

South Carolina General Assembly
123rd Session, 2019-2020

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Bill 3411

~~Indicates Matter Stricken~~

Indicates New Matter

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AMENDED

May 12, 2020

H. 3411

Introduced by Reps. G.R. Smith, W. Newton, Funderburk, Willis, Anderson, Weeks, Erickson, Elliott, R. Williams, Wheeler, Young and Clemmons

S. Printed 5/12/20--H.

Read the first time February 5, 2019.

A BILL

TO MAKE APPROPRIATIONS AND TO PROVIDE REVENUES TO MEET THE ORDINARY EXPENSES OF STATE GOVERNMENT FOR THE FISCAL YEAR BEGINNING JULY 1, 2020, IN THE EVENT THAT THE GENERAL APPROPRIATIONS ACT FOR FISCAL YEAR 2020-2021 HAS NOT BEEN ENACTED BY THAT DATE, TO REGULATE THE EXPENDITURE OF SUCH FUNDS, AND TO FURTHER PROVIDE FOR THE OPERATION OF STATE GOVERNMENT.

Amend Title To Conform

Whereas, the most solemn duty of each member of the General Assembly is to exercise his or her constitutional duty to annually provide for the recurring expenses of our state's government; and

Whereas, the public health emergency associated with the 2019 Novel Coronavirus ("COVID-19") has made satisfying that duty more difficult this year, nevertheless, the General Assembly will not fail in its duty to the residents of South Carolina; and

Whereas, given the extraordinary challenges facing our State, our nation, and the world due to COVID-19, it is necessary to take emergency measures to combat the spread of this deadly virus; and

Whereas, by enacting this legislation the General Assembly is ensuring that the functions of our state government will continue unabated during this challenging time so that we as a State can combat the spread and address the impact of COVID-19; and

Whereas, it is the intent of the General Assembly that the provisions of this act are temporary and that this act shall be replaced with a comprehensive general appropriations act when we reconvene. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

PART I

Continuing to Fund the Ordinary Expenses of State Government

SECTION 1. (A)(1) If the 2020-2021 state fiscal year begins with no annual general appropriations act in effect for that year, the authority to pay the recurring expenses of state government continues at the level of amounts appropriated in Act 91 of 2019 for the recurring expenses of state government for Fiscal Year 2020-2021 except as provided in subsection (A)(2).

(2) The effective dates of Parts IA and IB of Act 91 of 2019 are extended until the effective date for appropriations made in a general appropriations act for Fiscal Year 2020-2021, after which appropriations made pursuant to this joint resolution are deemed to have been made pursuant to the general appropriations act for Fiscal Year 2020-2021.

(B) Notwithstanding debt service appropriations in Act 91 of 2019 and until the effective date of the appropriations made in a general appropriations act for Fiscal Year 2020-2021, there is appropriated whatever amount is necessary for timely debt service on state obligations and other amounts constitutionally required to be appropriated, including the General Reserve Fund, the Capital Reserve Fund, and to conduct the 2020 primary, runoff, and general elections, to include expenses to provide for protection of the health and safety of voters, poll workers, and employees of county election commissions. The General Reserve Fund is established in the amount required by law. The Executive Budget Office shall, in conjunction with the Comptroller General and the State Treasurer, implement the necessary and appropriate accounting transactions to implement the provisions in this paragraph.

PART II

Specific Provisions Related to the Operation of State Government

SECTION 2. (A)(1) The State of South Carolina desires to procure professional grant management services for oversight and compliance of funds received through the 'Coronavirus Aid, Relief, and Economic Security Act' (CARES Act) and any other available source of federal COVID-19 relief funds. It is intended that the procurement will result in a contract for professional grant management services that can assist the State with grant management to include, but not be limited to: understanding the requirements and funding streams related to the CARES Act and federal relief funds; creating a framework for grant management from application for funds to disbursement of funds to include the development of processes and controls, data collection, evaluation of requests, and reporting; and creating a system of monitoring for compliance and detecting possible fraud, waste, and abuse.

