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South Carolina House of Representatives

Legislative Update & Research Reports

Ramon Schwartz, Jr., Speaker of the House

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CONTENTS

STATE DOCUMENTS

LEGISLATIVE UPDATE

Legislation Introduced.....1-2

Interstate Banking1-4

RESEARCH REPORT

Sentencing Guidelines.....2-1

SPECIAL REPORT

The General Appropriation Bill—Ways & Means.....3-1

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Legislative Update

Legislation Introduced

Agriculture & Natural Resources

Ethanol Encouragement (H.2641). In order to encourage the production and development of ethanol as fuel, this measure would set the tax at seven cents a gallon until June 30, 1992, for South Carolina ethanol.

Education & Public Works

Interscholastic Activities (H.2621). When the Education Improvement Act was passed last year, it included a provision that students would have to maintain a passing grade in at least four academic courses in order to participate in extracurricular activities. The Act allowed one semester before the requirement went into place; a number of students, parents, coaches and others maintain that this was not enough time to prepare for the changes. This Bill would allow the standards of 1983-84 to prevail until 1987-1988.

Finance

Self-propelled Farm Machinery (H.2604). This measure would exempt self-propelled farm machinery from the ad valorem property tax. A similar measure was introduced last year (H.2159).

Inventory Tax Phase-Out (H.2595). As the business inventory tax is gradually phased out, the state has promised to reimburse counties and municipalities for their revenue losses. This measure would set that reimbursement on the basis of the 1984 tax year.

Out-of-State Commuters (H.2632). Persons who live out of South Carolina, but who drive to a job inside the state, would have to register their vehicle with the S.C. Highway Department and get a South Carolina license tag. Fees charged would help with maintenance of the roads and highways.

Legislative Update, March 26, 1985

Judiciary & Government Operations

State Lottery (H.2593, H.2594). This pair of bills would set up a state lottery (H.2593), and use its proceeds to pay for medical care for the indigent (H.2594). Any money left over would be used for educational purposes. **Legislative Update** plans to publish a research report on state lotteries in an upcoming issue.

Parole (H.2605). This legislation would stiffen parole procedures and limit eligibility. It would also add a sentence that would be "life imprisonment with a recommendation for mercy," whereby a person would be required to serve at least thirty years.

Sentencing Guidelines (H.2625, H.2626). Both of these measures would substantially revise the sentencing procedures of South Carolina. A research report in this issue of the **Update** examines the proposed changes in more detail.

Both measures are substantially the same; why there are two separate bills is not clear. Will the real sentencing guidelines bill please stand up?

"Walkman Alert" (H.2629). Small earphones attached to miniature radios, stereos, and tapeplayers were first popularized by the Sony "Walkman." Now you see them everywhere—on the streets, in the stores, on the beaches, in automobiles. If this passes you wouldn't see them on drivers of automobiles, since it would be outlawed. The punishment would be \$200 or 30 days.

Judicial Adjustments (H.2650, H.2651). The first of these bills adds all the judges in the unified court system to those positions exempt from the State personnel rules. They would thus join the staff of the Governor's office, members and staff of the General Assembly, members of boards and commissions, and others in similar positions. The second bill would add the Judicial Department to the definition of "governmental body."

Health

Agent Orange (H.2608). This bill would set up an information and testing program in DHEC to help South Carolina Veterans who might have been exposed to such chemicals as "Agent Orange." Many of these veterans would have been exposed in Viet Nam, where Agent Orange was widely used as a herbicide to deprive the Viet Cong of cover. Agent Orange has been linked to a number of adverse symptoms.

Legislative Update, March 26, 1985

Interstate Banking Moves Ahead; Supreme Court to Hear Case

Interstate banking and interstate banking compacts continue to spread, even though the issue is to be reviewed by the United States Supreme Court.

The Court has agreed to hear arguments in the case of Northeast Bancorp v. Board of Governors, which challenges the legality of the reciprocal banking laws in Massachusetts and Connecticut. The challenge says the primary purpose of the laws is to exclude New York banks from operating in New England. According to some reports, this is at least partially true, but it may be difficult to prove in court.

