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Robert J. Sheheen, Speaker of the House

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OFFICE OF RESEARCH

Room 324, Blatt Building, P.O. Box 11867, Columbia, S.C. 29211, (803)734-3230

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House Week in Review

The House had a break in its usual business Wednesday when it spent the day in joint assembly hearing a speech by the President of the United States and honoring the Furman University football team.

Gala Occasion

Despite tight security, Wednesday was a gala day for the House when, meeting in joint assembly, the General Assembly heard a speech by President Bush.

Following the president's address, the General Assembly honored the 1988 national 1-AA football champions, the Furman Paladins, and heard a spirited talk by Furman Head Coach Jimmy Satterfield.

Bills Passed

The festivities of the week did not keep the House from its usual business.

Among the legislation given third reading was H.3388, a bill that allows the commingling of the separate health insurance and dental insurance accounts. The Ways and Means Committee sponsored the measure to help ease the funding shortage in the state employees' health insurance fund.

Also given third reading last week was H.3326, a bill by Rep. Sheheen, that prohibits the treatment, storage or disposal of out-of-state generated hazardous waste in South Carolina from a state or jurisdiction that prohibits similar treatment, storage or disposal within its own boundaries. The bill is designed to give statutory backing to Governor Campbell's executive order, effective March 1, blocking the disposal of hazardous waste in South Carolina generated in another state that prohibits similar disposal.

The House bill was amended to specifically address the states and jurisdictions which prohibit disposal, storage and treatment of hazardous waste in their jurisdictions -- a more comprehensive approach than the executive order. After defeating several other amendments, the House gave the bill second and third reading.

Bills Introduced

Here is a sampling of bills introduced in the House last week. Not all the bills introduced are featured here. The bills are organized by the standing committees to which they were referred.

Agriculture and Natural Resources Committee

Hazardous Waste and Schools (H.3500, Rep. Davenport). This bill would prohibit the disposal, treatment or storage of hazardous waste within five miles of any public or private school. The bill exempts waste facilities lawfully operating on the day the bill is enacted.

Education and Public Works Committee

Compulsory School Attendance (H.3486, Rep. McCain). This bill is directed at the compulsory school attendance laws, deleting exemptions for married students, pregnant females, and any child at least 10-years-old who has not attended school for three years when no special classes are provided in the district.

Under-age Drinking and Driving (H.3490, Rep. Hearn). Any licensed driver under 21-years-old, convicted of violating state laws on the purchase, consumption or possession of alcoholic beverages, must have his driver's license suspended for one year, under this bill. Any person under the legal driving age, convicted for the same alcohol offenses, would be denied a driver's license for a one year period upon reaching the legal driving age. Likewise, a person, who is legally old enough to obtain a license but does not have one, will be denied a license by the courts for one year upon conviction.

High School Driver Training (H.3487, Rep. T.C. Alexander). This bill would revise the content of high school driver education and training programs. Under this bill, the course must include six hours of instruction on the offense of alcohol or drug impaired driving, in addition to the 30 hours of driver education.

The bill also would require all high school students to complete driver training in order to receive a high school diploma during or after the 1990-91 school year.

Repeal of Segregated Schools (S.354, Sen. Rose). This bill repeals the state statute still on the books prohibiting the integration of public schools. The House introduced a companion bill, H.3516, which was placed on the calendar last week without reference.

Inspection Grace Period (H.3506, Rep. Burch). A 30-day grace period would be given those people found violating, or issued a citation for, non-compliance with the state's annual vehicle inspection requirement.

County on Tags (H.3513, Rep. Littlejohn). If this bill is enacted, the county in which a vehicle is registered would appear on the vehicle's tags. The bill would authorize the state Highway Department to charge another dollar for tags to cover the cost of adding the county name.

Speeding Penalty (H.3518, Rep. Barfield). Those drivers convicted of driving in excess of 30 mph over the speed limit would have their licenses suspended for 30 days and face a fine of between \$100 and \$200 or 30 days in jail. Medical emergencies would be exempted. This bill changes the law that now states that those driving in excess of 25 mph over the speed limit face a fine of between \$75 and \$200 or 30 days in jail.