(2) It is vital to the State's interest that a contract be awarded for such professional grant management services in the most expeditious manner possible and time is of the essence. Accordingly, this procurement should be done pursuant to the provisions of Section 11-35-1570 of the 1976 Code. The Executive Director of the South Carolina Department of Administration shall coordinate the process used to procure the professional grant management services needed and shall be responsible for the development of specifications to be included in any contract awarded. The State Fiscal Accountability Authority shall serve as the procuring officer for the procurement process and is responsible for administrative duties related to the process and the contract awarded pursuant to it. The State Fiscal Accountability Authority shall assign such personnel as requested by the Executive Director of the Department of Administration to assist the Department of Administration in carrying out its duties under this act.

(B) State boards, commissions, agencies, departments, and institutions of higher learning are authorized to receive funds directly from the federal government in response to the 2019 Novel Coronavirus (COVID-19). Funds so received shall be expended for COVID-19 preparedness and response and in accordance with applicable federal laws and regulations. Any state board, commission, agency, department, or institution of

higher learning that receives funds must submit an expenditure plan to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. Beginning on June 1, 2020, and on the first day of each month thereafter, the recipient shall provide a detailed accounting of the expenditure of all federal relief funds to the Governor and the General Assembly. The detailed accounting must be made available on the Governor's website. Unexpended funds, without limitation, may be carried forward into the succeeding fiscal year and expended for the same purpose.

(C) The Governor is authorized to receive on behalf of the State of South Carolina federal funds designated for the Coronavirus Relief Fund.

(D) The Executive Budget Office shall establish the Coronavirus Relief Fund as a federal fund account separate and distinct from all other accounts. All federal appropriations received by the Governor pursuant to subsection (C), must be credited to the Coronavirus Relief Fund account. No other funds may be credited to this account and funds in the account may be expended only by appropriation or authorization by the General Assembly.

(E) Nothing herein limits any state board, commission, agency, department, or institution receiving funds from the Coronavirus Relief Fund from continuing to expend funds from other sources, including state appropriated funds, that are necessary to address the state's response to COVID-19. Any unexpended funds from the Coronavirus Relief Fund, without limitation, may be carried forward into the succeeding fiscal year and expended for the same purpose.

SECTION 3. (A) From the Fiscal Year 2018-2019 Contingency Reserve Fund, there is appropriated:

(1) \$175,000,000 to the Office of the State Treasurer. From the funds appropriated herein, the Treasurer shall credit \$20,000,000 to the Disaster Trust Fund to be used for disaster relief assistance for a federally declared disaster or a state of emergency declared by the Governor. The Treasurer shall establish a COVID-19 Response Reserve account which shall be separate and distinct from other accounts. From the funds appropriated herein, the Treasurer shall credit \$155,000,000 to the COVID-19 Response Reserve account.

(2) \$25,000,000 to the Medical University of South Carolina for statewide community COVID-19 testing.

(3) \$1,500,000 to the Department of Administration for oversight and compliance of state spending of federal COVID-19 relief funds.

(B)(1) The Governor may direct the expenditure of funds from the COVID-19 Response Reserve account to protect the health, safety, and welfare of the public as a result of the COVID-19 pandemic. Prior to any expenditure, the Governor must submit the planned expenditure to the Joint Bond Review Committee for its review and comment. Thereafter the Governor may direct the Executive Budget Office to release the funds for the purposes identified in the Governor's plan. Any recipient of funds from the COVID-19 Response Reserve account must provide an accounting of the expenditures to the Governor and the Joint Bond Review Committee as soon as practicable.

(2) The Governor may direct reimbursement to local governmental entities and hospitals for expenses related to the state's COVID-19 response, to include, but not limited to, emergency needs for hospitals to prevent closure or violation of bond covenants. Priority should be given to expenses related to the participation of first responders.

(3) The Governor also may direct the expenditure of up to \$15,000,000 from the COVID-19 Response Reserve account to underwrite the cost for protection of the health and safety of voters, poll workers, and employees of a county election commission related to conducting the 2020 primary, runoff, and general elections.

(C)(1) The Medical University of South Carolina, in consultation with the Department of Health and Environmental Control and the South Carolina Hospital Association, shall develop and deploy a statewide COVID-19 testing plan within ten days of the effective date of this act. The plan must emphasize testing in rural

communities and communities with a high prevalence of COVID-19 and/or with demographic characteristics consistent with risk factors for COVID-19 including, but not limited to, communities with higher proportions of seniors, African-Americans, or individuals with chronic lung disease, asthma, serious heart conditions, severe obesity, compromised immune systems, diabetes, liver disease, or who are on dialysis.

