

# STATE BUDGET AND CONTROL BOARD

Meeting of Wednesday, August 8, 2012 -- 10:00 A. M.

Room 252, Edgar A Brown Building

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## AGENDA INDEX

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<b>C.</b>	<b>BLUE AGENDA</b>	
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of Procurement Services	Procurement Audits and Certifications
4.	Division of Human Resources	Appointment of State Employee Grievance Committee Members
5.	Public Employee Benefit Authority	South Carolina Deferred Compensation Commission Appointments
6.	Executive Director	Revenue Bonds
7.	Executive Director	Ceiling Allocation
8.	Executive Director	Ceiling Allocation Reinstatement
<b>D.</b>	<b>REGULAR SESSION</b>	
1.	Public Employee Benefit Authority	State Health Plan Benefits and Contribution Rates Effective January 1, 2013
2.	Budget and Control Board	Future Meeting

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AGENCY: Public Employee Benefit Authority

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SUBJECT: State Health Plan Benefits and Contribution Rates Effective January 1, 2013

Act 278 of 2012, effective July 1, 2012, transferred the Employee Insurance Program to the Public Employee Benefit Authority from the Budget and Control Board. As part of Act 278, Section 1-11-710(A)(2) of the South Carolina Code of Laws was amended to provide that the Board of the Public Employee Benefit Authority must approve the State Health Plan benefits and contributions for the 2013 calendar year by August 15, 2012. It is unlikely, however, that the PEBA Board will be appointed and able to act prior to the August 15th deadline and under newly-enacted S.C. Code Ann. Section 9-4-45, coverage changes and contribution determinations of the Public Employee Benefit Authority are subject to approval by the Budget and Control Board.

There are no proposed benefit or eligibility changes to the State Health Plan in 2013. There is, however, an increase required in contributions due primarily to health expenditure growth. To cover the required increase in contributions, the General Assembly has funded the Plan in the FY 2012-2013 Appropriations Act with an aggregate 6.37% employer increase with no employee/retiree increase.

Accordingly, the Public Employee Benefit Authority staff calculated the proposed 2013 Employer contribution rates set out in Attachment 2 by increasing the employer contribution for each tier by 6.37%. No other changes are proposed for the State Health Plan in 2013.

The Budget and Control Board is asked to approve the 2013 contribution rates for the State Health Plan as set out in Attachment 2.

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BOARD ACTION REQUESTED:

Approve the contribution rates presented on Attachment 2 of the agenda item worksheet entitled "State Monthly Contribution Rates by Level of Coverage: 2012 and Proposed Effective January 1, 2013."

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ATTACHMENTS:

Agenda item worksheet; Blume 7/31/12 letter; S.C. Code Ann. Sections 1-11-710 and 9-9-45; State Monthly Contribution Rates by Level of Coverage: 2012 and Proposed Effective January 1, 2013.



## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 8, 2012

Regular Agenda

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**1. Submitted by:**

(a) Agency: Public Employee Benefit Authority, Employee Insurance Program

(b) Authorized Official Signature:

  
William M. Blume, Jr., CPA, Director

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**2. Subject:** State Health Plan benefits and contribution rates effective January 1, 2013

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**3. Summary & Background Information**

Act 278 of 2012, effective July 1, 2012, transferred the Employee Insurance Program to the Public Employee Benefit Authority from the Budget and Control Board. As part of Act 278, Section 1-11-710(A)(2) of the South Carolina Code of Laws was amended to provide that the Board of the Public Employee Benefit Authority must approve the State Health Plan benefits and contributions for the 2013 calendar year by August 15, 2012. It is unlikely, however, that the PEBA Board will be appointed and able to act prior to the August 15th deadline and under newly-enacted S.C. Code Ann. Section 9-4-45, coverage changes and contribution determinations of the Public Employee Benefit Authority are subject to approval by the Budget and Control Board.

There are no proposed benefit or eligibility changes to the State Health Plan in 2013. There is, however, an increase required in contributions due primarily to health expenditure growth. To cover the required increase in contributions, the General Assembly has funded the Plan in the FY 2012-2013 Appropriations Act with an aggregate 6.37% employer increase with no employee/retiree increase.

Accordingly, the Public Employee Benefit Authority staff calculated the proposed 2013 Employer contribution rates set out in Attachment 2 by increasing the employer contribution for each tier by 6.37%. No other changes are proposed for the State Health Plan in 2013.

The Budget and Control Board is asked to approve the 2013 contribution rates for the State Health Plan as set out in Attachment 2.

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**4. What is Board asked to do?**

Approve the contribution rates presented on Attachment 2.

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**5. What is recommendation of the agency involved?**

Approve the contribution rates presented on Attachment 2.

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**6. Recommendation of other office (as required)?**

- (a) Authorized Signature: \_\_\_\_\_  
(b) Office Name: \_\_\_\_\_
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**7. Supporting Documents:**

- (a) List those attached:
1. S.C. Code Ann. Sections 1-11-710 and 9-9-45
  2. State Monthly Contribution Rates by Level of Coverage: 2012 and Proposed Effective January 1, 2013.
- (b) List those not attached but available:
1. Federal Health Care Legislation (PPACA and HCERA)



SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY  
SOUTH CAROLINA RETIREMENT SYSTEMS DIVISION  
WILLIAM M. BLUME JR., CPA  
DIRECTOR

July 31, 2012

Mr. Delbert H. Singleton, Jr.  
Secretary-SC State Budget and Control Board  
612 Wade Hampton Office Building  
Columbia, SC 29201

Re: Budget and Control Board Meeting

Dear Mr. Singleton:

On behalf of the Public Employee Benefit Authority (PEBA), please place us on the agenda for the approval of the 2013 contribution rates for the State Health Plan for the Budget and Control Board meeting on August 8, 2012.

Thank you for your attention to this matter. If you need additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "W.M. Blume, Jr.".

William M. Blume, Jr., CPA  
Executive Director  
Public Employee Benefit Authority

/gjm

**Attachment I**  
**South Carolina Code Sections Relevant to Agenda Item**  
**Effective July 1, 2012**

**SECTION 1-11-703. Definitions.**

As used in this article:

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(9) "Board" means the Board of Directors of the South Carolina Public Employee Benefit Authority.

(10) "Employee insurance program" or "EIP" means the office of the South Carolina Public Employee Benefit Authority designated by the board to operate insurance programs pursuant to this article.

**SECTION 1-11-710.** State Budget and Control Board to make insurance available to active and retired employees; Insurance Reserve Fund to provide reinsurance; cost to be paid out of appropriated and other funds.

(A) The board shall:

(1) make available to active and retired employees of this State and its public school districts and their eligible dependents group health, dental, life, accidental death and dismemberment, and disability insurance plans and benefits in an equitable manner and of maximum benefit to those covered within the available resources;

(2) approve by August fifteenth of each year a plan of benefits, eligibility, and employer, employee, retiree, and dependent contributions for the next calendar year. The board shall devise a plan for the method and schedule of payment for the employer and employee share of contributions and by July first of the current fiscal year, develop and implement a plan increasing the employer contribution rates of the State Retirement Systems to a level adequate to cover the employer's share for the current fiscal year's cost of providing health and dental insurance to retired state and school district employees. The state health and dental plans must include a method for the distribution of the funds appropriated as provided by law which are designated for retiree insurance and also must include a method for allocating to school districts, excluding EIA funding, sufficient general fund monies to offset the additional cost incurred by these entities in their federal and other fund activities as a result of this employer contribution charge. The funds collected through increasing the employer contribution rates for the State Retirement Systems under this section must be deposited in the SCRHI Trust Fund established pursuant to Section 1-11-705. The amounts appropriated in this section shall constitute the State's pro rata contributions to these programs except the State shall pay its pro rata share of health and dental insurance premiums for retired state and public school employees for the current fiscal year;

(3) adjust the plan, benefits, or contributions, at any time to insure the fiscal stability of the system;

(4) set aside in separate continuing accounts in the State Treasury, appropriately identified, all funds, state-appropriated and other, received for actual health and dental insurance premiums due. Funds credited to these accounts may be used to pay the costs of administering the state health and dental plans and may not be used for purposes of other than providing insurance benefits for employees and retirees. A reserve equal to not less than one and one-half months' claims must be maintained in the accounts.

(B) The board may authorize the Insurance Reserve Fund to provide reinsurance, in an approved format with actuarially developed rates, for the operation of the group health insurance or cafeteria plan program, as authorized by Section 9-1-60, for active and retired employees of the State, and its public school districts and their eligible dependents. Premiums for reinsurance provided pursuant to this subsection must be paid out of state appropriated and other funds received for actual health insurance or cafeteria plan premiums due.

(C) Notwithstanding Sections 1-23-310 and 1-23-320 or any other provision of law, claims for benefits under any self-insured plan of insurance offered by the State to state and public school district employees and other eligible individuals must be resolved by procedures established by the board, which shall constitute the exclusive remedy for these claims, subject only to appellate judicial review consistent with the standards provided in Section 1-23-380.