Judiciary Committee

Consolidated Governments Bills (H.3484, Rep. Waites). The intent of this bill is to provide a method of creating consolidated governments to fulfill the unique needs and demands of various county areas. This bill provides the enabling legislation setting out the procedure for counties, municipalities and other political subdivisions to provide for the joint administration of any function. This lengthy bill specifically prohibits the abolishment of any constitutional office by consolidation.

Under this bill, the county governing body would create a 12-member consolidated government charter commission to draw up the provisions of the consolidation. This commission could be created only upon the request of the county government or the petition of at least 10 percent of the county's registered voters. Six of the 12-member commission would be appointed by the county. Four of these county representatives would have to live outside the limits of the county's largest municipality, and no more than three could be elected officials. Political subdivisions, serving more than 1,000 customers, could appoint one of the six county members.

The remaining six commission members would be municipal residents, appointed in proportion to the appointive index outlined in the bill. However, no single municipality could appoint more than four members to the commission. If less than six city members are selected through the appointive index method, the city members already selected may fill the remaining posts.

After electing a permanent chairman, the commission would begin studying all the matters connected to the establishment of a single countywide government. Staff help may be employed by the commission, but no person who holds elective office could be hired by the charter commission.

The commission would draft a proposed charter to provide for: the abolishment of specified governments within the county and for the creation of a new single government; the transfer of all powers and obligation of the governments to be consolidated. (However, special purpose districts could be authorized to continue to perform their functions.) The charter could also call for all old public offices and government positions to be abolished, except constitutional officers, judges and school board members or school district employees. It would establish the membership of the consolidated governing board, the employee positions and offices to be set up under the new government, and the assumption of all obligations and indebtedness. The charter would speak to tax levying and tax districts, and the method by which the charter could be amended or dissolved.

The commission must complete its draft charter within a 12 month period. It would then be required to hold three public hearings and a countywide referendum on the issue. The charter would become effective if approved by a majority of the county's registered voters. However if the voters in the county seat or the largest city in the county reject the proposal, it is defeated. And if the referendum is approved countywide, but rejected by the voters in a municipality, the charter has no effect on that municipality.

The consolidated government goes into effect when the members of the new consolidated government board are elected.

Increase Burglary Sentencing (H.3492, Rep. Washington). This changes the discretionary sentence for first degree burglary from 15 years to a 25 year minimum sentence. It also would increase the maximum discretionary sentence for second degree burglary from 15 years to 25 years, and increase the maximum sentence for third degree burglary from 5 years to 7 years for the first offense and 10 to 12 years for a second offense.

Home Protection Bill of Rights (H.3511, Rep. M.D. Burriss). This bill would give homeowners, protecting their homes with deadly force, the presumption that the need existed to use such force against an intruder who unlawfully enters or breaks into their homes. The State would have to rebut this with proof beyond a reasonable doubt.

Life Without Parole (H.3514, Rep. Winstead). A person who is convicted or pleads guilty to murder involving an aggravating circumstance, but who is not sentenced to die, must be sentenced to life imprisonment without parole, if this bill is enacted. The current laws says the convicted person would be eligible for parole in 30 years.

State Ethics Commissioner (H.3519, Rep. Waites). No member or employee of the State Ethics Commission could be a public officer holder or be a candidate for public office, under this bill. Nor could Ethics Commission members be political party officers or paid consultants to a political candidate. The bill also outlines the procedures the Ethics Commission must follow when complaints are made about violations of ethics laws, including how a preliminary investigation must be made, how hearings may be conducted and disciplinary action taken.

Campaign Disclosure (H.3521, Rep. Waites). This legislation would overhaul the current laws relating to campaign disclosures and campaign practices. In addition to updating the official definition of a candidate for public office, the bill would institute more stringent reporting of campaign contributions and expenditures, including the names and addresses of all people contributing more than \$100 and the amount of the contribution, expenditures paid to all vendors of \$25 or more, and how much money is retained and its ultimate distribution. Dates for reporting are listed in the bill. These reports would not be required prior to a primary run-off election, and unopposed candidates would not have to file post-primary reports.