(2)(a) The Department of Health and Environmental Control shall provide financial and administrative support to assist with the implementation of the statewide COVID-19 testing plan, including collaboration with hospitals, medical providers and other stakeholders, providing access to information on hotspots and contact tracing, coordination of all testing efforts, and supplementing efforts with resources, testing kits, and other supplies available to the department.

(b) Within fourteen days of the effective date of this act, the department shall allocate funds to hospitals in support of the statewide COVID-19 testing plan. After making these allocations, the department shall provide the Governor and the Joint Bond Review Committee with a written explanation of its methodology. Up to twenty-five percent of a hospital's allocation may be used to expand or improve the COVID-19 testing capabilities of its laboratories; all remaining funds must be used in direct support of providing COVID-19 testing. The department shall require that a hospital receiving funds pursuant to this section commit those funds to the provision of community testing, in consultation with the department and in alignment with the statewide testing plan. Any hospital receiving funds pursuant to this section shall report testing results to the department in a manner and form to be specified by the department.

(c) Where appropriate and feasible, medical providers and hospitals receiving grants or reimbursement for COVID-19 testing pursuant to this section shall also seek reimbursement from private health insurers, Medicare, Medicaid, and the Health Resources and Services Administration for COVID-19 diagnostic services covered pursuant to Division F of the Families First Coronavirus Response Act (FFCRA) as amended by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) or any subsequent relevant congressional action.

(d) The department shall, no later than June 1, 2020, identify no fewer than 1,000 contact tracers through its own staff and/or community partners that include, but are not limited to, furloughed healthcare workers, students, school nurses, teachers, retirees, faith-based organizations, and others with relevant skills or experience. In identifying these contact tracers, the department shall take care to identify individuals who are best suited to interact, in a manner that is culturally appropriate and in the required languages, with populations that have been disproportionately affected by COVID-19.

(3) To support implementation of the statewide COVID-19 testing plan, the Department of Health and Environmental Control shall utilize funds appropriated in subsection (A) and all available state and federal funding sources, including, but not limited to:

(a) any funds available pursuant to Act 116 of 2020;

(b) the Coronavirus Relief Fund established pursuant to Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act; and

(c) funds received from the Public Health and Social Services Emergency Fund pursuant to Title I, Division B of the Paycheck Protection Program and Health Care Enhancement Act.

(4) The Department of Health and Environmental Control must submit to the Joint Bond Review Committee, for its review and comment, any plan for expenditure under the provisions of this act or any expenditure of federal funds for COVID-19 pandemic response.

SECTION 4. (A) The Superintendent of Education is authorized to exercise the following emergency powers if she determines that any, or all, of them are necessary and appropriate measures in response to the COVID-19 public health emergency:

- (1) waive statutory requirements concerning testing, assessments, and reporting including, but not limited to, those requirements contained in Chapter 18, Title 59; Article 3, Chapter 18, Title 59; and Section 59-155-160 of the 1976 Code;
 - (2) include all days of distance learning during which instruction was provided in good faith pursuant to a school district's distance learning plan as an instructional day required to meet the one hundred eighty instructional day requirement contained in Section 59-1-425; and
 - (3) provide maximum programmatic and financial flexibility including, but not limited to, the authority to carry forward any cash balances to local school districts adjusting to operations in response to COVID-19.
- (B) The State Superintendent of Education is authorized to promote and encourage districts to use summer reading camps and all other available tools to ensure appropriate time is spent by students to keep them on grade level and satisfy their learning needs.
- (C) The State Superintendent of Education is authorized to carry forward any cash balances maintained by the Department of Education. The superintendent is further authorized to transfer any appropriations within the department to assist local school districts adjusting operations in response to COVID-19.
- (D) The state teacher minimum salary schedule will remain at the Fiscal Year 2019-2020 level. Step increases are suspended until the annual general appropriations act for Fiscal Year 2020-2021 is enacted.
- (E) On or before August 1, 2020, the State Superintendent of Education shall provide a report to the Senate Finance Committee, the House of Representatives Ways and Means Committee, the Senate Education Committee, and the House of Representatives Education and Public Works Committee concerning the emergency powers exercised in subsection (A). The report shall identify the statutory requirements waived and the reason for which the waiver was granted and identify and describe any actions taken in regards to subsection (A)(3).