(D) The General Assembly intends to authorize funding for the SCRHI Trust Fund in order to make progress toward reaching or maintaining the minimum annual required contribution under Governmental Accounting Standards Board Statement No. 45. The board shall determine the minimum annual required contribution pursuant to Section 1-11-705(H).

**SECTION 9-4-45.** (A) Policy determinations made by the South Carolina Public Benefit Authority are subject to approval by the State Budget and Control Board or its successor, evidenced by a majority vote of the board.

(B) For purposes of this section, policy determination means a determination by law required to be made by the South Carolina Public Benefit Authority in its administration of the Employee Insurance Program relating to coverage changes and premium increases and in its administration of the Retirement Division, actuarial assumptions governing the retirement system and adjustments in employer and employee contributions.

**Attachment 2  
State Health Plan Monthly Contribution Rates by Level of Coverage  
2012 and Proposed Effective January 1, 2013**

EMPLOYER RATES  
ALL HEALTH PLANS

	<u>2012</u>	<u>2013</u>
Enrollee Only	\$291.92	\$310.52
Enrollee/ Spouse	\$578.24	\$615.08
Enrollee/Children	\$448.06	\$476.60
Full Family	\$724.00	\$770.12

Note: The Employer rates for each tier of coverage were increased by 6.37% consistent with the amount funded in the recently-passed fiscal 2013 Appropriation Act.

ENROLLEE RATES  
Savings Plan

	<u>Non-tobacco</u>	<u>Tobacco</u>
Enrollee Only	\$ 9.70	\$ 49.70
Enrollee/ Spouse	\$ 77.40	\$ 137.40
Enrollee/Children	\$ 20.48	\$ 80.48
Full Family	\$113.00	\$ 173.00

Standard Plan/ Medicare Supplement

	<u>Non-tobacco</u>	<u>Tobacco</u>
Enrollee Only	\$ 97.68	\$ 137.68
Enrollee/ Spouse	\$ 253.36	\$ 313.36
Enrollee/Children	\$ 143.86	\$ 203.86
Full Family	\$ 306.56	\$ 366.56

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 8, 2012

ITEM NUMBER 2

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AGENCY: Budget and Control Board

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SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Tuesday, October 30, 2012, in Room 252, Edgar A. Brown Building.

**Remaining Meetings in 2012**

Tuesday, December 11th 10:00 AM

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**BOARD ACTION REQUESTED:**

Agree to meet at 10:00 a.m. on Tuesday, October 30, 2012, in Room 252, Edgar A. Brown Building.

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**ATTACHMENTS:**

**STATE BUDGET AND CONTROL BOARD**

**Meeting of August 8, 2011 -- 10:00 A. M.**

**Room 252, Edgar A. Brown Building**

*BLUE AGENDA INDEX*

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of Procurement Services	Procurement Audits and Certifications
4.	Division of Human Resources	Appointment of State Employee Grievance Committee Members
5.	Public Employee Benefit Authority	South Carolina Deferred Compensation Commission Appointments
6.	Executive Director	Revenue Bonds
7.	Executive Director	Ceiling Allocation
8.	Executive Director	Ceiling Allocation Reinstatement

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AGENCY: State Treasurer

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SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issues (for ratification of issuer's counsel only) for which Board approval is requested:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$65,000,000 SC JEDA	SCE&G	McNair Law Firm	Haynsworth Sinkler Boyd
\$37,000,000 SC JEDA	CSRA Senior Living, Inc.	Haynsworth Sinkler Boyd	Nexsen Pruet
\$15,000,000 SC JEDA	Coker College	Haynsworth Sinkler Boyd	Howell Linkous & Nettles
\$3,800,000 SC JEDA	All Saints Episcopal Day School	Haynsworth Sinkler Boyd	Pope Zeigler

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BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

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ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for August 8, 2012 Budget & Control Board Meeting  
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$65,000,000 SC JEDA	SCE&G	McNair Law Firm	Haynsworth Sinkler Boyd	07/19/2012
\$37,000,000 SC JEDA	CSRA Senior Living, Inc.	Haynsworth Sinkler Boyd	Nexsen Pruet	07/19/2012
\$15,000,000 SC JEDA	Coker College	Haynsworth Sinkler Boyd	Howell Linkous & Nettles	07/19/2012
\$3,800,000 SC JEDA	All Saints Episcopal Day School	Haynsworth Sinkler Boyd	Pope Zeigler	07/19/2012

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

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AGENCY: Division of General Services

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SUBJECT: Easements

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Charleston  
From: Budget and Control Board  
To: Commissioners of Public Works of the City of Charleston  
Consideration: \$700  
Description/Purpose: To grant a 0.095 acre easement for the installation, operation and maintenance of a sewer force main beneath Long Creek, a tributary of the Stono River, and surrounding marsh. The easement is part of a project to construct a new regional pump station serving the Red Top area. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Charleston  
From: Budget and Control Board  
To: Commissioners of Public Works of the City of Charleston  
Consideration: \$700  
Description/Purpose: To grant a 0.589 acre easement for the installation, operation and maintenance of a sewer force main beneath a tributary of the Stono River and surrounding marsh. The easement is part of a project to construct a new regional pump station serving the Red Top area. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (c) County Location: Pickens  
From: Budget and Control Board  
To: Fort Hill Natural Gas Authority  
Consideration: \$875  
Description/Purpose: To grant a 0.075 acre easement for the installation, operation and maintenance of a natural gas line and facilities along the property line of the National Guard Armory in Pickens fronting on Stephens Road. The easement will facilitate the expansion of natural gas service in Pickens County. Consideration is \$500 plus the Pickens County assessed value.

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AGENCY: Division of General Services

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SUBJECT: Easements

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (d) County Location: Richland  
From: Midlands Technical College  
To: City of Columbia  
Consideration: \$1  
Description/Purpose: To approve the transfer of title to water and sewer lines together with an easement for the purpose of ingress, egress, operation and maintenance of said lines serving the new Engineering/Science Classroom Facility at Midlands Technical College's Northeast Campus. The easement is being sought by Midlands Tech for the benefit of the property.

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BOARD ACTION REQUESTED:

Approve the referenced easements.

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ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-90 and 1-11-10

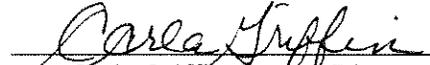
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 8, 2012

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:

  
Carla Griffin, Deputy Director

2. Subject:

EASEMENTS

3. Summary Background Information:

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Charleston  
From: Budget and Control Board  
To: Commissioners of Public Works of the City of Charleston  
Consideration: \$700  
Description/Purpose: To grant a 0.095 acre easement for the installation, operation and maintenance of a sewer force main beneath Long Creek, a tributary of the Stono River, and surrounding marsh. The easement is part of a project to construct a new regional pump station serving the Red Top area. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
  
- (b) County Location: Charleston  
From: Budget and Control Board  
To: Commissioners of Public Works of the City of Charleston  
Consideration: \$700  
Description/Purpose: To grant a 0.589 acre easement for the installation, operation and maintenance of a sewer force main beneath a tributary of the Stono River and surrounding marsh. The easement is part of a project to construct a new regional pump station serving the Red Top area. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
  
- (c) County Location: Pickens  
From: Budget and Control Board  
To: Fort Hill Natural Gas Authority  
Consideration: \$875  
Description/Purpose: To grant a 0.075 acre easement for the installation, operation and maintenance of a natural gas line and facilities along the property line of the National Guard Armory in Pickens fronting on Stephens Road. The easement will facilitate the expansion of natural gas service in Pickens County. Consideration is \$500 plus the Pickens County assessed value.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (d) County Location: Richland  
From: Midlands Technical College  
To: City of Columbia  
Consideration: \$1  
Description/Purpose: To approve the transfer of title to water and sewer lines together with an easement for the purpose of ingress, egress, operation and maintenance of said lines serving the new Engineering/Science Classroom Facility at Midlands Technical College's Northeast Campus. The easement is being sought by Midlands Tech for the benefit of the property.

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**4. What is the Board asked to do?** Approve the referenced easements.

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**5. What is recommendation of the Division of General Services?** Recommend approval of the referenced easements.

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**6. List of Supporting Documents:**  
SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130

## **SOUTH CAROLINA CODE OF LAWS**

### **SECTION 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.**

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

### **SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.**

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

### **SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.**

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.



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AGENCY: Division of Procurement Services

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SUBJECT: Procurement Audits and Certifications

The Division of Procurement Services, in accord with Section 11-35-1210, has audited the following agencies and recommends certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

- a. South Carolina Law Enforcement Division (for a period of three years): supplies and services, \$100,000\* per commitment; information technology, \$100,000\* per commitment; consultant services, \$100,000\* per commitment.

\*Total potential purchase commitment whether single or multi-term contracts are used.

The audit confirms SLED's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirement for the certification requested. Further, SLED requested to remain at its current certification levels.

- b. Department of Transportation (for a period of three years): supplies, \$1,000,000\* per commitment; services, \$500,000\* per commitment; consultant services, \$100,000\* per commitment; information technology, \$100,000\* per commitment; construction services, \$500,000\*\* per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

\*Total potential purchase commitment whether single or multi-term contracts are used.