The move towards interstate banking does not seem to have been slowed by the case. The Arizona legislature is considering a bill that would allow out-of-state banks and holding companies to acquire or merge with Arizona banks and savings institutions. The bill restricts take-overs to protect Arizona banks: no new banks are eligible until five years after they are chartered, and out-of-state banks could not expand financial operations in Arizona until 1992, allowing state banks time to adjust.

Indiana's Senate has approved statewide banking and limited interstate banking, through reciprocal agreements with neighboring states. Currently a bank in Indiana cannot operate beyond the county of its location.

Nebraska's legislature will consider a bill that allows interstate banking among 11 north-central states. The bill would require reciprocal legislation among other states to permit cross-state banking.

Virginia's House of Representatives has approved reciprocal interstate banking in the Southeastern region (which includes South Carolina).

Wisconsin has a special study committee of bankers and legislators to study the matter; the committee has recommended regional interstate banking with seven Midwestern states. Under a plan set forth by the committee, at least three states, two of them bordering Wisconsin, would have to approve a regional compact with the state before cross-state banking could begin.

Tennessee's Governor and State Banking Commissioner have come out in support of interstate banking. Small, independent banks, on the other hand, are fearful of being absorbed, and oppose any interstate banking laws.

Sentencing Guidelines

Summary

Lawmakers may soon have the opportunity to consider the proposed "sentencing guidelines" prepared by the Sentencing Guideline Commission; these guidelines regroup crimes into nine specific categories, with appropriate punishments. Recently introduced legislation embodies the substance of the proposals. This Research Report presents the basic features of the proposed legislation.

Background

In 1983 the General Assembly created the Sentencing Guidelines Commission, which was charged with "the development of a rational and sound sentencing structure" for the State judicial system. The guidelines were to take into account the following points:

- 1) The circumstances under which prison terms were proper;
- 2) A range of fixed sentences, based on an appropriate consideration of both the offense and the offender;
- 3) Whether multiple sentences should run concurrently or consecutively;
- 4) Current sentencing practices and correctional resources, including the capacities of the State's correctional facilities;
- 5) The question of offenders for whom traditional imprisonment is not deemed proper.

The initial legislation called for the guidelines to be completed by December 31, 1983; this was later changed by the General Assembly to December 31, 1984. Justice David W. Harwell served as Chairman of the Commission, with Senator Marshall Williams and Captain Leon Gasque as Vice-Chairmen, Anderson Surles as Executive Director, and two House members, Dill Blackwell and Tommy Hughston also serving.

Classification of Offenses and Maximum Terms

Criminal offenses are grouped into nine categories according to their seriousness, and with a clear distinction between felonies and misdemeanors. Certain crimes are excluded, among them Youthful Offender Act individuals, magistrate and family court offenders, parole/probation offenders and, specifically, those with mandatory

minimum sentences such as murder, armed robbery and 11 others (see the appendix on page 6 of this Report).

The nine categories are shown below. The list of crimes in each class is not complete; rather, examples are given to provide an idea of the nature and seriousness of the crimes within the categories.

Class A Felonies: Maximum sentence, 20 years. Examples include: voluntary manslaughter; assault and battery with intent to kill; first degree sexual assault; kidnapping; arson; burglary; robbery while armed with a deadly weapon; manufacture or possession of LSD or cocaine, second offense; possession of 28 grams but less than 100 grams of cocaine.

Class B Felonies: Maximum sentence, 10 years. Examples are: conspiracy to murder; resisting arrest with a deadly weapon; criminal sexual conduct, second degree; arson, second degree; attempted armed robbery; entering a bank with intent to steal; photographing of minor for an obscene film; driving under the influence of alcohol/drugs with death resulting.

Class C Felonies: Maximum sentence, 5 years. Examples: administering or attempting to administer poison; criminal sexual assault, third degree; bribing officers; acceptance of bribes to officers; intimidation of court officials, jurors, or witnesses; housebreaking which is not burglary; malicious injury to animals and other personal property, \$1,000 or more in value; cutting timber, \$1,000 or more in value; forgery; embezzlement of public funds, \$1,000 or more; incest; blackmail; unlawful possession or transportation of machine gun, sawed-off shotgun or rifle; neglect of child or helpless person; possession of various amounts of drugs. (There are more crimes in this class than the other three felony groups.)