SECTION 5. (A) In order to provide maximum flexibility to a state agency or institution of higher learning during the state's COVID-19 response, an agency or institution experiencing significant decreases in revenue sources or significant unanticipated expenditures as a result of the COVID-19 response may implement a mandatory furlough subject to the review and approval of the Department of Administration Division of State Human Resources. Approved furloughs must comply with all federal laws. Implementation of furloughs should be in a manner similar to furloughs authorized in Chapter 11, Title 8, exceptions may be approved by the Division of State Human Resources.

(B) During a furlough, affected employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits that require employer and employee contributions including, but not limited to, contributions to the South Carolina Retirement System or the optional retirement program, the state agencies, institutions, and departments are responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions.

(C) The division shall report to the President of the Senate, Speaker of the House of Representatives, the Chairman of Senate Finance Committee, and the Chairman of House Ways and Means Committee when any furloughs are implemented. This information also shall be published on the division's website.

SECTION 6. In order to provide maximum flexibility to a state agency or institution of higher learning during the state's COVID-19 response, agencies and institutions are authorized to spend earmarked and restricted revenue sources to maintain critical programs impacted by the state's COVID-19 response. Any spending authorization for these purposes must receive the prior approval of the Executive Budget Office and must be reported to the Governor, Senate Finance Committee, and the House Ways and Means Committee. The Comptroller General is authorized to implement the procedures necessary to comply with this directive. This provision is provided notwithstanding any other provision of law restricting the use of earned revenue.

Appropriation transfers may exceed twenty percent of the program budget upon approval of the Executive Budget Office in consultation with the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

SECTION 7. The Executive Budget Office is authorized to approve agency requests for federal and other fund authorization adjustments. Requests will be approved and reported by the Executive Budget Office pursuant to Chapter 65, Title 2, the "South Carolina Federal and Other Funds Oversight Act."

SECTION 8. The Comptroller General is directed to accrue into Fiscal Year 2019-2020 General Fund revenues previously due for remittance to the Department of Revenue by April fifteenth or June fifteenth but allowed to be remitted as late as July fifteenth pursuant to federal directive or the Governor's Executive Order 2020-12 including, but not limited to, individual and corporate income tax returns and quarterly estimated declarations.

SECTION 9. The increase in the employer contribution rate imposed by Section 9-1-1085 and Section 9-11-225 for Fiscal Year 2020-2021, respectively, are suspended. The employer contribution rate for the South Carolina Retirement Systems and the Police Officers Retirement Systems during Fiscal Year 2020-2021, expressed as a percentage of earnable compensation, shall remain at the same rate imposed for Fiscal Year 2019-2020.

SECTION 10. All voluntary support payments made by an employer to a furloughed employee as a result of the COVID-19 crisis shall be classified as a form of severance pay, are not wages, and are not subject to repayment by the furloughed employee. Any provision of law that conflicts with this section is suspended until July 31, 2020.

SECTION 11. (A) Unless otherwise allowed herein, the South Carolina Public Service Authority (Santee Cooper) may not take any action which would impair, hinder, or otherwise undermine from an economic, operational, feasibility, or any other perspective the ability of the General Assembly to complete its consideration regarding Santee Cooper's status.

(B) Santee Cooper is prohibited from:

- (1) entering into any contracts with a duration of longer than one year, except those contracts necessary in the ordinary course of business; and
- (2) entering into employment contracts with executive management with a duration longer than six months, or extension of existing executive management contracts for a period longer than six months.

(C) There is established the Santee Cooper Oversight Committee consisting of the Governor, the President of the Senate, the Speaker of the House, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. The Santee Cooper Oversight Committee shall meet in public session. Santee Cooper and any party having made an appropriate request under this subsection will be provided prior notice and an opportunity to be heard at any meeting of the committee. The committee will convene only for the following:

- (1) Consideration and authorization of any contract of a duration longer than one year or in excess of a duration contained in this section that is not otherwise specifically authorized by this section; and
- (2) Consideration and clarification of any portion of subsection (E) as requested by Santee Cooper or any party, including Central Electric Power Cooperative (Central), with a direct contractual and financial interest in the contract at issue, prior to the execution of the contract.
- (3) Consideration and clarification of any matter discovered by the Office of Regulatory Staff (ORS) pursuant to subsection (E) that the Office of Regulatory Staff determines is in violation of the terms contained in subsection (E).

