



South Carolina House of Representatives

Legislative Update

James H. "Jay" Lucas, Speaker of the House

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NOTE: THESE SUMMARIES ARE PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND ARE NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. THEY ARE STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND ARE NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

HOUSE WEEK IN REVIEW

The House of Representatives amended, approved, and sent the Senate H.5001, the General Appropriation Bill, and H.5002, the joint resolution making appropriations from the Capital Reserve Fund, which together comprise the proposed **FISCAL YEAR 2016-2017 STATE GOVERNMENT BUDGET**. The budget includes \$7.5 billion in state general funds with \$767 million in recurring revenue newly available for appropriation and \$597 million in nonrecurring revenue.

\$415 million is devoted to the state's roads. Of that total, \$316 million is appropriated to the State Highway Fund for paving, rehabilitation, resurfacing, and reconstruction of the primary road system, \$49 million is allocated to the Department of Transportation to address road repair costs from the October 2015 flood damage, and \$50 million in nonrecurring funds is distributed among the County Transportation Committees to use for resurfacing, reconstructing, and repairing roads and bridges in the state-owned secondary road system.

The Department of Transportation is charged with developing and implementing a needs-based weighting methodology to allocate funding within the state funded road resurfacing program, which must include consideration on a county-by-county basis, to ensure that each county in the state is guaranteed funding.

For K-12 public education, \$218 million is used to increase the base student cost by \$130 to arrive at an estimated \$2,350 per pupil.

The budget legislation makes provisions for a 2% teacher salary increase and a one year step increase for teacher salaries which must be applied uniformly for all eligible certified teachers.

\$750 thousand in Education Improvement Act funds is included for teacher supplies.

\$19.2 million in recurring funds is allocated for bus driver salary enhancements to address driver shortages.

\$7.2 million is provided from the Capital Reserve Fund for purchasing or leasing new school buses along with \$6.5 million in Education Lottery funds and \$3.5 million in unclaimed lottery prize money.

The K-12 technology initiative is afforded \$29.3 million in Education Lottery proceeds.

The State Department of Education is provided \$18 million in Education Lottery proceeds for instructional materials.

Education and Economic Development Act initiatives are afforded \$10 million in recurring funds.

The State Department of Education is provided \$3 million in Education Lottery proceeds for college and career readiness.

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\$13 million in Education Improvement Act funds is included to address S.C. Public Charter School District growth.

Virtual SC is afforded \$1.1 million in recurring funds.

The Governor's School for Science and Mathematics is provided \$1.2 million in recurring funds for its statewide Accelerate Engineering program.

\$2.5 million in Education Improvement Act funds is allocated for AdvancED technical assistance.

\$1 million in recurring funds is provided for full-day four-year-old kindergarten instructional costs.

\$1.5 million from the Capital Reserve Fund is provided to the State Department of Education for a statewide facilities assessment.

\$9 million in nonrecurring funds is allocated for school districts that have a poverty index of at least eighty percent to use for teacher recruitment and retention purposes, such as providing signing bonuses or merit bonuses.

\$8.25 million in Education Improvement Act funds is included for the rural teacher initiative that allows one year of a teacher's student loan debt to be forgiven for every two years of teaching in an underserved area.

\$16.8 million in nonrecurring funds is included for technical assistance to the Abbeville education lawsuit plaintiff districts and other rural school districts to facilitate online test taking and increase access.

\$3 million in Education Lottery funds is provided for mobile device access and management.

\$3.1 million in Education Lottery funds is included for efficiency studies in all plaintiff school districts.

Provisions are included for a system of tiers of technical assistance that the State Department of Education provides for low-performing schools which are failing to meet state standards or which have the lowest high school graduation rates.

New provisions are included that authorize the State Superintendent of Education to declare a state of emergency in a school district if the accreditation status is probation or denied, if a majority of the schools fail to show improvement on the state accountability system, if the district is classified as being in "high risk" status financially, or for financial mismanagement resulting in a deficit. A state of emergency may be declared by the State Superintendent for an individual school if the accreditation status is probation or denied or if the school fails to show improvement on the state accountability system. Upon declaration of a state of emergency, the State Superintendent of Education may take over management of the school or district, which may include direct management, consolidation with another district, charter management, public/private management, or contracting with an educational management organization or another school district.

