Economic Development Authority
- Rural Infrastructure Authority
- State Ports Authority
- State Housing and Finance Authority

# SELF-FUNDED AGENCY

- JEDA operates at ***no cost*** to S.C. taxpayers nor from tax dollars appropriated by the S.C. General Assembly.
- JEDA is a completely self-funded authority and an enterprise agency that is not part of the State SCEIS or payroll system.
- JEDA offsets its costs mainly through bond issuance fees, annual bond fees, and bond application fees.

# FEE SCHEDULE

- Statute permits JEDA to “Fix, alter, charge, and collect reasonable tolls, fees, rents, charges, and assessments for the use of the facilities of, or for the services rendered by, the authority the rates to be at least sufficient to provide for payment of all expenses of the authority.” (41-43-90)
- In 2022, JEDA regulations were amended and the current fee schedule, adopted in 2009, are included in Regulation 68-30.
- JEDA’s fee schedule is posted on the Authority’s website.

# BUDGET SUBMISSIONS

- Per statute, JEDA is not a “state agency” for budget appropriation purposes. 1992 Act 404, Section 11, amended JEDA statute 41-43-280 to read: Notwithstanding any provision of law or regulation to the contrary, the authority shall continue to be an "agency" for purposes of Chapter 78 of Title 15, but the **authority is not considered an "agency" or "state agency" or any other form of state institution for purposes of Sections 2-7-65 and 2-57-60.** (Section 2-57-60 repealed)
- Section 2-7-65 requires agencies to justify the amount of requested appropriations, to which JEDA is exempt. JEDA has not received any state appropriation since the 1994-95 fiscal year and does not anticipate requesting an appropriation in the future.
- Section 41-43-50 states, “The net earnings of the authority ... shall not inure to the benefit of any person other than the authority. If further reads, “the authority shall retain unexpended funds at the close of the state fiscal year regardless of the source of the funds and expend the funds in subsequent fiscal years.”
- JEDA submits an annual budget as requested by the Executive Budget Office, although not required by statute.

# BUDGET SUBMISSIONS

- JEDA reports its activities to the Joint Bond Review Committee and also posts them on its website.
- During annual budget hearings, JEDA appears before subcommittees of the House Ways and Means Committee and the Senate Finance Committee to report its activities.
- JEDA files the Bank Account and Transparency Report with the Comptroller General each year, even though there are no public funds flowing through its account.
- JEDA is audited annually by an independent certified public accounting firm contracted by the Office of the State Auditor (41-43-260). The audited financial statements are posted on the State Auditor's website each year.





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## **Harry A. Huntley, CPA**

Executive Director

1201 Main Street, Suite 1600

Columbia, SC 29201

(803) 737-0627

[hhuntley@scjeda.com](mailto:hhuntley@scjeda.com)

[www.scjeda.com](http://www.scjeda.com)