Class D Felonies: Maximum sentence, 3 years. Examples: failure to pay tax; criminal contempt of court; involuntary manslaughter; conspiracy against civil rights; entering public building for purpose of destroying records or other property; shoplifting, third and subsequent offenses; escaping or attempting to escape from prison; use of a vehicle without permission.

Class A Misdemeanors: Maximum sentence, 1 year. Examples: burning crops and other personal property; malicious injury of animals or property valued at more than \$200 but less than \$1,000; purse snatching; credit card fraud of more than \$200 but less than \$1,000; hunting at night, third offense. There are a number of other offenses; generally Class A Misdemeanors differ from Class C and D Felonies in the amount or severity of their results.

Class B Misdemeanors: Maximum sentence, 6 months. Examples include: slander or libel; burning cross in public place; second offense of shoplifting; prostitution, third and subsequent offenses; possession of 1 oz. or less of marijuana, second and subsequent offenses; violation of the Safe Drinking Water or Hazardous Waste Acts.

Class C Misdemeanors: Maximum sentence, 3 months. Examples: Perjury; refusal to obey subpoena; stealing dogs; shoplifting, first offense with value of \$50 or more; unlawful games and betting.

Class D Misdemeanors: Maximum sentence, 2 months. Examples: Prostitution, second offense; sending in false fire alarm; driving while license cancelled, suspended or revoked, second offense.

Other Changes: Time Off, Work Release

One desired impact is to make sentences more certain: a prisoner would serve the amount of time he or she is given by the courts. Changes include a limit of 20% of sentence reduction for good behavior; a limit of 20% of sentence reduction for work time and participation in educational programs; and, most significantly, offenders would have to serve at least 60% of their sentence before they are eligible for work release or parole. Persons serving life sentences would not be eligible for such credits, but would have to serve at least the minimum sentence imposed by the court.

At present the regulations regarding parole are confusing and mixed. An inmate with a term of less than 30 years must serve at least one-third of the sentence before being eligible for parole. Inmates given a sentence of thirty years to life must stay in prison a minimum of 10 years before parole is a possibility. Finally, there are a number of crimes (see page 6) which have mandatory minimum sentences; however, there are early release options for all of these crimes. The proposed guidelines would set firm guidelines for all sentences except the mandatory minimum sentences.

Extended work release is where the prisoner is not actually paroled but still lives outside the prison and works in the community. Under the proposed bill, persons sentenced after January 1, 1986, would not be eligible for this program. One reason sometimes advanced for abolishing the program: it undermines the certainty of sentencing.

Basic work release, on the other hand, would be kept. An inmate would not be eligible for it until he is within six months of 60% of his sentence. William McAninch, professor of law at the University of South Carolina and member of the Sentencing Guides Commission from its inception, points out the benefits of work release:

Work release is a highly successful program in which the inmate, by earning a wage pays taxes, provides for his family and contributes towards the cost of his incarceration. Additionally, it is an excellent transition from the status of inmate to freedom. Work release inmates in the past have consistently had an extremely low rate of recidivism on ultimate release from the prison system.
--Carolina Lawyer, Volume IV, 1984.

Supervised Furlough Programs would also be discontinued. These are relatively new (instituted in 1981) and affect prisoners who are serving terms of five years or less. Provisional parole would also be discontinued. This program allows inmates to be released 90 days prior to the actual date of their parole.

Who Would Go to Prison? And For How Long?

The Guidelines Commission itself says there will be changes in the number and characteristics of the correctional population in South Carolina if the guidelines are adopted: "Under the proposed system, the type of offender in prison will change from predominantly short-term, less serious to longer-term, more serious offenders."