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In response to multiple reports that have highlighted the cost inefficiencies at the John de la Howe School for at risk youth and the lack of data regarding the impact of the program on student outcomes, the budget legislation includes a provision that temporarily suspends the school's board of trustees and forms an advisory group, combining representation from the legislature, the Department of Social Services, the Department of Juvenile Justice, the Department of Education, and the Department of Alcohol and Other Drug Abuse Services, that is charged with recommending an educational, vocational, and life skills training program at the John de la Howe School for older youth who are at risk and who are aging out of foster care or juvenile justice supervisory programs. In consultation with the advisory group, the Department of Juvenile Justice is directed to procure a contract with a non-profit child-service provider to operate the program.

Full funding is provided for the LIFE, HOPE, and Palmetto Fellows higher education scholarship programs.

Tuition grants are increased by \$100 per student for a new maximum grant of \$3,100 which provides need-based assistance to students attending eligible independent non-profit in-state colleges.

\$5 million in Workforce Scholarships is included to provide grants for tuition, fees, transportation, or textbook expenses to state residents enrolled in a career education program at a technical school or professional certification program.

In higher education, the budget emphasizes an increase in the recurring funding that is directed to the state's colleges, universities, and technical schools.

Provisions are included for the forgiveness of the \$12 million in state loans disbursed to South Carolina State University if the university meets specified benchmarks such as maintaining academic accreditation, maintaining a balanced budget, and meeting enrollment growth goals. The budget includes a provision that it is the intent of the General Assembly that the SC State Interim Board of Trustees conduct a national search to hire a permanent President for the university by December 31, 2016.

Provisions are included for the transfer of the Felton Lab from S.C. State University to the S.C. Public Charter School District.

\$13.5 million in nonrecurring funds is devoted to worker training through the Ready SC Program at the state's technical colleges. \$8 million in recurring funds is provided for manufacturing, healthcare, and Science, Technology, Engineering, and Math (STEM) training. \$20 million in nonrecurring funds is provided to the Board of Technical and Comprehensive Education for critical training equipment.

\$7 million in recurring funds and \$10 million in nonrecurring funds is provided for the Deal Closing Fund that the Department of Commerce uses to recruit new business to the state. The Department of Commerce is afforded appropriations of \$5.4 million in nonrecurring funds for the Locate SC Site Inventory for potential business relocation prospects, \$3 million in nonrecurring funds for research initiatives, \$500,000 in nonrecurring funds for the Office of Innovation, \$500,000 in recurring funds for the SC Manufacturing Extension Partnership, \$400,000 in nonrecurring funds for IT-ology Coursepower, \$350,000 in recurring funds for the SC Council on Economic

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Competitiveness, and \$300,000 in nonrecurring funds for the US Department of Defense Business Diversification grant match.

\$1.5 million in recurring funds is allocated to the Rural Infrastructure Fund that is used to provide grants for water and sewer projects that facilitate economic development in rural areas. \$4.3 million is included for a new Statewide Water and Sewer Fund that allows areas that do not meet the criteria for being considered rural to obtain grants for sewer and water projects that are needed to support economic development.

The Department of Employment and Workforce is allocated \$1.8 million in recurring funds for the Certified Work Ready Communities initiative.

A 2% state employee pay increase is provided with \$33.4 million in recurring funds.

\$25.4 million is included to cover the increased costs of operating the state's health insurance plan and \$1.5 million is included to cover increased dental plan costs with no increases in the premiums paid by employees and no reductions in coverage.

\$18.4 million is allocated for retirement contributions increases in the South Carolina Retirement System and the Police Officers Retirement System.

The budget legislation defunds the Retirement System Investment Commissioners by eliminating the commissioners' salaries.

\$28 million is used to fully fund the reserve accounts that the state uses to cope with revenue shortfalls.

The Department of Administration is afforded \$9.6 million to implement an information technology disaster recovery plan for all state agencies.

The Local Government Fund is maintained at its \$212 million level and a \$12.5 million component of the fund which has been comprised of nonrecurring dollars is replaced with recurring dollars so that the fund is entirely made up of recurring revenue.

The Department of Health and Human Services is afforded \$129 million in recurring funds to accommodate part of the growth in the state's Medicaid Program with recurring funding rather than funding from reserve accounts.

\$8.5 million in nonrecurring funds is provided for an updated Medicaid Management and Information System.

The budget provides for the continuation of Medicaid Program accountability and quality improvement programs such as: the Healthy Outcomes Initiative for meeting the needs of chronically ill uninsured patients through home visits and care in other settings outside the emergency room; a Primary Care Safety Net utilizing such resources as Federally Qualified Health Centers and free clinics; and efforts to enhance provider capacity in rural and underserved areas.

Telemedicine is afforded \$10 million through the Healthy Outcomes provisions and \$2 million in recurring funds.