\*\*DOT requested lower construction certification levels because it does not need the higher dollar levels.

The audit confirms DOT's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications requested. Further, DOT requested to remain at its current certification levels except for an increase in consultation services.

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BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant the following procurement certification within parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi- year contracts are used) for the following agencies:

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AGENCY: Division of Procurement Services

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SUBJECT: Procurement Audits and Certifications

- a. South Carolina Law Enforcement Division (for a period of three years): supplies and services, \$100,000\* per commitment; information technology, \$100,000\* per commitment; consultant services, \$100,000\* per commitment.

\*Total potential purchase commitment whether single or multi-term contracts are used.

- b. Department of Transportation (for a period of three years): supplies, \$1,000,000\* per commitment; services, \$500,000\* per commitment; consultant services, \$100,000\* per commitment; information technology, \$100,000\* per commitment; construction services, \$500,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

\*Total potential purchase commitment whether single or multi-term contracts are used.

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ATTACHMENTS:

Agenda item worksheets and attachments

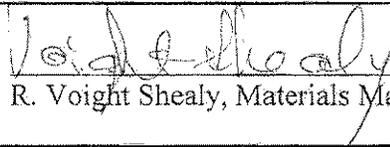
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting scheduled for: August 8, 2012

Blue Agenda

1. Submitted by:

- (a) Agency: Division of Procurement Services
- (b) Authorized Official Signature:

  
 R. Voight Shealy, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Law Enforcement Division

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the South Carolina Law Enforcement Division and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$100,000 Per Commitment	*\$100,000 Per Commitment
II. Information Technology	*\$100,000 Per Commitment	*\$100,000 Per Commitment
III. Consultant Services	*\$100,000 Per Commitment	*\$100,000 Per Commitment

\*Total potential purchase commitment whether single year or multi-term contracts are used.

The audit confirms SLED's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications requested. Further, SLED requested to remain at its current certification levels.

4. What is Board asked to do?

Grant procurement certification for the South Carolina Law Enforcement Division by approval of the Blue Agenda.

5. What is recommendation of Board division involved? Approve.

6. Recommendation of other office (as required)?

- (a) Authorized Signature: \_\_\_\_\_
- (b) Division/Agency Name: \_\_\_\_\_

7. List of supporting documents:

- (a) Section 11-35-1210 of the Consolidated Procurement Code

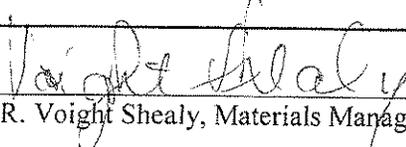
**BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET**

Meeting scheduled for: August 8, 2012

Blue Agenda

**1. Submitted by:**

- (a) Agency: Division of Procurement Services
- (b) Authorized Official Signature:

  
R. Voight Shealy, Materials Management Officer

**2. Subject:** Procurement Certification for the Department of Transportation

**3. Summary Background Information:**

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the Department of Transportation and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies	*\$ 1,000,000 Per Commitment	*\$1,000,000 Per Commitment
II. Services	*\$ 500,000 Per Commitment	*\$ 500,000 Per Commitment
III. Consultant Services	*\$ 50,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
V. Construction Services	\$10,000,000 Per Commitment	**\$ 500,000 Per Commitment
VI. Construction Contract Change Order	25% of initial Construction contract, aggregate amount	\$ 100,000 Per Change Order
VII. Architect/Engineer Contract Amendment	25% on initial Architect/Engineer contract, aggregate amount	\$ 25,000 Per Amendment

\*Total potential purchase commitment whether single year or multi-term contracts are used.

\*\*DOT requested lower construction certification levels because it does not need the higher dollar levels.

The audit confirms DOT's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications requested. Further, DOT requested to remain at its current certification levels except for an increase in consultant services.

**4. What is Board asked to do?**

Grant procurement certification for the Department of Transportation by approval of the Blue Agenda.

**5. What is recommendation of Board division involved?** Approve.

**6. Recommendation of other office (as required)?**

- (a) Authorized Signature: \_\_\_\_\_
- (b) Division/Agency Name: \_\_\_\_\_

**7. List of supporting documents:** Section 11-35-1210 of the Consolidated Procurement Code

## South Carolina Consolidated Procurement Code

### Auditing and Fiscal Reporting

#### § 11-35-1210. Certification

- (1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) Policy. Authorizations granted by the board to a governmental body are subject to the following:
  - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
  - (b) responsiveness to user needs;
  - (c) obtaining of the best prices for value received.
- (3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

STATE BUDGET AND CONTROL BOARD  
MEETING OF AUGUST 8, 2012

BLUE AGENDA  
ITEM NUMBER 4

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AGENCY: Division of Human Resources

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SUBJECT: Appointment of State Employee Grievance Committee Members

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. The Division of Human Resources recommends the reappointment of the following members for three year terms: Glenise Elmore, Ami Franklin, Christopher Johnson, Michael Jones, Florence McCants, Gerald Murphy, David Slimmer and Leroy Taylor.

Agencies have submitted nominations, and the Division of Human Resources recommends the appointment of the following new members: Patricia Butler, Department of Insurance; Terri McGee, Department of Natural Resources; Kenneth Norris, Vocational Rehabilitation; and Anne Wolf, Lt. Governor's Office. Ms. Butler will serve the remaining two year of a resignee's uncompleted term. Ms. McGee, Dr. Norris and Ms. Wolf will serve the remaining one year of three resignees' uncompleted terms.

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BOARD ACTION REQUESTED:

Approve the recommended appointments of State Employee Grievance Committee members to be effective when training by the Division of Human Resources is completed.

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ATTACHMENTS:

Agenda item worksheet; Section 8-17-340 (A) of the S.C. Code of Laws, 1976

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

Blue Agenda  
 Regular Session  
 Executive Session

August 8, 2012

1. Submitted by: (a) Agency: Human Resources Division

(b) Authorized Official Signature

*Samuel L. Wilkins*

2. Subject: Appointment of State Employee Grievance Committee Members

3. Summary Background Information:

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. The Human Resources Division recommends the reappointment of the following members for three year terms: Glenise Elmore, Ami Franklin, Christopher Johnson, Michael Jones, Florence McCants, Gerald Murphy, David Slimmer and Leroy Taylor.

Agencies have submitted nominations, and the Human Resources Division recommends the appointment of the following new members: Patricia Butler, Department of Insurance; Terri McGee, Department of Natural Resources; Kenneth Norris, Vocational Rehabilitation; and Anne Wolf, Lt. Governor's Office. Ms. Butler will serve the remaining two year of a resignee's uncompleted term. Ms. McGee, Dr. Norris and Ms. Wolf will serve the remaining one year of three resignees' uncompleted terms.

4. What is Board asked to do?

To approve the recommended appointments to be effective when training by the Human Resources Division is completed.

5. What is recommendation of the Board division involved?

Approval of the recommended appointments.

6. Recommendation of other office (as required)?

Office Name \_\_\_\_\_

Authorized  
Signature \_\_\_\_\_

7. Supporting Documents:

List those attached:

List those not attached but available:

(1) Section 8-17-340 (A) of the S.C. Code of Laws, 1976

(1) Letters for Reappointment

(2) Letters of Nomination

**SECTION 8-17-340.** State Employee Grievance Committee; hearings; procedures; appeals.

(A) There is created the State Employee Grievance Committee constituted and appointed to serve as an administrative hearing body for state employee appeals. The State Human Resources Director shall forward to the committee for a hearing all appeals which meet jurisdictional requirements and relate to the following adverse employment actions: terminations, salary decreases based on performance, demotions, suspensions for more than ten days, and reductions in force when the State Human Resources Director determines there is a material issue of fact regarding inconsistent or improper application of the agency's reduction in force plan or policy. The committee shall consist of at least eighteen and not more than twenty-four members who must be appointed by the State Budget and Control Board to serve for terms of three years and until their successors are appointed and qualify. All members of the committee must be selected on a broadly representative basis from among the personnel of the various state agencies as recommended by the agency head.

The committee annually shall elect a chairman from among its members to serve for a one-year term. In addition, the State Human Resources Director may divide the committee into panels of five members to sit at hearings and designate a member to serve as the presiding officer and a member to serve as secretary at all panel hearings. A quorum of a panel consists of at least three members.

Vacancies occurring for a reason other than expiration of a term must be filled by the State Budget and Control Board in the same manner as the original appointments. Members may be reappointed for succeeding terms at the discretion of the State Budget and Control Board. The committee and the State Human Resources Director may recommend to the State Budget and Control Board that it promulgate regulations as necessary to carry out the provisions of this article and the board is authorized to promulgate these and other necessary regulations.

Committee members shall receive their normal pay for the time they are required to be away from their regular assignments. They may be reimbursed as provided by law from funds appropriated to the State Budget and Control Board for expenses, such as meals, lodging, and mileage, when using their personal automobiles, incurred in connection with the performance of necessary committee business.