Time Sentenced = Time Served

Currently, almost half the inmates in our correctional system serve 12 months or less (49 percent). The recommended guidelines would reduce that to 28.7 percent. At present, serious offenders may be given extremely long prison terms--but they get out relatively soon. Under the guidelines the sentences would be reduced, but the actual time served would be increased. For instance, the average sentence of Felony A offenders is presently 147 months, but only 56 months of that is spent behind bars. The guidelines propose reducing the sentence to 98 months, but keeping the inmate incarcerated for an average of 73 months.

The average sentences of other felony offenses will be affected in the following fashions:

The average sentence of Felony B offenders will decrease from 87 months to 56 months. Their time in prison will increase from 34 months to 41 months.

The average sentence and time to serve for Felony C offenders will both decrease, but the gap between the sentence and the actual time served will be greatly reduced.

Felony D offenders will be sentenced to an average of 18 months instead of 28 months, but their time to serve will increase from 10 months to 13 months.

Similar results are expected for misdemeanor offenders. However, as pointed out above, the people in our prisons will be more likely to be serious offenders.

How Many People Will Be in Prison?

Under the proposed guidelines, it is estimated that there would be fewer inmates but more people in prison. This paradox is resolved when you consider the definition of "inmate."

There are two kinds of inmates: "jurisdictional" and "custody." Custody inmates are those who are actually housed in Correctional facilities—that is, people behind bars. Jurisdictional inmates are all the others: people on Work Release, Supervised Furlough, Provisional Parole, inmates working at the Governor's Mansion, assigned to other state facilities, with an Alston Wilkes Halfway House, and so forth.

Without the proposed guidelines the estimate of the state's jurisdictional inmate count (all inmates) of admissions for 1985 is 1,588. Of this number, 1,318 will be custody inmates. With the guidelines in effect, the Commission estimates there would be 1,439 jurisdictional inmates admitted to our correctional system. But, 121 more persons will be in custody. Under the guidelines the Commission predicts a continued increase of persons actually in prison. At the same time, according to estimates, the total number of persons within the Correctional system will decline.

An example: the Commission estimates that, without the guidelines, 3,994 persons will be admitted to the Correctional system in 1987. 3,595 of these people will be custody inmates. That leaves 399 who are not in prison or jail, but who still take up administrative costs and time. Under the guidelines the inmate count will increase by 3,870 in 1987—but all those persons will be custody inmates. In short: fewer people in the system, more people behind bars.

Conclusion

The proposed legislation, and the sentencing guidelines they would put into effect, are not without doubters or critics. There is concern that judges would be deprived of their authority, autonomy and years of practical experience if required to follow the guidelines closely. Would the criminal justice system suffer unduly from this loss of judicial discretion? Other observers wonder if the guidelines, which reduce the length of many sentences, are strict enough. Some ask if it is proper to be so lenient with so many "first time" or "lesser" criminals.

On the other hand, supporters of the guidelines note the severe overcrowding in the state's correctional facilities, the wide disparities in sentences given and sentences actually served, and the patchwork system of sentences handed down from court to court. A trade of some judicial independence for uniformity and fairness is how these observers might characterize the guidelines.

Prepared by House Research Office, 3/85/5465

Appendix: Mandatory Sentences

Mandatory, or determinate, sentences are those which must be given by a judge or jury on conviction. There is no option for probation, suspended sentence or (supposedly) parole eligibility until after service of a specified period of time. Supporters of mandatory minimum sentences hope they deter crime. It should be noted here that these mandatory sentences are not covered in the sentencing guidelines.

The offenses below are covered by mandatory minimum sentencing legislation. However, each of these offenses is subject to reduction given "good time" or earned work credits on the part of the inmate.

<u>Offense</u>	<u>Sentence Length</u>
Murder	20 years
Resisting arrest with a deadly weapon	6 months (one prior conviction) 2 years (two prior convictions)
Armed robbery	7 years
Drugs: There are three separate laws dealing with trafficking/possession of various amounts of marijuana, but they all have the same sentence.	25 years
Drugs: There are three separate laws concerning trafficking/ possession of cocaine, but they all have the same sentence.	25 years
Drugs: Trafficking in heroin, morphine, or opium	25 years
Drugs: Three separate laws regarding methaqualone, all carrying the same sentence	25 years

The General Appropriation Bill: Ways & Means Submits Its Proposal

Background

The Ways and Means Committee has completed its proposed General Appropriation bill (H.2640). This Research Report, completed with the help of the Ways and Means Committee staff, gives an overview of the bill, showing where increases are over last year's appropriations.