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\$6 million is provided for a Rural Health Initiative partnership between DHHS and the USC School of Medicine to enhance the recruitment of physicians to practice in underserved areas and to improve access to life-saving emergency room care in the wake of rural hospital closures. Provisions include an exemption from Certificate of Need requirements for the construction of a facility in a medically underserved area that can provide emergency care and stabilization beds twenty-four hours a day, seven days a week, and is designed to utilize the Statewide Telemedicine Network.

The budget legislation includes a provision that sets priorities in the awarding of state and federal family planning funds to contractors with top priority given to state, county and other public entities that provide family planning services and local community health clinics and federally qualified health centers; middle priority assigned to nonpublic entities that provide comprehensive primary and preventive health services in addition to family planning services; and lowest priority given to nonpublic entities that provide family planning services but do not provide comprehensive primary and preventive health services. Those who award family planning funds must submit an annual report to the General Assembly that details funds awarded to the lowest priority contractors and includes an explanation of how it was determined that there was an insufficient number of preferred service providers available to be awarded family planning funds and meet the need for services.

The Department of Health and Environmental Control receives \$661,500 in recurring funds to enhance its dam safety inspection and permitting program, \$8 million in recurring funds along with \$2 million in nonrecurring funds for its data center infrastructure, \$2 million in recurring funds for electronic medical records, \$1.75 million in recurring funds to enhance its infectious disease tuberculosis program, \$2.75 million in nonrecurring funds for water quality infrastructure, \$945,000 in recurring funds for ambient water quality monitoring, and \$100,000 in nonrecurring funds for Donate Life's Organ Donor Registry.

The budget allocates nonrecurring funds derived from the sale of DHEC's home health services by providing \$3.6 million for data center infrastructure, \$5.2 million for Pinewood Custodial Site capital improvements and repairs, \$5.8 million for electronic medical records, and \$2.5 million for flood recovery operations.

The Department of Mental Health is allocated \$4.2 million in recurring funds for the Sexually Violent Predator Program, \$2.5 million in recurring funds for inpatient clinical and medical services, \$2.5 million in recurring funds for forensics, \$500,000 in recurring funds for school based services, and \$1 million in recurring funds for a crisis stabilization unit.

The Department of Disabilities and Special Needs receives \$6.6 million in recurring funds to reduce its waiting lists, \$1.2 million in recurring funds for the transition to community-based services, \$1 million in recurring funds for crisis intervention and stabilization, \$500,000 in recurring funds for expansion of non-emergency respite care beds, \$500,000 in recurring funds for post-acute rehab for traumatic brain or spinal cord injuries, and \$500,000 in recurring funds for enhanced research through the Greenwood Genetic Center, including blood testing for autism.

The Department of Vocational Rehabilitation is provided \$635,287 in recurring funds for School-to-Work Transition Services.

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The Department of Alcohol and Other Drug Abuse Services receives \$1.75 million in recurring funds for prescription drug abuse medication assisted treatment and \$3 million from the Capital Reserve Fund for infrastructure improvements in the substance abuse provider system.

At the Department of Social Services, \$5.6 million in recurring funds is devoted to child and adult protective services recruitment and retention. \$6.2 million in recurring funds and \$1 million in nonrecurring funds is allocated for the development of the child support system. Utilizing \$3.4 million in recurring funds, the budget provides for an increase in monthly family foster care and kinship care payment rates. \$800,000 in nonrecurring funds is provided for criminal domestic violence initiatives with the South Carolina Coalition Against Domestic Violence and Sexual Assault.

The State Law Enforcement Division is provided \$364,000 in recurring funds for law enforcement officer rank change, \$3.2 million in recurring funds to complete vehicle rotation, and \$10 million in nonrecurring funds for the forensics lab expansion.

The budget legislation provides for a transfer of the Illegal Immigration Unit from the Department of Public Safety to SLED.

The Attorney General's Office receives \$1 million in recurring dollars for retention funding, \$200,000 in recurring funds for prosecutors and \$81,200 in recurring funds for a forensic examiner in the Internet Crimes Against Children division, and \$600,600 in recurring funds for violent crimes and sex crimes prosecutors.

The Commission on Minority Affairs receives \$200,000 in recurring funds for a human trafficking hotline.

The budget makes provisions for three additional Circuit Court Judges and support staff in anticipation of increased caseloads due to the provisions of the 2015 Domestic Violence Reform Act that transfer domestic violence matters into circuit court.

The Prosecution Coordination Commission is afforded \$2.98 million in recurring funds to allow for additional prosecutors to handle increased domestic violence caseloads, \$7.8 million in recurring dollars for caseload equalization funding, and \$800,000 in recurring funds for the SC Center for Fathers and Families.

The Commission on Indigent Defense is afforded \$6.2 million in recurring dollars for additional public defenders.