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AGENCY: Public Employee Benefit Authority

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SUBJECT: South Carolina Deferred Compensation Commission Appointments

According to SC Code of Laws Ann. 8-23-20, members of the South Carolina Deferred Compensation Commission are appointed for three-year terms (and until their successors are appointed and qualify) by the State Budget and Control Board.

The terms of three members of the South Carolina Deferred Compensation Commission expire this month:

- State Employee – Dale M. Rhodes, CPA
- State Employee – Peggy G. Boykin, CPA
- Retired Public Employee – Mary M. Greene

All three members are seeking re-appointment to the Commission at this time. It is understood that the terms of these members (and all remaining members of the Commission) will expire on December 31, 2013, in accordance with the amendment to SC Code of Laws Ann. 8-23-20 that takes effect January 1, 2014, when PEBA takes over responsibility for the Deferred Compensation Program.

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BOARD ACTION REQUESTED:

Appoint three members to the South Carolina Deferred Compensation Commission.

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ATTACHMENTS:

Agenda item worksheet; List of current Commission members; SC Code of Laws Ann. 8-23-20

**BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET**

For meeting scheduled for:  
August 8, 2012

**Blue Agenda**  
 **Regular Session**  
 **Executive Session**

**1. Submitted by:**

- a. Agency: PEBA
- b. Authorized Official Signature

  
William M. Blume, Jr., CPA, Director

**2. Subject:**

South Carolina Deferred Compensation Commission Appointments

**3. Summary Background Information:**

According to SC Code of Laws Ann. 8-23-20, members of the South Carolina Deferred Compensation Commission are appointed for three-year terms (and until their successors are appointed and qualify) by the State Budget and Control Board.

The terms of three members of the South Carolina Deferred Compensation Commission expire this month:

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**4. What is Board asked to do?**

Appoint three members to the South Carolina Deferred Compensation Commission.

**5. What is recommendation of the Board division involved?**

Appoint three members to the South Carolina Deferred Compensation Commission.

**6. Recommendation of other office (as required)?**

<b>Office Name</b> _____	<b>Authorized Signature</b> _____
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**7. Supporting Documents:**

**List those attached:**

List of current Commission members  
SC Code of Laws Ann. 8-23-20

**List those not attached but available:**

**SECTION 8-23-20.** Deferred Compensation Commission established; investments.

A Deferred Compensation Commission is established consisting of eight members including the director of the South Carolina Retirement System, chief investment officer of the State Retirement System Investment Commission, and the executive director of the State Employees' Association, each of whom serve ex officio, and five other public employees to be appointed by the State Budget and Control Board, at least two of whom must be state employees and one must be a retired public employee. The appointed members shall serve for terms of three years and until their successors are appointed and qualify. The State Budget and Control Board shall designate the chairman.

**Deferred Compensation Commission Member List**

<b>Commissioner Information</b>	<b>Term Expiration</b>	<b>Type</b>
<b>William M. Blume, Jr., CPA</b> <b>Director</b> S.C. Retirement Systems P.O. Box 11960 Columbia, S.C. 29211 <a href="mailto:wblume@retirement.sc.gov">wblume@retirement.sc.gov</a>	Permanent	(Ex Officio)
<b>Carlton Washington</b> <b>Executive Director</b> S.C. State Employees Association P.O. Box 8447 Columbia, S.C. 29202 <a href="mailto:mwashington3@sc.rr.com">mwashington3@sc.rr.com</a> (personal) <a href="mailto:cwashington@scsea.com">cwashington@scsea.com</a> <a href="mailto:scsea@scsea.com">scsea@scsea.com</a>	Permanent	(Ex Officio)
<b>Mr. Hershel Harper, Jr., CFA</b> <b>Chief Investment Officer</b> <b>South Carolina Retirement</b> <b>System Investment Commission</b> Capitol Center 1201 Main Street, Suite 1510 Columbia, SC 29201 (Office) 737-5901 <a href="mailto:hharper@ic.sc.gov">hharper@ic.sc.gov</a>	Permanent	(Ex Officio)
<b>Mr. Dale M. Rhodes</b> <b>Director of Finance</b> SC Education Lottery PO Box 11949 Columbia, S.C. 29211-1949 <a href="mailto:dale.rhodes@sclot.com">dale.rhodes@sclot.com</a> (803) 667-2822	8-2012	(State Employee)

<b>Mr. Harry Tom Cone</b> 108 Deerglade Court Lexington, S.C. 29072-8048 <a href="mailto:htc@scstatehouse.net">htc@scstatehouse.net</a> <a href="mailto:tomcone@scstatehouse.gov">tomcone@scstatehouse.gov</a> (803)212-4500 (cell) 803-609-2010	8-2013	(Retired State Employee)
<b>Ms. Mary M. Greene</b> 120 Woodrow Street Columbia, South Carolina 29205 <a href="mailto:greenegrassroots@aol.com">greenegrassroots@aol.com</a> (803) 771-7347 (office & home) (803) 463-9257 (cell)	8-2012	(Retired Public Employee)
<b>Ms. Peggy G. Boykin, CPA</b> 156 Morning Lake Drive Lexington, SC 29072 <a href="mailto:boykinp@cofc.edu">boykinp@cofc.edu</a> <a href="mailto:wildhawk5@aol.com">wildhawk5@aol.com</a> (personal)	8-2012	(State Employee)
<b>Mr. Brett A. Dalton</b> <b>VP for Finance and Operations</b> Clemson University G-06 Sikes Hall Box 345302 Clemson, SC 29634-5302 (Office) 864-656-2421 (Cell) 864-884-1530 <a href="mailto:dbrett@clemson.edu">dbrett@clemson.edu</a>	8-2013	(State Employee)

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The projects require approval under State law. Ceiling allocation requests are included in a separate agenda item.

- a. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$3,800,000 Economic Development Revenue Refunding Bonds (\$3,703,436 refunding involved)  
Allocation Needed: -0-  
Name of Project: All Saints' Episcopal Day School  
Employment Impact: maintain 48 jobs for All Saints' Episcopal Day School  
Project Description: refunding of Series 2007 Bond used to construct a multi-purpose building and a media and administration center for the borrower, and costs of issuance  
*Note:* *private sale*  
Bond Counsel: Benjamin T. Ziegler, Haynsworth Sinkler Boyd, P. A.
- b. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$10,000,000 Economic Development Revenue Bonds  
Allocation Needed: \$10,000,000  
Name of Project: BauschLinnemann North America, Inc.  
Employment Impact: maintain existing employment for 17 people and provide additional employment for 18 people within 12 months and approximately 24 people within 24 months, all within the county.  
Project Description: the proceeds of the bonds will be primarily used for the acquisition, construction and equipping of a facility in Horry County and to (i) defray the costs of the project; (ii) to pay capitalized interest, if any, on the bonds; (iii) fund the debt service reserve requirement, if any, with respect to the bonds; and (iv) pay certain costs of issuance with respect to the bonds.  
*Note:* *negotiated private sale*  
Bond Counsel: April C. Lucas, Nexsen Pruet, LLC
- c. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$100,000,000 Economic Development Revenue Bonds (\$49,200,000 refunding involved)  
Allocation Needed: -0-  
Name of Project: CareAlliance Helath Services, D/B/A Rooper St. Francis Healthcare  
Employment Impact: maintenance of approximately 5,300 employees

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

remaining callable portion of the Charleston County Revenue Bonds, Series 199A bonds and (2) to defray the cost of acquiring capital assets and undertaking capital improvements to its medical and office facilities.

*Note:* private sale

Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, P. A.

- d. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$15,000,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Coker College  
Employment Impact: maintain 180 jobs and add 9 jobs within 24 months  
Project Description: construct and equip a wellness center to replace current gymnasium and construct and equip new residence halls to accommodate enrollment growth.

*Note:* private sale

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.

- e. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$15,000,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: New Horizon Family Health Services, Inc.  
Employment Impact: maintain 150 jobs and add 24 in 12 months and 48 in 24 months  
Project Description: acquire land, a building or buildings, and necessary furnishings and equipment for a new health center in Greenville County

*Note:* private sale

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.

- f. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: N/E \$65,000,000 Industrial Revenue Bonds (\$65,000,000 refunding involved)  
Allocation Needed: -0-  
Name of Project: South Carolina Electric & Gas Company  
Employment Impact: maintaining approximately 651 jobs  
Project Description: refinance all or a portion of \$56,910,000 original principal amount South Carolina Jobs-Economic Development Authority Industrial Revenue Bonds, Series 2002A incurred to refinance certain air and water pollution control facilities and sewage and solid waste

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AGENCY: Executive Director

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SUBJECT: Revenue Bonds -- Continued

*Note:* facilities at the V. C. Summer plant in Fairfield Count.  
*private sale, for public reoffering thereafter*  
Bond Counsel: William M. Musser, McNair Law Firm, P. A.