Step One: Back to Last Year's Base

The Ways and Means Committee received a budget recommendation from the Budget and Control Board in December, 1984. After serious discussion of the proposed budget, the Committee decided to set it aside and start over, using as a base the General Appropriation Act for 1984-85.

The Committee was concerned with: 1) the "automatic" growth of formula-funded programs, which, once established, expand without legislative action; 2) the need to bring proposed state expenditures in line with projected state revenues; and 3) required or mandated expenditures, such as the reserve fund and the 99% appropriation limit.

What the Committee has done, then, is to take last year's appropriation bill and build on it--adding and subtracting as funding needs, priorities and resources allowed.

Revenue Estimates: How Much Money is Coming In?

On February 15 the Board of Economic Advisors revised their revenue estimate, setting it at \$2,522,306,537. With the repeal of income tax indexation another \$11,800,000 would be brought into the state coffers; Tax Commission revenue would bring in an additional \$9,936,000, and other revised income figures, making a total of \$2,581,080,325. However, the state has adopted a constitutional amendment that limits spending to 99% of revenues. When 1% is deducted, the projected revenue for 1985-86 is:

\$2,555,269,522

Proposed Expenditures: Agency Allocations

This Report will examine the proposed funding levels according to 14 broad categories: legislative, judicial, executive/administrative, education, health, social rehabilitation, corrections, conservation/natural resources, regulatory, transportation, debt service, miscellaneous, and aid to subdivisions.

For example, the "education" category will include the Commission on Higher Education, the various colleges and universities in the state, the Department of Education, the Arts Commission, and so forth. While this is admittedly a broad brush approach to the appropriation bill, this Report is only an overview, and is not intended to replace the more detailed analyses of the Ways and Means Committee staff.

The figures for 1984-85 are taken from the General Appropriation Act of 1984-1985. Figures for 1985-86 are taken from the budget serials furnished by the Ways and Means Committee staff.

Legislative Department

In 1984-85 the Legislature had an appropriation of \$20,471,330. The Ways and Means Committee has recommended \$737,653 be added to this base for the next fiscal year; a total of five full-time equivalent positions (FTEs) are created. An additional \$250,000 is recommended in non-recurring funds, principally for costs to modify space in the Blatt Building for new use after the Retirement Division moves.

Judicial Department

This department was funded at \$19,189,600 during the last fiscal year; Ways and Means is proposing \$800,000 (including agency heads' and justices' salary adjustments) be built on top of this for the next fiscal year. Two FTEs are created.

Executive and Administrative Division

This section includes the office of the Governor, SLED, offices such as the Secretary of State, Attorney General, etc. It also includes the Budget and Control Board. The last appropriation bill gave a total of \$128,595,279 to this division. This year the Committee is proposing adding \$36,564,515 to that base.

The major category within this base is employee benefits. Last fiscal year these benefits were funded at \$27,779,300. The proposed addition to that base is \$35,383,044. Of this amount, most of it, \$29,914,362, goes to base pay increases.

One point to keep in mind: these figures are the increases for all state employees. Once individual salaries are adjusted the increase appears next year in the agencies' operating budgets.

Education: Elementary and Secondary

Easily the largest division of the budget, Education takes up over half of the General Fund appropriations of the state. In FY 1984-85, the various colleges, universities, technical schools, libraries and school districts were funded for a total of \$1,304,817,780. The Ways and Means Committee recommends increases in recurring funds in excess of \$68 million.

First, the Committee recommended replacing \$12.6 million for school buses and \$5.5 million for textbooks in the Department of Education recurring budget. In 1984-85, both of these programs were funded in Part IV or the nonrecurring section of the Appropriation Act.

Secondly, the Committee approved the expenditure of \$10.8 million for employer contributions for employees of the school districts of the state (of which \$6.5 million is for the implementation of the new dental program.)