The budget legislation provides for the reauthorization of the Sentencing Reform Oversight Committee to examine the need for criminal justice reform initiatives.

The Department of Corrections receives \$8 million in recurring dollars for its correctional officer hiring rate adjustment and retention plan to reduce turnover rate at the agency, \$2.75 million in recurring funds for the middle phase its mental health remediation plan, and \$722,328 in recurring funds for the middle phase its medical remediation plan.

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The Department of Probation, Parole, and Pardon Services is provided \$1.98 million in recurring funds for officer retention and \$6.4 million in recurring funds to offset revenue loss due to sentencing reform.

The Department of Juvenile Justice receives \$1 million in recurring funds for its correctional officer hiring rate adjustment and retention plan to reduce turnover rate at the agency and \$100,000 in nonrecurring funds for AMI Kids.

The Department of Natural Resources is allocated \$326,930 in recurring funds for law enforcement officer step increases and \$261,312 in recurring funds for vehicle rotation.

\$72 million in nonrecurring funds is allocated to the Adjutant General's Emergency Management Division as the full state and local match for Federal Emergency Management Agency (FEMA) funds for the 2015 catastrophic flood response. The Adjutant General's Office receives \$5 million from the Capital Reserve Fund for armory revitalization.

The budget legislation accommodates the \$40 million appropriation from the 2014-2015 Contingency Reserve Fund for the "South Carolina Farm Aid Fund" that is created to assist farmers who suffered extensive damage in the October 2015 floods through H.4717 which has been passed by the House of Representatives during the current General Assembly and sent to the Senate.

The Department of Agriculture is afforded \$1 million from the Capital Reserve Fund for consumer protection equipment and \$500,000 in recurring funds to expand "Certified SC" marketing of the state's produce.

Clemson PSA receives \$1 million in recurring funds for its agriculture and natural resources program and \$1 million in nonrecurring funds for program facilities, and \$750,000 in recurring funds for the animal industry infectious disease program to address such issues as the avian flu.

The Forestry Commission receives \$320,000 in recurring funds for additional firefighters, \$1 million from the Capital Reserve Fund for firefighting equipment, and \$200,000 in recurring funds for implementing a forest inventory system.

Operations at the Department of Motor Vehicles are funded with recurring dollar appropriations since funds derived from fines and fees that the DMV has retained to fund department operations are transferred to the State Highway Fund.

The budget legislation authorizes the withholding of funds in Local Government Fund distributions to counties and municipalities equal in amount to any fines that a political subdivision has collected to enforce local ordinances that conflict with state traffic laws.

The Division of Aeronautics receives \$1 million in nonrecurring funds for aviation grants matching funds and \$100,000 in nonrecurring funds for airport facilities security system replacement.

\$1.5 million in nonrecurring funds is appropriated to the State Ports Authority for Jasper Ocean Terminal permitting.

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\$40 million in nonrecurring funds is provided to the Department of Parks, Recreation, and Tourism for coastal beach renourishment, which completely covers the state's cost share for all public beaches.

The Department of Parks, Recreation and Tourism receives \$1.2 million in nonrecurring funds for the Sports Development Marketing Program, \$3 million in nonrecurring funds for the Medal of Honor Museum, and \$4.3 million from the Capital Reserve Fund for facilities revitalization.

A proviso directs the Department of Administration to conduct an analysis of moving the Confederate Relic Room and Military Museum from Columbia to the Charleston area.

The Department of Archives and History receives \$2.1 million in nonrecurring funds for its architectural heritage preservation initiative.

The State Library is afforded \$222,000 in recurring funds for electronic resources and \$1 million in recurring funds for aid to county libraries.

The Arts Commission receives \$500,000 in nonrecurring funds for the SC Artisans Center.

The Department of Revenue is afforded \$1 million in nonrecurring funds for an extension of identity and credit protection services and receives \$1 million in nonrecurring funds and \$1.9 million from the Capital Reserve Fund for implementing an updated tax processing system.

The State Auditor's Office is appropriated \$325,000 for additional audit capabilities.

The State Ethics Commission receives \$150,000 in recurring funds and \$10,000 in nonrecurring funds for auditors.

The State Election Commission receives \$254,000 in recurring funds for county compliance auditors and supervisors.

The Lieutenant Governor's Office on Aging receives \$1 million in recurring funds for family caregiver services that allow seniors to remain at home rather than the more expensive alternative of institutional care, and \$1.5 million in recurring funds for home and community based services to be used for purchasing home delivered meals, group dining meals, transportation, and home care.