All decisions, authorizations or clarifications of the Santee Cooper Oversight Committee shall require the vote of a majority of the membership of the committee and shall be issued as soon as practicable after any written request is received, but in no case more than forty-five days after such a written request is received by each member of the Committee.

(D) Santee Cooper will conduct resource and strategic planning discussions with Central Electric Power Cooperative.

(E) Nothing in this section prohibits Santee Cooper from:

(1) doing those things necessary for closing and decommissioning the Winyah Generating Station including, but not limited to, planning, permitting, and securing by purchase or lease one hundred megawatts of combustion turbines and minor transmission upgrades, subject to the consent of Central pursuant to the Power System Coordination and Integration Agreement between Santee Cooper and Central, as amended (the Coordination Agreement). In no event will this include constructing a natural gas combined cycle or other major generation resource;

(2) doing all those things necessary for deploying up to 500 megawatts of new solar generation, within the structure described in the Santee Cooper Act 95 Reform Plan Appendix 8.2.4, subject to consent of Central pursuant to the Coordination Agreement;

(3) entering into operational efficiency and joint dispatch agreements with neighboring utilities for a period of up to one year, with annual renewals and reciprocal cancellation clauses thereafter;

(4) renegotiating existing and entering into new coal supply, transportation, and related agreements that produce savings and for terms not to exceed five years or such longer period of time as may be approved by the Santee Cooper Oversight Committee;

(5) entering into natural gas hedging arrangements for terms not to exceed five years, or such longer period of time as may be approved by the Santee Cooper Oversight Committee;

(6) conducting the planning, permitting, engineering and feasibility studies to develop natural gas transportation and power transmission to ensure a reliable power supply;

(7) entering into purchase power arrangements needed for, but not in excess of, anticipated load for a term not to exceed the rate freeze period of the Cook Settlement, and supportive thereof;

(8) defeasing debt, issuing or refunding debt under existing bond resolutions and agreements, and entering into financing arrangements consistent with existing bank facilities, all as necessary to manage day to day operations and financing needs, including converting variable rate debt to fixed rate debt. Refunding of existing debt is permitted if it achieves present value savings or mitigates risk and does not extend the average life of the debt;

(9) resolving outstanding lawsuits and claims;

(10) taking whatever steps are prudent and consistent with good utility practice to address the impact of the COVID-19 pandemic; and

(11) freezing rates as provided in the settlement of Cook v. Santee Cooper, et al.

Through the time period designated in subsection (G), Santee Cooper will be subject to monthly reviews by the Office of Regulatory Staff for actions taken under this subsection. Within thirty days of this resolution, ORS will provide to Santee Cooper a reasonable process for reviews.

(F) Nothing in this section alters or amends the powers and duties pursuant to Section 58-31-360 of the 1976 Code, including the State's covenant to not alter, limit, or restrict Santee Cooper's power to fix, establish, maintain and collect rents, tolls, rates, and charges for the use of the facilities of or for the services rendered or

for any commodities furnished by Santee Cooper, at least sufficient to provide for payment of all Santee Cooper's expenses, the conservation, maintenance, and operation of its facilities and properties and the payment of the principal of and interest on its notes, bonds, evidences of indebtedness, or other obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such notes, bonds, evidences of indebtedness, or obligations heretofore or hereafter issued or incurred.

(G) The provisions of this section shall remain in effect through the earlier of May 31, 2021, or until an act of the General Assembly expressly supersedes this provision.

SECTION 12. On June 30, 2020, the following provisos contained in Act 91 of 2019, the general appropriations act for Fiscal Year 2019-2020, are deleted:

112.1. (DS: Excess Debt Service);

117.112. (GP: Employee Compensation)

118.16. (SR: Nonrecurring Revenue)

117.155. (GP: Higher Education Tuition Mitigation)

PART III

Miscellaneous Provisions

SECTION 13. Any provisions contained in Act 91 of 2019 that are in conflict with provisions contained in this act are superseded by the provisions contained herein.

SECTION 14. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 15. The provisions of this act take effect upon approval of the Governor.

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