Finally, the Committee recommended roughly \$32.2 million for the Education Finance Act. This, combined with \$12.5 million for teacher salary increases under the Education Improvement Act, should provide teachers a 6.2% pay increase for FY 1986. Other increases under the Education Improvement Act include: \$4.2 million for Gifted and Talented Students; \$2 million for handicapped education; \$2.6 million for Tuition Reimbursement; \$6.9 million for School Incentive Grants; and \$2.7 million for teacher and principal incentive pay. Due to the underestimation of the second year's sales tax revenue, the cost of maintaining S.C. teachers at the southeastern average, and the implementation of these new programs, the School Building Aid has been reduced nearly \$20 million.

The Committee addressed the issue of higher education formula funding by adding \$2.9 million in recurring funds, and inserting a proviso that states "the 1985-86 recurring appropriations contained in this act for institutions of higher education and technical colleges represent 100% of full formula funding and the Commission is directed to utilize the 1985-86 funding level as a 100% funded baseline in the development of the 1986-87 formula."

In other words, a "cap" has been put on the funding formulae for these departments, and thus their funding will not continue to increase automatically from year to year.

Higher Education

To further assist the 16 public institutions of higher education in the state, the Committee identified and appropriated \$11.9 million of nonrecurring funds in Part III to address critical needs for instructional and administrative computing equipment and library acquisitions. The nonrecurring funds are not to be considered part of formula funding and it is the intent of the Committee that the formula not continue to accelerate expenditures beyond the state's ability to pay.

The 16 technical colleges of the state will receive an additional \$4 million to convert part-time faculty to full-time status and under Part III (nonrecurring) \$12.6 million is recommended to upgrade technical equipment. Finally, \$200,000 was recommended for tuition grants to the 19 private institutions of higher education in the state.

Health Division

The Committee recommended adding \$4.2 million to the Health and Human Services Finance Commission to maintain the current level of service in the Medicaid program, and \$3.4 million for the Medically Indigent Assistance Program. NOTE: The Indigent Program also received funding of \$8.4 million through social rehabilitation programs. See below.

The Department of Health and Environmental Control (DHEC) would receive an added \$600,000 for purchase of vaccines for childrens' immunization, and about \$1 million for case services in Home Health, cancer treatment, maternal and child health care, and rape crisis centers.

The Department of Mental Health would get \$3.8 million more for the State Hospital under the Committee proposals; this money would be used to bring the site into compliance with the Department of Justice. Another \$1.4 million is slated for childrens' services in crisis stabilization, outpatient services, and continuum of care.

The Department of Mental Retardation would receive an additional \$2.9 million for community and support services for its clients.

Social Rehabilitation Services

The largest agency under this category is the Department of Social Services. The Committee transferred Child Support Enforcement from the Attorney General's Office, and additional dollars increase the program's funding in order to conform to new federal regulations, including non AFDC recipients. Total transfer and new dollars are about \$1.1 million and 46 new positions.

The Committee recommended \$1.0 million in Social and Childrens' Services for the Social Services Block Grant shortfall. \$8.4 million was added for the Medically Indigent Assistance Program.

\$1 million was annualized from Part IV of the 1984-85 Appropriation Act for the State Block Grant for aid to counties.

Non-recurring funds of \$403,277 are also allocated by the Committee in this section of the budget.

Corrections

In FY 84-85 corrections was funded at \$110,651,160. The Committee recommends adding \$12,192,988, to that, in part to cover costs incurred through settlement of the Nelson v. Leeke lawsuit. \$623,199 is also recommended in nonrecurring funds. The Parole Division would receive \$535,473 above their present base, with 16 FTE positions added.

The Department of Youth Services is slated for an increase over base of \$1,081,075; \$250,000 in non-recurring funding is recommended.

Conservation, Natural Resources, Development

Total general fund allocations in FY 84-85 were \$77,176,171 and included such departments as Water Resources, Land Resources, Agriculture, and PRT. This session the Committee recommends increasing the 84-85 base by a total of \$8,193,525, and an additional 88 FTE positions.