BILLS INTRODUCED IN THE HOUSE THIS WEEK

AGRICULTURE, NATURAL RESOURCES AND ENVIRONMENTAL AFFAIRS

S.1112 FLOUNDER Sen. Campsen

The legislation increases the size limit from 14 to 15 inches for Flounder that may be lawfully taken, possessed, landed or sold.

H.5160 VETERINARIANS Rep. Ott

The legislation adds that all animal shelters that provide veterinary services are subject to supervision and regulation by the SC Department of Labor, Licensing and Regulation. Among many things, the legislation requires that reports and certain data be maintained.

EDUCATION AND PUBLIC WORKS

H.5140 SCHOOL CALENDARS Rep. Pope

This bill provides that the opening date for students must not be before August fifteenth beginning with the 2017-2018 school year. Also, in addition to revising the manner of procurement and administration of certain assessments of various public school students based on grade level, public school teachers must be notified of their tentative assignments for the upcoming school year by August eighth.

JUDICIARY

**H.5150 FEASIBILITY STUDIES PRIOR TO SELLING PUBLICLY OWNED
PROPERTY Rep. Bowers**

Would add a new S.C. Code Section 10-1-215 so that any state entity authorized to sell or lease property it independently owns, and exempt from pre-sale approval, could not automatically do so. Instead, they would first have to conduct a study focused upon what potential public uses could be made of the parcel. If the study finds that other legitimate, feasible, and cost-effective public uses could be made of the property, then a public

hearing would have to be held in the county where the parcel is located. At this hearing, the public will be provided an opportunity to see this study as well as suggest potential future public uses for it.

H.5164 EARLY VOTING Rep. W. J. McLeod

Creates new S.C. Code Section 7-13-25 to embellish procedures for early voting and for setting up 'early voting centers.' Early voting could begin 15 days prior to an election, and would end 3 days prior to any election. The county board of registration and elections in each county would have to establish at least one early voting center. They would also set its hours of operation, including whether to open on Saturdays. The Executive Director of the State Election Commission will enter a separate designation into their master file for each voter casting an absentee ballot or an early ballot in a general election. Early ballots would contain conspicuous warnings about the penalties for casting more than one ballot. Procedures outlined in this bill would not apply to presidential primaries, however.

LABOR, COMMERCE AND INDUSTRY

S.653 LIFE INSURANCE POLICY LUMP SUM PAYMENTS Sen. Scott

This bill revises provisions for the payment of individual and group life insurance policy benefit proceeds in a lump sum, by revising the requirements for claims submissions and providing that interest must be paid at a rate equal to the prime rate plus one percent, but may not exceed the state's legal rate of interest.

H.5141 PROHIBITION ON MOTOR VEHICLE WHEEL WEIGHTS CONTAINING LEAD OR MERCURY INTENTIONALLY ADDED DURING MANUFACTURING Rep. Bannister

This bill provides that when replacing or balancing a tire a person may not use a wheel weight or other product for balancing motor vehicle wheels if the product contains lead or mercury that was intentionally added during manufacturing. The legislation prohibits sales and distribution of weights or other products for balancing motor vehicle wheels if these products contain lead or mercury that was intentionally added during manufacturing, and prohibits sales of new motor vehicles is equipped with such products. An initial violation is punishable by a civil penalty of up to five hundred dollars and subsequent violations are punishable by civil penalties of up to one thousand dollars for each violation.

H.5163 MOTOR VEHICLE DEALER LICENSE PLATES Rep. Pitts

This bill revises provisions relating to the Department of Motor Vehicles' issuance of dealer license plates, so as to provide that the department shall supply an additional two license plates to a full-service dealer who can demonstrate the presence of a service garage at his dealership.

MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS

H.5142 PUBLIC ASSISTANCE PROGRAMS Rep. Willis

Among many things, the legislation requires the SC Department of Social Services (DSS) to administer the Supplemental Nutrition Assistance Program (SNAP). The

legislation requires the SC Department of Health and Human Services (DHHS) to establish a computerized income, asset, and identity eligibility verification service to verify a person's identity and eligibility for public assistance.

H.5162 "SOUTH CAROLINA TELEMEDICINE ACT" Rep. Fry

The legislation enacts the "South Carolina Telemedicine Act". Among many things, the legislation outlines that a licensee who establishes a physician-patient relationship solely via telemedicine shall adhere to the same standard of care as a licensee employing more traditional in-person medical care and be evaluated according to the standard of care applicable to the licensee's area of specialty.

WAYS AND MEANS

H.5161 DISABILITY RETIREMENT Rep. Bales

This bill revises provisions relating to disability retirement, so as to extend the date by which a person must apply relative to the member's last day of employment.

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