The bill also would prohibit the use of government personnel, equipment, materials or facilities in an election campaign, although government agencies could rent facilities for political activities. It also would make a candidate responsible for the truth of any information contained in campaign materials. Complaints could be filed against candidates for reckless disregard of the truth in political materials.

Candidates who find they have surplus funds at the end of their campaigns would be required to either donate it to charity, redistribute it among contributors, give it to the state's general fund, contribute it to a political party or another candidate, contribute it to their own re-election campaign committees, or use it to defray the expense of their public offices.

Indigent Defense (H.3522, Rep. Nettles). This bill would establish the South Carolina Office of Indigent Defense Services, overseen by a commission by the same name. Among the duties of the Indigent Defense Services Office would be the development of guidelines for the delivery of indigent defense services statewide, including minimum caseloads, salaries and qualifications of public defenders, indigency screening procedures, among others.

The office would also oversee the distribution of funding for indigent defense, the training of public defenders and other interested attorneys, reporting requirements of public defender offices, and the development of research and resource materials for these attorneys. A \$10 court cost to fund indigent defense would be assessed against all defendants in general sessions, municipal and magistrate courts, except those defendants charged with non-moving traffic offenses.

In addition, the bill outlines the defense of indigents in death penalty cases. It lowers the fee paid to court-appointed attorneys from \$5,000 to \$4,000; however, ordinary expenses would be reimbursed. Attorneys appointed in non-capital cases would be paid \$1,200.

Further, the bill modernizes language in the law regarding the appointment of counsel for indigents, sets new reimbursement rates for court-appointed lawyers, and makes some procedural changes in the handling of indigent cases. It eliminates current provisions that allow for the creation of county defender corporations. They would be replaced by circuit public defender offices, whose duties and procedures are outlined in the bill.

Labor, Commerce and Industry Committee

Auto Insurance Rate Reduction (H.3505, Rep. Rudnick). Premiums for auto insurance issued or renewed after January 1, 1989 in South Carolina would undergo a 10 percent across-the-board cut, under this bill. After the rate decrease, premiums could only be increased if the company proved to the chief insurance commissioner it is threatened with insolvency.

Medical, Military, Public and Municipal Affairs Committee

DHEC Board Membership (H.3488, Rep. J. Rogers). This bill would add two members to the Board of the Department of Health and Environmental Control. One new member would be the chairman of the House Medical, Military, Public and Municipal Affairs Committee, or his/her designee, and the other, the chairman of the Senate Medical Affairs Committee or his/her designee.

Ways and Means Committee

Interest Rate Approval (H.3491, Rep. McAbee). This bill repeals the law requiring State Budget and Control Board approval of interest rates in excess of 7 percent annually of those public bodies allowed by law to incur debt. These public bodies include the state, a county, city, town or township, public service district, special purpose district, public housing authority, and other agencies or political subdivisions of the state.

Lease-back and Lease-purchase (H.3503, Rep. Sheheen). Any lease-back or lease-purchase agreement entered into by a school district would constitute general obligation debt during the life of the lease, under this bill. This general obligation debt could not violate constitutional debt limitations.

Agricultural Land (H.3507, Rep. Burch). A change-of-use fee of \$25 would be imposed on land changed from agricultural use and assessment.

S.C. Resources Authority (H.3510, Rep. McLellan). This bill declares it is the intent of the Legislature when creating the South Carolina Resources Authority that it issue revenue bonds for the purpose of refunding the outstanding bonds of local governments held by the FHA. It further says it is desirable that these bonds be issued in the next 90 days so that FHA loans can be paid off before May 9, after which substantial discounts will not be available.

While some constitutionality questions remain to be resolved by the courts, the bill says the authority should proceed with the bond issuance.