- g. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: \$7,000,000 Multifamily Housing Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Columbiana Ridge  
Employment Impact: n/a  
Project Description: to finance a portion of the costs of acquiring and renovating a 180-unit apartment development located at 401 Columbiana Drive in the City of Columbia, Richland County  
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC
- h. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: N/E \$90,000,000 Mortgage Revenue Bonds (\$68,670,000 refunding involved)  
Allocation Needed: -0- (The Authority has sufficient carryforward ceiling allocation)  
Name of Project: Mortgage Revenue Bonds  
Employment Impact: n/a  
Project Description: Mortgage Revenue Bonds  
Bond Counsel: Rion D. Foley, McNair Law Firm, P. A.

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BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

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ATTACHMENTS:

Resolutions



**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$3,800,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE REFUNDING BOND (ALL SAINTS' EPISCOPAL DAY SCHOOL PROJECT) SERIES 2012, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Refunding Bond (All Saints' Episcopal Day School Project) Series 2012, in the aggregate principal amount of not exceeding \$3,800,000 (the "**Bond**") through private sale, which the Authority has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Budget and Control Board that the Bond will be placed by a financial institution through a private placement acceptable to the Authority;

**NOW, THEREFORE, BE IT RESOLVED**, by the State Budget and Control Board of the State of South Carolina, as follows:

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

**Section 2.** In consequence of the foregoing, the proposal of the Authority to issue the Bond through private sale be and the same is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.

## EXECUTIVE SUMMARY

**TO:** Paul Koch, Esq.  
State Budget and Control Board

**FROM:** Benjamin T. Zeigler

**DATE:** July 12, 2012

**RE:** Not Exceeding \$3,800,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Refunding Bond (All Saints' Episcopal Day School Project) Series 2012 (the "Bond")

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Pursuant to Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the "Act"), the South Carolina Jobs-Economic Development Authority (the "Authority") has the power to issue bonds through public or private sale in order to provide funds for any program authorized by the Act and to secure payment of such bonds. The Bonds are not an obligation of the Authority nor do they constitute an indebtedness of the Authority or the State of South Carolina but are payable solely from a revenue producing source and secured by a pledge of said revenues. The Act requires that the following language must be stated on the face of each Bond:

THIS BOND AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE ISSUER PURSUANT TO THE AGREEMENT AND FROM PAYMENTS ON THE BORROWER NOTE, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT THEREOF WHICH OBLIGATIONS CONSTITUTE AN INDEBTENESS PAYABLE ONLY FROM A REVENUE-PRODUCING PROJECT OR SPECIAL SOURCE WITHIN THE MEANING OF ARTICLE X, SECTION 13(9) OF THE CONSTITUTION OF THE STATE OF SOUTH CAROLINA, WHICH SOURCE DOES NOT INCLUDE REVENUES FROM ANY TAX OR LICENSE. THIS BOND AND THE INTEREST HEREON DO NOT AND SHALL NEVER CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER OR OF THE STATE OF SOUTH CAROLINA WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR THE STATE OF SOUTH CAROLINA OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER OR THE STATE OF SOUTH CAROLINA OR AGAINST THE TAXING POWER OF THE STATE OF SOUTH CAROLINA. THE ISSUER DOES NOT HAVE TAXING POWER.

The Bond will be issued to refund the \$4,400,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bond (All Saints' Episcopal Day School Project) Series 2007, of which \$3,703,436 is currently outstanding. A refunding of the bond would result in significant debt service savings as the interest proposed by Branch Banking and Trust Company for the refunding bond (3.85%) is substantially lower than the rate borne by the bond (4.85%).

Because these savings are rate sensitive, the Borrower would like to close the refunding bond in September following final approval by the Authority.

Summary of Refinancing Proposal for

PRELIMINARY – SUBJECT TO CHANGE

July 12, 2012

Outstanding bonds proposed to be refinanced	\$4,400,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bond (All Saints' Episcopal Day School Project) Series 2007, of which \$3,703,436 is currently outstanding (principal maturing from 9/18/12 through 12/18/27)
Average interest rate of bonds refinanced	4.85%
Projected average interest rate of refinancing bonds	3.85%
True interest cost of refinancing bonds	3.85%
Projected savings (net of costs)	\$273,370.89
Projected savings as a percentage of the bonds refinanced	7.3815%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	1.21% for the refinancing bonds 16.64% for the refinancing savings
Underwriting	\$5,000
Legal fees – bond, disclosure and general counsel	\$30,000
Rating agency fees	0
Advisory fees	0
Bond trustee/registrar	
Accounting and verification	0
Credit enhancement/bond insurance	\$4,500 (title insurance)
Publication, printing, contingencies and all other expenses	\$6,000 (JEDA fees)
Total	\$45,500

Prepared by: Benjamin T. Zeigler, Haynsworth Sinkler Boyd, P.A. (Bond Counsel)  
Date: July 12, 2012

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH A NEGOTIATED PRIVATE SALE OF NOT EXCEEDING \$10,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (BAUSCHLINNEMANN NORTH AMERICA, INC. PROJECT) SERIES 2012, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF SOUTH CAROLINA CODE (1976), AS AMENDED, AND SPECIFICALLY SECTION 41-41-110 THEREOF.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Title 41, Chapter 43 of South Carolina Code (1976), as amended, and specifically Section 41-43-100 thereof, (the "Act") requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Bauschlinnemann North America, Inc. Project), from time to time in one or more series in the aggregate principal amount of not exceeding \$10,000,000 (the "Bonds") through negotiated private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be limited obligations of the Authority payable solely from loan repayments received by the Authority from Bauschlinnemann North America, Inc., a North Carolina corporation, and that one or more financial institutions acceptable to the Authority shall purchase the Bonds in a negotiated private sale or sales or issue a letter of credit enhancement to secure Bonds which are sold by a placement agent of underwriter pursuant to a negotiated private sale for public or private reoffering thereafter.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a negotiated private sale or sales, be and the same is hereby in all respects approved, including changes in the details of said financing which do not materially affect the undertaking of the Authority.

Section 3. This Resolution shall take effect immediately.

*cb.*

Via Electronic Delivery

July 23, 2012

Delbert Singleton, Jr.,  
Assistant Executive Director and Secretary  
South Carolina Budget & Control Board  
Post Office Box 12444  
Columbia, SC 29211

Re: Not Exceeding \$10,000,000 Aggregate Principal Amount South  
Carolina Jobs-Economic Development Authority Economic  
Development Revenue Bonds (BauschLinnemann North America,  
Inc. Project)

Dear Delbert:

As you have requested in recent bond transactions, I am writing to provide you with an executive summary of the above-referenced bond transaction. We submitted the transmittal package to your office earlier this afternoon.

**Issuer:** South Carolina Jobs-Economic Development Authority  
("JEDA").

**Authority:** Authority for issuance of bonds by JEDA and approval by the State Budget and Control Board (the "Board") at Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended (the "State Code"), particularly §41-43-110 thereof.

Interest on bonds is expected to be excludable from gross income for federal tax purposes pursuant to §144(a) of Internal Revenue Code of 1986, as amended (the "IRC"), which pertains to solid waste disposal bonds.



Authority for allocation of State Ceiling for Private Activity Bonds at §146(f) of the IRC; §§1-11-500 *et seq.* of the State Code and §19.103 of Board Regulations.

**Repayment Source:**

Payments by Borrower under Loan Agreement between Authority and Borrower.

**Borrower:**

BauschLinnemann North America, Inc., a North Carolina corporation qualified to do business in South Carolina, to be located at Harrelson Blvd., TMS # 180-00-02-136, Myrtle Beach, South Carolina 29577. One or more affiliated companies may own a portion of the project assets and/or become a co-borrower or guarantor.

**Principal Contact:**

Bernhard Dupmeier, Chief Financial Officer and Executive Vice President.

**Purpose:**

The bonds will be issued to fund manufacturing facilities which will primarily produce paper-based, electron-beam cured laminates for the furniture, cabinet and store fixtures industries.

**Bond Placement:**

It is anticipated that the Borrower will arrange for a financial institution to purchase the Bonds pursuant to a negotiated private sale or to issue a letter of credit to secure Bonds which are sold by a placement agent or underwriter pursuant to a negotiated private sale for public or private reoffering thereafter. Bonds may be issued from time to time in one or more series.

**Allocation from 2012 State Ceiling For Private Activity Bonds:**

The Issuer and Borrower are requesting that the Board approve an allocation of the State Ceiling for Private Activity Bonds for 2012.

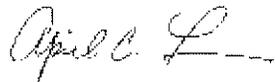
Delbert, we are still negotiating with the Company's lender. Ordinarily, we would wait until final sizing and completion of the tax analysis and placement arrangements to request approval and ceiling allocation by the Board. However, it is our understanding that there is very little demand for the substantial amounts of volume

Delbert Singleton, Jr.,  
July 23, 2012  
Page 3

cap remaining for calendar year 2012, and the Company anticipates that it will complete its negotiations and proceed to closing rapidly. Accordingly, we would appreciate anything you can do to add this matter to the agenda for the Board's August meeting.

Under these circumstances, we hereby request Board approval for the issuance of the Bonds at a negotiated private sale, allocation of the State Ceiling for Private Activity Bonds for 2012. If you have any questions, please do not hesitate to call.