Largest increases go to the Clemson Public Service Activities (extension agents, etc.), with \$2,363,650 extra; and Parks, Recreation and Tourism, with \$1,120,743. Non-recurring funds amounting to \$2,396,775 are suggested.

Regulatory Agencies

There are a number of regulatory agencies, ranging from the Public Service Commission to the Boxing Commission. Most of these organizations have allocations under a million dollars. The largest is the Tax Commission, which in FY 84-85 was funded at \$19,330,770. By increasing collections this should generate \$2.6 million in revenue. The Ways and Means Committee recommends adding \$2,277,004 to that for FY 85-86, with 59 FTE slots.

Total allocations for regulatory agencies in FY 84-85 was \$45,974,200; total proposed addition to this base for next fiscal year is \$4.2 million. \$522,977 in non-recurring funding is also recommended.

Transportation

The Aeronautics Commission and the Interagency Council on Public Transportation in the Highway Department were funded at \$2,968,670 last time around. The Committee recommends adding only \$7,900 to that figure (not including agency head salary increases). A total of \$361,903 in non-recurring funding is also recommended. These are only General Fund dollars--the Department of Highways and Public Transportation generates most of its funds through gasoline taxes, license sales, and so forth.

Debt Service

Total appropriations in FY 84-85 were \$108,618,119; the Committee suggests that \$760,364 be added to that base amount.

Aid to Subdivisions

1984-85 saw the 100% funding of Aid to Subdivisions at a level of \$157 million. The Ways and Means Committee recommends roughly \$4 million for the first year of the inventory tax phaseout and \$1.5 million for the reimbursement of the homestead exemption (property tax relief for those over 65 years of age or disabled).

Under Part III (nonrecurring appropriations) the Committee recommends a one-time appropriation of \$9.5 million. It is important to note these allocations are from surplus revenue and are not to be built into the base budget.

Total of General Fund Agencies

In FY 84-85 General Fund agencies, departments, debt service, and aid to subdivisions received \$2,419,979 from the State. With the additions and subtractions suggested by the Ways and Means Committee the FY 85-86 appropriation would be somewhere around:

\$2,560,974,000

Now--The Provisos

The Ways and Means Committee has also added some significant provisos to this year's recommended Appropriation Bill. A quick review:

--Instructs the Joint Appropriations Review Committee to study the effect of federal budget cuts on federal programs in South Carolina.

- Requires the Governor's Office to submit a detailed line item budget to the Ways and Means Committee, including federal matching funds. This has always been required before--but was stopped by the Governor's Office three years ago
- Puts a cap on formula funding for higher education, technical education, and the Consortium of Community Teaching Hospitals.
- Commands the Commission on Higher Education to conduct a study on how institutions are licensed to operate in, or grant degrees in South Carolina.
- Provides transfer of \$236,000 in unexpended Education Improvement Act money to fund teacher recruitment programs.
- Provides that one-half of the balance remaining from the law suit between the state and the S.C. Health Care Association be added to the nursing home line item for expanded or new nursing home beds.
- Sets aside unexpended revenue from FY 84-85 to cover disallowed audit costs for Medicaid programs that provided education through the Department of Mental Retardation. If the audit is favorably resolved, these funds revert to the General Fund.
- Expresses concern over the length of time required to process adoptions, and orders the Children's Bureau to submit a report by November 15, 1985, on changes to speed up the process.
- Authorizes PRT to sponsor a contest to design a graphic design or symbol for the state dance (the Shag).
- Requires state agencies, colleges and universities to submit separate equipment budget requests along with an agency equipment plan. This will facilitate long-range, comprehensive purchase and service planning, which should save the state a considerable amount of money.

Conclusion

While there are substantial increases in several areas of the appropriation proposal--notably health care, correctional reform, employee benefits--many agencies and departments did not receive an increase over their last fiscal year's funding, and others received only a modest increase. Probably the major impact of the proposed budget is its "capping" of much of the formula funding programs. This action could rearrange the budget process for the General Assembly by increasing its decision-making powers in allocating available resources, and emphasizing its role in making funding choices and priority decisions each year.