Without Reference

Repeal of School Segregation (H.3516, Rep. Rama). This bill repeals the state statute still on the books prohibiting the integration of public schools. A companion bill, S.354, is pending before the House Education and Public Works Committee.

Research Report: Child Care

Child care is not a new political issue. In 1972, President Nixon vetoed congressional child care legislation, calling it fiscally irresponsible and a threat that would weaken families.

Currently, the child care issue is again being addressed at both the national and state levels. (A list of state initiatives and proposed congressional legislation follows this report). It is a major topic of discussion by both government and business leaders. A growing number of businesses are exploring or have undertaken some form of child care, including on-site care centers.

Why all the furor? Mostly because more and more women -- many of whom have young children -- are working outside the home. Recent statistics demonstrate this trend:

Nationally, 55 percent of all women are employed.

42 to 67 percent of the increase in family incomes were the result of working wives

Nationally, 70 percent of the women with school age children work and more than half of these are mothers whose children are preschool age.

In South Carolina, 58 percent of women with children under six are employed. This puts South Carolina second only to Washington D.C. in the percentage of mothers who work outside the home.

This trend toward women with young children in the workforce has had a noticeable impact on public opinion. A Harris poll showed that 88 percent of those polled said they wanted government to provide day care services for children of working poor mothers. The poll also showed that 73 percent of those surveyed said they were willing to pay higher taxes to provide more day care programs.

This article was researched and written by USC graduate student Shirley Gossett. Mrs. Gossett is a Phi Beta Kappa graduate of the University of South Carolina, who is now doing graduate work in public administration at USC.

Business Impact

Business is beginning to recognize that child care is having an impact on employee performance in the workplace. In an 1988 article, Fortune Magazine noted that child care dissatisfaction is the most reliable predictor of absenteeism and unproductive work time among employees with children under age 12.

In a similar article in the Nation's Business, child care problems were pinpointed as a major factor in absenteeism and turn-over rates among working mothers. However, the article noted, employers offering some form of child care noticed "increased worker productivity, more successful recruitment, reduced turnover, absenteeism and lateness, enhanced morale, and positive publicity."

There is also a growing recognition that availability of child care can be a tool when attracting personnel in today's competitive job market. The New York Times reported in October that "with a labor shortage in prospect because of a declining growth rate in the population, and with an expansion in the service industries, two out of every three jobs will have to be filled by women, most of whom are or will become mothers".

Despite these trends in the business world, only about 2 percent of the nation's businesses, having 10 or more employees, sponsor child care for employees' children.

Background on Child Care Trends

The problem of child care -- or more specifically the shortage of child care -- has worsened over time. The era of a one bread winner family, with Dad leaving for the office and Mom remaining at home with the kids, is rapidly becoming a scene from the past. Research suggests that this trend will continue and even accelerate with time.

Child care -- or day care as it was more often called in the past -- has suffered from a stigma affixed to it early that associated it with the poor and with the misconception that it is less than ideal parenting, research shows. This caused the public to ignore, until recently, the demographic fact that child care is becoming the way America raises its children.

Demand for quality child care has not been deterred by a lack of a national uniform and comprehensive child care policy. Nor has the policy void deterred some communities from looking for innovative ways to address the problem. One example is Seattle, where school district officials are experimenting with using school facilities for after-school care for school-aged children.

Like many cities, Seattle has a shortage of affordable quality child care. Seattle officials found that with an estimated 72 percent of all area mothers of school-age children working, there was a big demand for school-based child care. Working families saw the service as an advantageous because children could remain at one location all day with no mid-afternoon transportation problems to other care centers.

Child Care in South Carolina

In South Carolina, there are now 2,888 total child care facilities serving 87,072 children, according to the Department of Social Services. Of these facilities, 1,398 are child day care centers, serving 13 or more children. There are also 1,158 family care centers, which care for up to 6 children each, and 332 group care centers, serving between 7 and 12 children.

Churches in South Carolina sponsor 299 child care facilities, of which 81 are licensed.