Best regards,

A handwritten signature in cursive script that reads "April C. Lucas". The signature is written in dark ink and is positioned above the typed name.

April C. Lucas

ACL/acl

cc: Harry Huntley  
Joe Lucas  
A. Daniel Young  
Bernhard Dupmeier  
F. Richard Harmon, Jr.

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$100,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (CAREALLIANCE HEALTH SERVICES D/B/A ROPER ST. FRANCIS HEALTHCARE) IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE OF LAWS 1976, AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Refunding Revenue Bonds or Notes (CareAlliance Health Services D/B/A Roper St. Francis Healthcare) in one or more series and in one or more years in the aggregate principal amount of not exceeding \$100,000,000 (the "*Bonds*") through private sale, which the Authority has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Budget and Control Board that the Bonds will be sold by the Authority through a negotiated private sale to a financial institution;

**NOW, THEREFORE, BE IT RESOLVED**, by the State Budget and Control Board of the State of South Carolina, as follows:

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

**Section 2.** In consequence of the foregoing, the proposal of the Authority to issue the Bonds in one or more series and in one or more years through private sale be and the same is hereby in all respects approved.

**Section 3.** The series designations of each series of the Bonds shall reflect the year of issuance of such series of the Bonds.

**Section 4.** This Resolution shall take effect immediately.

Summary of Refinancing Proposal for  
Roper St. Francis Healthcare

PRELIMINARY – SUBJECT TO CHANGE

July 20, 2012

Outstanding bonds proposed to be refinanced	The \$49,200,000 term bond with a maturity of August 15, 2028 of the \$145,910,000 Charleston County, South Carolina Revenue Bonds, Series 1999A (CareAlliance Health Services)
Average interest rate of bonds refinanced	5.00%
Projected average interest rate of refinancing bonds	2.721%
True interest cost of refinancing bonds	2.729%
Projected net present value savings (net of costs)	\$10,094,000
Projected net present value savings as a percentage of the bonds refinanced	20.52%
*Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	.0046% of refinancing bonds .0223% of (npv) savings
Underwriting	\$118,800
Legal fees – bond, disclosure and general counsel	\$200,000
Rating agency fees	0
Advisory fees	\$40,000
Bond trustee/registrar	\$2,500
Accounting and verification	0
Credit enhancement/bond insurance	0
Publication, printing, contingencies and all other expenses	\$2,500
*Total	\$363,800

\*The estimated costs are for both refunding the callable portion of the Series 1999A Bonds and for the new money borrowing. The percentages are based on 62% of the costs because 62% of the proceeds will be used to accomplish the refunding.

Prepared by: Jeremy L. Cook/Haynsworth Sinkler Boyd, P.A.  
Date: July 20, 2012

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$15,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (COKER COLLEGE) SERIES 2012, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Coker College) Series 2012, in the aggregate principal amount of not exceeding \$15,000,000 (the "*Bonds*"), through private sale which the Authority has determined to be most advantageous; and

**WHEREAS**, the Authority represents to the State Budget and Control Board that the Bonds will be sold to a financial institution through a private placement acceptable to the Authority;

**NOW, THEREFORE, BE IT RESOLVED**, by the State Budget and Control Board of the State of South Carolina, as follows:

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

**Section 2.** In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to a financial institution be and the same is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.

d.

**A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$15,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (NEW HORIZON FAMILY HEALTH SERVICES, INC. PROJECT) SERIES 2012, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 11, CHAPTER 43 (1976), AS AMENDED.**

**WHEREAS**, the South Carolina Jobs-Economic Development Authority (the "**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "**Act**"), requested approval by the State Budget and Control Board (the "**Board**") of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (New Horizon Family Health Services, Inc. Project) Series 2010 (the "**Series 2010 Bonds**"), in the aggregate principal amount of not exceeding \$15,000,000, through private sale which the Authority has determined to be most advantageous; and

**WHEREAS**, the Board approved the issuance of the Series 2010 Bonds on November 22, 2010; and

**WHEREAS**, New Horizon Family Health Services, Inc. has acquired land from the Greenville Hospital System to construct the Project (as described in the Petition being submitted herewith) and wishes to proceed with the issuance by the Authority of its Economic Development Revenue Bonds (New Horizon Family Health Services, Inc. Project) Series 2012 (the "**Bonds**") for the Project; and

**WHEREAS**, the Authority represents to the Board that the Bonds will be placed by a financial institution through a private placement acceptable to the Authority;

**NOW, THEREFORE, BE IT RESOLVED**, by the State Budget and Control Board of the State of South Carolina, as follows:

**Section 1.** It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

**Section 2.** In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to a financial institution be and the same is hereby in all respects approved.

**Section 3.** This Resolution shall take effect immediately.

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE (FOR PUBLIC REOFFERING THEREAFTER) OF NOT EXCEEDING \$65,000,000 AGGREGATE PRINCIPAL AMOUNT INDUSTRIAL REVENUE BONDS (SOUTH CAROLINA ELECTRIC & GAS COMPANY PROJECT) SERIES 2012, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 Code of Laws of South Carolina 1976, as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Industrial Revenue Bonds (South Carolina Electric & Gas Company Project), Series 2012, in the aggregate principal amount of not exceeding \$65,000,000 (the "Bonds") through private sale, for public reoffering thereafter, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be sold through a private sale, for public reoffering thereafter, acceptable to the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale, for public reoffering thereafter, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.



Summary of Refinancing Proposal for  
 South Carolina Electric & Gas Company Project  
 Proposed Series 2012A Refunding of Series 2002A (Non-AMT)  
 7/18/2012

Outstanding bonds proposed to be refinanced

- Series 2002A Industrial Revenue Bonds outstanding in the amount of \$56,910,000 (Non-AMT)
- Final (Bullet) Maturity 11/1/2027, callable 11/1/2012 at par
- The 2002A Bonds were issued through SC JEDA

Average interest rate of bonds refinanced	5.20%
Projected average interest rate of refinancing bonds	3.87%
True interest cost of refinancing bonds	3.96% All in TIC
Projected net present value savings (net of costs)	\$7,932,218.69
Projected net present value savings as a percentage of the bonds refinanced	13.938181%

Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	\$620,000 (1.1% of Par Amount, or 7% of refunded bond savings)
Underwriting	\$300,000
Legal fees – bond, disclosure and general counsel	\$185,000
Rating agency fees	\$50,000
Advisory fees	\$--
Bond trustee/registrar	\$9,000
Accounting and verification	\$--
Credit enhancement/bond insurance	\$--
Publication, printing, contingencies and all other expenses	\$4,000
	\$72,000 (SCJEDA - Issuer Fee)
<b>Total</b>	<b>\$620,000</b>

Prepared by  
 Date 7/18/2012

## A RESOLUTION

### GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (COLUMBIANA RIDGE PROJECT)

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act") provides that, upon the approval of the State Budget and Control Board (the "Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time bonds for the purpose of obtaining funds with which to make permanent mortgage loans to housing sponsors who agree to and shall be required to provide for construction or rehabilitation of residential housing for rental by persons or families of either beneficiary class (as defined in the Act) (the "Beneficiary Class"); provided, however, that with respect to any particular issue of bonds, one of the following conditions must be met: (a) if there is a public distribution of the bonds, the issue must be rated by one or more of the national rating agencies, and one or more of the following conditions must be met: (i) there must be in effect a federal program providing assistance in repayment of such loans; or (ii) the proceeds must be used to acquire either federally insured mortgage loans or mortgage loans insured by a private mortgage insurer authorized to do business in the State of South Carolina; or (iii) the payment of the bonds to the purchasers and holders of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the Board; or (b) if the bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgage or other security agreement in transactions with banks, institutional buyers, or other nonregistered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina 1976, as amended, the documents pursuant to which the bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the bonds; and

WHEREAS, the Authority has presented to the Board its Petition dated July 13, 2012 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds.

### NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition, including the exhibits attached thereto.

Section 2. Subject to the conditions set forth in Section 3, approval is hereby granted by the Board to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Columbiana Ridge) in the principal amount not to exceed \$7,000,000.

*g.*

Section 3. The approval of the Board is hereby conditioned on the following:

(a) The approval of the State Treasurer of the interest rate on the Bonds and of the form and substance of such documents as he deems necessary therefor;

(b) Prior to the issuance of the Bonds the Authority shall have provided to the State Treasurer, to the extent not previously provided, the information required to be submitted to the Board by the provisions of Section 31-13-220, to wit:

- (i) the principal amount of the Bonds to be issued;
- (ii) the maturity schedule of the Bonds to be issued;
- (iii) a schedule showing the annual debt service requirements of all outstanding notes and bonds of the Authority;
- (iv) a schedule showing the amount and source of revenues available for the payments of debt service on said bonds;
- (v) the method to be employed in selling the Bonds.

(c) The State Treasurer shall find and determine that the funds estimated to be available for the repayment of the Authority's notes and bonds, including the Bonds, will be sufficient to provide for the payment of the principal and interest thereon;

(d) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs, and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing, and all disbursements shall be paid by the Housing Sponsors (as defined in the Petition); and

(e) The final approval by the Governor as the elected official of the State of South Carolina for purposes of Section 142(f) of the Internal Revenue Code of 1986, as amended.

Section 4. This Resolution shall take effect immediately upon its adoption.

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

**APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY MORTGAGE REVENUE BONDS, SERIES 2012 A (TAX-EXEMPT AND/OR TAXABLE) OR SUCH OTHER NUMBERING CONVENTION AS MAY BE NECESSARY**

**WHEREAS**, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Budget and Control Board of South Carolina (the "State Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds, the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and/or to refund any such bonds of the Authority; and

**WHEREAS**, the Authority heretofore on September 13, 1994, adopted a General Resolution for the issuance of South Carolina State Housing Authority Mortgage Revenue Bonds to provide money for mortgage loans to the beneficiary classes and/or to refund any such bonds of the Authority and afterwards issued multiple series of its bonds pursuant to said General Resolution (the "General Resolution"); and

**WHEREAS**, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of additional Authority Mortgage Revenue Bonds in one or more series, which may include long-term tax-exempt bonds and/or long-term taxable bonds not requiring additional State Ceiling (the "Series 2012 A Bonds") or such other numbering convention as may be necessary, in an aggregate amount not to exceed \$90,000,000, with the final amount to be determined on the basis of the apparent demand for mortgage loans to be made directly (or indirectly through mortgage backed securities) with the proceeds of the Series 2012 A Bonds and when a determination of the appropriate amount of bonds of the Authority for refunding can be made; and

**WHEREAS**, it is anticipated that the Series 2012 A Bonds will be sold to underwriters (the "Underwriters") headed by Citigroup Global Markets Inc. bearing interest at competitive rates; and

**WHEREAS**, such sale shall be made pursuant to a purchase contract between the Authority and the Underwriters (the "Purchase Contract"); and

**WHEREAS**, the State Board has given due consideration to the proposed undertaking of the Authority and wishes to give approval to the issuance and sale of the Series 2012 A Bonds, subject to the conditions set forth herein.

**NOW, THEREFORE BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:**

**Section 1.** Subject to the conditions set forth herein, approval is hereby granted by the State Board to the issuance and sale by the Authority of not exceeding \$90,000,000 South Carolina State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2012 A or such other numbering convention as may be necessary.



The Series 2012 A Bonds shall be secured by the General Resolution and shall be further secured by, and subject to such terms and conditions as shall be set forth in, a supplemental resolution or resolutions which shall hereafter be adopted by the Authority.

**Section 2.** The approval is granted provided that the Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the purpose and the principal amount of the Series 2012 A Bonds to be issued;
- (b) the maturity schedule of the Series 2012 A Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds of the Authority; and
- (e) the method to be employed in selling the Series 2012 A Bonds

**Section 3.** The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall approve the principal amount of the Series 2012 A Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (c) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the Series 2012 A Bonds;
- (d) The State Treasurer shall approve the form and substance of a supplemental resolution or supplemental resolutions setting forth the terms and conditions of the Series 2012 A Bonds;
- (e) The State Treasurer shall approve the terms and conditions of the Purchase Contract; and
- (f) The State Treasurer shall approve, upon determination that the funds anticipated to be available for the payment of the Authority's bonds, including the Series 2012 A bonds, will be sufficient to provide for the payment of principal and interest thereon.

**Section 4.** Approval is granted to the undertaking of the Authority to make mortgage loans directly (or indirectly through mortgage backed securities) to members of the beneficiary classes to enable such borrower to acquire single family homes with all available proceeds from the Series 2012 A Bonds and/or to refund any such bonds of the Authority.

Summary of Refinancing Proposal for  
 South Carolina Housing Finance and Development Authority  
 Mortgage Revenue Bonds, Series 2012 A (Tax-Exempt And/or Taxable)

PRELIMINARY – SUBJECT TO CHANGE

July 12, 2012

Range of Bond Issues:	Taxable Bond Refunding Only	Tax Exempt Refunding with New Money Tax Exempt Bonds
Final sizing determined by market conditions at time of offering		
Outstanding bonds proposed to be refinanced	Series 1997A-1,2,3 \$5,590,000 maturing in 2017 through 2029;  Series 1999A-1,2 \$3,710,000 maturing in 2019 through 2031;  Series 1999B-1,2 \$14,460,000 maturing 2015 through 2023;  Series 2000A-1,2 \$11,450,000 maturing 2015 through 2025;  Series 2001A-1,2 \$18,215,000 maturing 2013 through 2033;  Series 2002A \$15,245,000 maturing 2013 through 2034;	Same Refunded Bonds
Approximate New Money bonds	\$0	\$14,200,000
Total Bond Issuance	\$68,670,000	\$82,870,000
Average interest rate of bonds refinanced	5.547%	5.547%
Projected average interest rate of refinancing bonds	3.58%	3.35%
True interest cost of refinancing bonds <sup>(1.)</sup>	3.95%	3.84%
True interest cost of refinancing bonds <sup>(2.)</sup>	3.32%	3.56%
Projected net present value savings (net of costs) <sup>(2.)</sup>	\$5,090,532	\$2,874,307
Projected net present value savings as a percentage of the bonds refinanced <sup>(2.)</sup>	7.41%	4.19%

*h,*

Estimated costs (costs as a percentage of refinancing bonds)	1.05%	1.06%
Estimated costs (costs as a percentage of refinancing savings) <sup>(2.)</sup>	14.14%	30.44%
Underwriting	\$472,837	\$594,416
Legal fees – bond, disclosure and general counsel (including expenses)	\$125,173	\$150,023
Rating agency fees	\$25,236	\$30,455
Advisory fees (including expenses)	\$55,000	\$55,000
Cash Flow Structuring fees	\$18,500	\$18,500
Bond trustee/registrar	\$10,168	\$10,601
Accounting and verification	\$0	\$0
Credit enhancement/bond insurance	\$0	\$0
Publication, printing, contingencies and all other expenses	\$13,086	\$16,005
Total	\$720,000.00	\$875,000.00

Footnotes:

- 1) The first TIC calculation assumes no mandatory bond redemption, which is not typical for housing bonds.
- 2) Housing bonds differ from general obligation bonds in that they are subject to mandatory redemption at any time from repayments and prepayments of principal received on the underlying mortgage loans. In addition, the proposed bond structures include “Planned Amortization Class” bonds priced to include original issue premium. The so called “PAC” bonds have a higher coupon but a lower expected average yield because they are expected to be redeemed more rapidly resulting in a shorter average life. To adequately measure the yield on housing bonds, it is therefore important to apply a reasonably expected prepayment rate on the underlying mortgage loans. The estimates of yield and net present value provided assume expected mandatory bond redemption resulting from 200% PSA prepayment rate on the pledged mortgage loans.

Prepared by: Robert J. Detjen & Kathy Li  
CSG Advisors Incorporated

Date: July 2, 2012

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AGENCY: Executive Director

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SUBJECT: Economic Development (2012 Ceiling Allocations)

The initial balance of the 2012 state ceiling allocation is \$444,526,850. In accord with Code Section 1-11-520, \$177,810,740 (40% of the total) was designated as the state pool and \$266,716,110 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$424,526,850 remaining for 2012. Allocation requests for 2012 totaling \$42,500,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$10,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA BauschLinnemann North America, Inc., (Horry County), \$10,000,000.

If the Board approves the recommended request, this will leave an unexpended state ceiling balance of \$414,526,850 (state pool - \$177,810,740; local pool - \$236,716,110) to be allocated later in the calendar year.

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BOARD ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocation from the local:

JEDA BauschLinnemann North America, Inc., (Horry County), \$10,000,000.

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ATTACHMENTS:

2012 Ceiling Allocation Requests; Young 08/03/12 Memo; Code Section 1-11-500 et seq.

2012 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request Alloc. St.Law	Location	NOTES
1	02/13/12 JEDA	LowCounty BioMass, LLC	12,500,000	12,500,000	E. Tyler Smith	x	Jasper County	
2	04/16/12 JEDA	Viva Recycling of South Carolina, LLC	20,000,000	32,500,000	Kathy McKinney	x	Berkeley County	
3	07/23/12 JEDA	BauschLinnemann North America, Inc.	10,000,000	42,500,000	April Lucas	x	Henry County	

2012 South Carolina State Ceiling Allocations

Summary, CY 2012

2012 State Ceiling **444,526,850**  
 Initial Allocations 42,500,000  
 Expired/Relinquished 12,500,000  
 Actual Allocations **30,000,000**  
 Certified for Issue 0  
 Carried Forward 0

Balance Available: **414,526,850**

Issuer	Name of Project	Expiration	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
JEDA	LowCountry BioMass, LLC	6/4/12	12,500,000	12,500,000	expired		Smith
JEDA	Viva Recycling of South Carolina, LLC	8/7/12	20,000,000				McKinney
JEDA	BauschLinnemann North America, Inc.	11/6/12	10,000,000				Lucas