Of these 2,888 care facilities, currently only 994 are licensed. The other 1,894 are registered with the department. Registration simply requires filing an application with DSS listing three character references. Licensure is much stricter, requiring minimum fire and safety standards.

Innovative Programs

Although child care opportunities offered employees by government agencies or businesses are not common in South Carolina, some agencies and businesses are moving in that direction.

Currently, there are several on-site child care programs in Columbia. One is located at the Strom Thurmond Building and another was recently open at the South Carolina ETV complex. One Columbia business that has allowed on-site care for employees' children is Chernoff/Silver and Associates, a Columbia advertising firm.

A few companies in the private sector have also initiated child care resource and referral services for their employees. These include IBM, Digital, NCNB and Multimedia, among others. Anchor Continental and a number of other businesses are exploring similar employees services, according to state officials.

Two other innovative programs are underway. In Greenville, Child Inc. is a model partnership of the private and public sector, whose aim is to find solutions to the problems that are caused by insufficient child care. And Clemson sponsors a program called CARE, a statewide database and referral system which provides to the public information about licensed dependent care services.

The state Health and Human Service Finance Commission has been designated by Governor Campbell to administer a \$110,000 federal block grant for dependent care. Since a requirement of the block grant is the funding of resource and referral projects, \$40,000 of this funding has been used to fund the CARE resource and referral service.

The \$60,000 of the grant has been earmarked for after-school care programs serving children ages 5 to 13. Some of the child care programs receiving money from this block grant are Sumter School District 17, Hilton Head Recreational Services and the Greenville YWCA.

Although some after-school care programs are being established by commercial and church-run child care centers, they are still rare. So after-school care for school-age children from kindergarten on up has become as much an issue with working parents as preschool and infant care. Currently, no school districts offer after-school care for elementary and middle school children.

However, some school district have child development programs for children ages 3 to 5. Statewide, about 20 districts have initiated these programs.

Dependent Care Tax Credit

Tax credits are available to parents paying for child care. This tax credit slides from 30 percent of adjusted gross income at salaries of \$10,000 or less to 20 percent for parents whose incomes are \$28,000 or more. The maximum tax credit that can be taken is \$2,400 for one child and \$4,800 for two children. At the 20 percent tax credit level, for every \$100.00 of child care expenses, \$20 is saved.

Proposed Legislation in South Carolina

In the House, two child care proposal have been introduced. H.3271, introduced by Rep. Waites in January, would establish the "South Carolina Partnership For Children Act." A revised version of that bill, H.3473, was introduced two weeks ago. This bill makes two minor changes in the original bill.

Both bills are now before the House Education and Public Works Committee. Sen. Lourie has introduced a companion bill in the Senate, S.196. (See *Legislative Update* for January 24 and February 14 for summaries of the House bills.)

The two House bills and the Senate bill are based on proposals made earlier by Lt. Gov. Theodore. Highlights of these bills are:

1. Tax Credits

Establishes state tax credits of 10 percent of an employer's expenses for operation of a child care program and a 50 percent credit for start-up expenses. The bills would also create a tax credit of 10 percent of the child care payments made directly by an employer to a facility on behalf of an employee. Further, the bills increase the state income tax credit from 7 percent to 10 percent of parents' expenses for dependent care.

2. Public/Private Child Care Council

Establishes a state wide public/private cooperative child care council whose agenda will include employer financial incentives, feasibility studies of school room use as centers for after-school child care, and public or private interest free or low interest loans for capital investment in child care. Also on the council's agenda would be a review of the child care needs of Capital Complex employees, and the availability and affordability of liability insurance. Studies on the impact of the Federal Welfare Reform Act and the development of private resource and referral services would be conducted.

3. County Child Care

Establishes child care services to twelve S.C. counties and expands services already offered in six other counties.

Although no bills have yet been introduced, Governor Campbell is expected to advance a child care proposal in the General Assembly this session. The essentials of Governor Campbell's plan, as outlined in the State of the State address, are based on two important assumptions:

- Other than for state employees, it is inappropriate for South Carolina to fund child care centers and,
- The proper posture of state government is to encourage and stimulate the private sector to establish or expand their own child care programs.