**2012 South Carolina State Ceiling**

**Balance remaining as of August 8, 2012, if ceiling allocation is granted**

State Pool (40%)	177,810,740
<u>Total State Pool (40%)</u>	<u>177,810,740</u>
Local Pool (60%)	266,716,110
<u>Total Local Pool (60%)</u>	<u>266,716,110</u>
<b>Certified State Ceiling 2012</b>	<b><u>444,526,850</u></b>

<u>Date Allocated</u>	<u>Governmental Unit</u>	<u>Name of Project</u>	<u>Pool Total</u>	<u>Amount Allocated</u>	<u>Balance Available</u>	<u>Certified for Issue</u>	<u>Issue Date</u>	<u>Attorney</u>
01/04/12	STATE POOL		177,810,740	0	177,810,740	0		
<b>TOTAL, STATE POOL</b>								
01/04/12	LOCAL POOL		266,716,110					
03/06/12	JEDA	LowCountry BioMass, LLC		0		0	expired	Smith
05/09/12	JEDA	Viva Recycling of South Carolina, LLC		20,000,000				McKinney
08/08/12	JEDA	BauschLinnemann North America, Inc.		10,000,000				Lucas
<b>TOTAL, LOCAL POOL</b>								
			266,716,110	30,000,000	236,716,110	0		
<b>GRAND TOTAL</b>								
			444,526,850	30,000,000	414,526,850	0		



Nikki R. Haley  
Governor

**SOUTH CAROLINA**  
DEPARTMENT OF COMMERCE

Robert M. Hitt III  
Secretary

**MEMORANDUM**

To: Delbert Singleton  
From: Daniel Young  
Date: August 3, 2012  
Re: Ceiling Allocation

Upon the request of the Budget & Control Board, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing the information provided by the law firm of Nexen Pruet, Commerce recommends approval of Economic Development bonds at the August 8, 2012, Budget & Control Board meeting for BauschLinnemann North America, Inc. The company is committing to create 24 new jobs within 24 months and invest \$10 million.

Name	Amount	Score	County
BauschLinnemann North America, Inc	\$10,000,000	2	Horry

Please let me know if you have any questions.

Thank you.

## ARTICLE 3.

### ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

#### **SECTION 1-11-500.** Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

#### **SECTION 1-11-510.** Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

#### **SECTION 1-11-520.** Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

#### **SECTION 1-11-530.** Authorized requests for allocation of bond limit amounts.

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

**SECTION 1-11-540.** Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

**SECTION 1-11-550.** Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

**SECTION 1-11-560.** Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

**SECTION 1-11-570.** Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

**SECTION 1-11-580.** Budget and Control Board to make quarterly payments on certain insurance contracts.

The Budget and Control Board shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the Budget and Control Board shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.

STATE BUDGET AND CONTROL BOARD  
MEETING OF August 8, 2012

BLUE AGENDA  
ITEM NUMBER 8

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AGENCY: Executive Director

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SUBJECT: Ceiling Allocation Reinstatement

On May 9, 2012, the Board granted a tentative ceiling allocation for the Viva Recycling of South Carolina, LLC, project in the amount of \$20,000,000 with an expiration date of August 7, 2012. The Jobs-Economic Development Authority (JEDA) has advised that it is likely that the bonds for which the allocation was granted will close toward the end of August 2012, after the August 7, 2012, expiration date. Should the allocation expire prior to the issuance of the bonds, JEDA requests that the allocation be reinstated in the amount of \$20,000,000 pursuant to S.C. Code of Laws Section 1-11-560(D) for a period of 30 consecutive calendar days from August 8, 2012. Section 1-11-560(D) provides, in part, that the Board “may reinstate for a period of not more than thirty one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously”. If the request to reinstate the allocation is granted by the Board, the reinstated allocation will expire on Friday, September 7, 2012, if the bonds are not issued on or before that date.

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BOARD ACTION REQUESTED:

In accord with Code Section 1-11-560(D), grant Jobs-Economic Development Authority’s request for a 30-day reinstatement of the ceiling allocation to Viva Recycling of South Carolina, LLC, from August 8, 2012, through September 7, 2012, in the amount of \$20,000,000.

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ATTACHMENTS:

Huntley 7/20/12 letter; Code Section 1-11-560(D)

PETER M. BROWN  
Chairman



HARRY A. HUNTLEY, CPA  
Executive Director

July 20, 2012

Delbert H. Singleton, Jr., Secretary  
State Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, South Carolina 29201

**Re: *Jobs-Economic Development Authority  
\$20,000,000 Solid Waste Disposal Facility Revenue Bonds  
Viva Recycling of South Carolina, LLC (formerly known as Tire  
International Environmental Solutions, Inc.) Project***

Dear Delbert:

On May 9, 2012, the Budget and Control Board ("Board") granted state ceiling allocation to the referenced project ("Viva Allocation"). I have attached a copy of the allocation certificate. Per Section 1-11-560(B) of the Code of Laws of South Carolina 1976, as amended ("Code"), the state ceiling allocation will expire automatically if the bonds for which the allocation was made are not issued within 90 consecutive calendar days from the date the allocation was approved by the Board. The expiration date for the Viva Allocation is August 7, 2012.

Section 1-11-560(C) of the Code permits an extension of the allocation expiration date for a period of up to 31 consecutive calendar days, so long as the total allocation period does not exceed 120 consecutive calendar days. However, such requests must be granted by the Board "acting during the period an approved allocation is valid." Because the allocation expires on August 7, 2012 and the Board does not meet until August 8, 2012, it is not possible to comply with the provisions of Section 1-11-560(C) of the Code.

While it is possible the bonds for which the Viva Allocation was granted ("Viva Bonds") will close prior to August 7, 2012, it is more likely that the Viva Bonds will close toward the end of August. Accordingly, to ensure the allocation is available for the Viva Bonds, we are hereby requesting, in the event the allocation expires on August 7, 2012, that the Board reinstate the allocation as permitted under Section 1-11-560(D) of the Code. Specifically, we request the Board's approval of the reinstatement of the Viva Allocation for a period of 30 consecutive calendar days at its August 8, 2012 meeting. Thereafter, the allocation would expire on Friday, September 7, 2012.

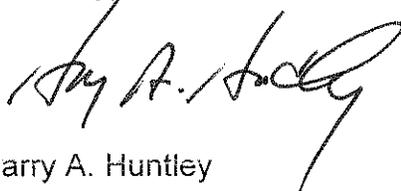
As required under Section 1-11-560(D) of the Code, we hereby certify that the authorized request for the Viva Allocation previously submitted is still true and correct.

Delbert Singleton  
Viva/Tire Project  
July 20, 2012  
Pg. 2

If the Viva Bonds are issued in advance of the August 7, 2012 expiration, we will notify you as required under Section 1-11-550 of the Code.

Thank you for your assistance and please let me know if you have any questions.

Sincerely,

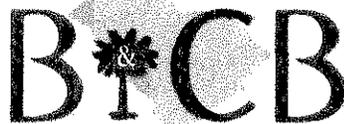
A handwritten signature in black ink, appearing to read "Harry A. Huntley". The signature is written in a cursive style with a large, sweeping flourish at the end.

Harry A. Huntley

NIKKI R. HALEY, CHAIR  
GOVERNOR

CURTIS M. LOFTIS, JR.  
STATE TREASURER

RICHARD ECKSTROM, CPA  
COMPTROLLER GENERAL



SC BUDGET AND CONTROL BOARD

Office of the Executive Director  
Marela S. Adams  
EXECUTIVE DIRECTOR

(803) 734-2320  
FAX: (803) 734-2117

May 9, 2012

HUGH K. LEATHERMAN, SR.  
CHAIRMAN, SENATE FINANCE  
COMMITTEE

W. BRIAN WHITE  
CHAIRMAN, HOUSE WAYS AND MEANS  
COMMITTEE

**C E R T I F I C A T E**  
**STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS**  
**(UNDER TAX REFORM ACT OF 1986)**  
**TENTATIVE ALLOCATION, CALENDAR YEAR 2012**

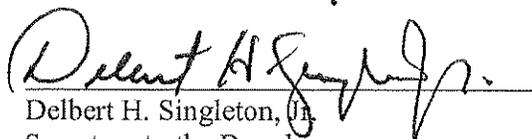
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TO:           Jobs-Economic Development Authority  
              \$20,000,000 Solid Waste Disposal Facility Revenue Bonds  
              Viva Recycling of South Carolina, LLC (formerly known as Tire International  
              Environmental Solutions, Inc.), Project

C/O:           Ray E. Jones, Esquire  
              Parker Poe Adams & Bernstein, LLP  
              P.O. Box 1509  
              Columbia, SC 29202-1509

In accord with Section 1-11-500 et seq. of the South Carolina Code of Laws, 1976, as amended, the State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 2012 only. It will expire on **August 7, 2012**, which is ninety (90) consecutive calendar days from the date the allocation was approved by the Board, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Code Section 1-11-550 requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

  
Delbert H. Singleton, Jr.  
Secretary to the Board

**SECTION 1-11-560.** Time limits on allocations.

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\* (D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

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