Based on Governor's Office information, the governor's plan would:

1. Provide information to employers and parents. This would be accomplished with brochures, manuals, and computer lists that provide businesses with an explanation of requirements for instituting on-site facilities and the federal tax plans already in existence (i.e. Dependent Care Assistance Plan). It would also notify parents of facilities in their area.
2. Use financial incentives to expand child care options. These would include use of Community Block Grant funds, administered by the Governor's Office. Also proposed is use of \$500,000 of Jobs Economic Development Authority (JEDA) loan pool funds for construction of child care facilities, under certain stipulations. Tax credits also could be established to encourage employers to develop child care facilities, subsidized employee child care expenses, and provide information and referral services for employees looking for child care. Further recommendations are the use of school buildings for non-profit before and after-school care for school-age children.
3. Improvements in access to liability insurance. These improvements include the creation of a Joint Underwriting Association to assure the affordability and availability of liability coverage for child care centers. Expansion of existing immunity statutes to cover non-profit child care centers and tougher penalties for child abuse offenders would be included.

Proposed Federal Legislation

HR 3660, the "Act for Better Child Care," or the "ABC" bill, is currently before the U.S. Congress. This bill, sponsored by U.S. Rep. Dale Kildee, D-Mich., is expected to be acted on by the House by mid-year. The last week of January saw the introduction of similar legislation in the Senate with bipartisan sponsorship.

HR 3660 would:

- Provide \$2.5 billion (first year) to participating states based on the state's per capita income, number of children under five, and number of children receiving free or reduced price lunch.
- Allow states to qualify for these matching funds (80% federal, 20% state) to comply with minimum federal child care standards, which would be developed by a national advisory committee

- States would be required to file state child care plans with the U.S. Department of Health and Human Services. States could apply for planning grants if needed.
- These federal funds could be used to establish programs, make renovations, and generally aid programs in meeting minimum federal standards. Programs serving low income children would be targeted.
- Each participating state would establish a state advisory committee with the responsibility of developing standards for licensing and recommending inspection methods.
- Cities and localities would be allowed to participate only if there is state participation.

1988 State Child Care Initiatives

Here is a list of child care initiatives being undertaken in other states:

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|-------------|--|
| Alaska | Increased grant program to improve quality, maintain rates, provide additional staff for centers. Removed provision in licensing requirements that mandated liability insurance |
| California | Passed legislation allowing a 30 percent tax credit for start-up costs and a 50 percent tax credit for on-going operational costs of programs operated by employers |
| Colorado | Mandated six hours training for licensed family day care providers. |
| Connecticut | Funded three demonstration child care resource centers. Funded a pilot program for sick-child day care. Established a loan program for businesses interested in providing on-site child care |
| Delaware | Changed the state child care tax deduction to a tax credit. |
| D. C. | Increased reimbursement rates for subsidized care in an effort to increase staff salaries. Funded start-up costs for school-age child care programs. |
| Florida | Increased allocation for child care for teen parents. Funded Child Care Partnership Act to help businesses defray the cost of employer-supported child care. |
| Kentucky | Legislation providing day care centers with a state-managed insurance resource through which they can obtain commercial liability insurance if it is unavailable on the open market. Law also prohibits insurance companies from cancelling homeowners insurance because family day care is provided on the premises |

- Maine Legislation entitling employees to eight consecutive weeks of unpaid leave in any two year period following birth or adoption of child or serious illness of a child.
- Maryland Increased provider reimbursement rates. Prohibited advertisement by unlicensed family day care providers. Increased funds for purchase of slots for low income families. Created Child Care Facilities Direct Loan Fund
- North Carolina Appropriated \$4.2 million for start-up costs of before and after-school programs. Upgraded licensing requirements for staff training and health and safety.
- West Virginia Legislation mandating three pilot day care centers for public employees.