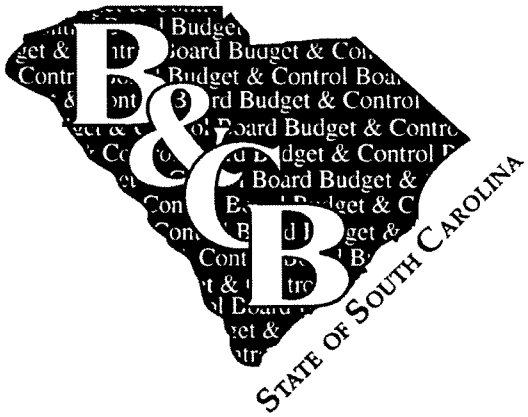
May 15, 2003

State Government News Summary



Prepared by the Budget and Control Board
Office of the Executive Director

The Garden Treasury Over 90 varieties of trees

2-cent sales tax hike fails on first vote

Posted Wednesday, May 14, 2003 - 9:24 pm

By James T. Hammond
CAPITAL BUREAU

COLUMBIA — The first vote in two weeks of budget debate on a 2-cent sales tax increase failed 30-15, but senators who want the money to boost education spending say the issue will be raised again before the spending plan is finished.

e-mail this story

The measure by Sen. Tommy Moore, D-Clearwater, would have raised $1.1 billion, and would have raised the per-pupil spending on schools to $2,201 from the House-passed version of $1,643.

The Senate tied itself into procedural knots Wednesday, as increasingly severe enforcement of Senate rules struck numerous members' favorite provisions from the appropriations bill.

For example, a measure by Sen. Larry Martin, R-Pickens, to raise $1 million for the Attorney General's office to ramp up enforcement of state securities laws was axed as a violation a Senate rule that prohibits any change or suspension of permanent law in the appropriations bill.

Martin's provision, a fee increase on securities dealers, was included as a consequence of the financial failure of HomeGold Inc. and Carolina Investors, which left about 7,000 investors unsure of whether they'll recover any of their investments.

Martin said he'll redraft his amendment as a Part Two provision of the budget, but that would require a two-thirds vote for passage. He also may be able to attach the measure to some other bill currently in the legislative pipeline.

Lt. Gov. Andre Bauer sent a letter to Finance Committee Chairman Hugh Leatherman, R-Florence, stating that he wished to withdraw his request for a $50,000 increase in his office budget. Bauer had been criticized for seeking an increase when most state agencies are having their budgets slashed.

Typical of the way the Senate can become bogged down on a seemingly simple issue, it spent more than two hours deciding whether to revoke a proposed $2,700 pay increase for the agency chief of the Jobs Economic Development Authority.

Sen. Jake Knotts, R-Lexington, said he did not want one agency head to get a raise when the rest of state employees will get none.

Sen. Kay Patterson, D-Columbia, sarcastically engaged Knotts, saying, "We're here about the great sum of $2,700. We're going to save education; we're going to save Medicaid; we're going to save corrections."

"But you won't vote for 2 cents to educate the children. There's something wrong with us," said Patterson, a retired educator.

The tit-for-tat enforcement of Senate rules struck a variety of measures from consideration, including a proposal by Sen. David Thomas, R-Fountain Inn, to increase sales taxes by two cents in exchange for eliminating property taxes on owner-occupied homes and personal vehicles.

Thomas said he'll try to have the amendment included in a bill separate from the appropriations bill.

The same fate awaited a proposal by Sen. Scott Richardson, R-Beaufort, for a one-cent sales tax increase for one year only.

As dusk approached outside the Statehouse, Sen. Verne Smith, R-Greer, took the speaker's stand, insisting that members sit down and listen to what he had to say. "I don't speak that often and I want you to hear this," Smith said sternly.

Smith said the use of Senate rules to thwart opposing sides had produced gridlock, "the worst fix I've seen in the Senate in 31 years."

"We've gotten so technical, so extreme on the rules that we are about to self-destruct. I've never known this Senate to get so tangled up on our own rules," he said.

He said the Finance Committee had been "neutered" in its ability to set the fiscal agenda for the Senate.

"We need to find a way for senators to act like citizens instead of eunuchs," Smith said.

Sen. Phil Leventis, D-Sumter, said passage of additional revenue measures such as the sales tax increase looked increasingly doubtful.

He said the Senate's ability to compromise appeared to be broken.

"We see it as a contest among ourselves rather than meeting the needs of our constituents," Leventis said.

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Story last updated at 7:20 a.m. Thursday, May 15, 2003

Budget battle stokes tension

Democrats decry 'leadership crisis'

BY BRIAN HICKS
Of The Post and Courier Staff

COLUMBIA--Remember this week in the Senate budget debate. It's likely to come up in next year's election.

For the second straight week, the two political parties have circled each other warily in a complicated dance over the state's $5 billion 2003-04 budget. Democrats accuse Republicans of not supporting education; Republicans accuse Democrats of wanting to pass the largest tax increase in South Carolina history.

On Wednesday, the fight took its nastiest, most political turn yet. As a Democratic proposal was killed, Democrats blasted Republicans, and particularly Gov. Mark Sanford, for what they say is a lack of leadership and an unwillingness to fund education, health care and state employee raises.

"We all know there is a budget crisis, but there is also a crisis of leadership that our state is being subjected to," said state Rep. James Smith, the House Democratic leader from Columbia. "The Republicans' failure to lead is sending us in the wrong direction, firing teachers, raising class sizes and cutting after-school programs."

Sen. John Land, the Senate Democratic leader from Manning, said the party is willing to work with the Republicans, but that they have offered no solution to a state budget crisis that is between $500 million and $1 billion, depending on the method of accounting.Land criticized Republican budget plans, which include no raise for state employees, pointing out that the GOP-backed budget includes a $45-per-check increase in health care costs. That amounts to a pay cut, Land said.

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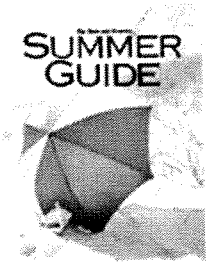

"The ox is stuck in the ditch, and we can't get their votes to push it out," he said.

In November's elections, Republicans took control of the state House, Senate and governor's office simultaneously for the first time since Reconstruction. With complete power, however, leaders of the party knew that, along with all the credit, they would also get the blame for the bad times.

That's what is happening now, most say, knowing that Democratic-forced votes, including one against a budget amendment to raise per-pupil spending to Education Finance Act levels, will resurface next year when legislators are up for re-election.

Democrats have said repeatedly that the people need to know where lawmakers stand on the education issue. Republicans see the votes as setups for future negative campaign ads.

"This is the same ol', same ol'," said Sen. David Thomas, R-Greenville. "We're not willing to pass the largest tax increase in the state's history when we need to tighten our belts. We're not going to let them force us into that vote."

Sanford responded to the Democratic criticism by saying that the lack of leadership in the state occurred before he took office, and "that's a big part of the billion-dollar budget mess this administration inherited."

Sanford said he was pushing his plan to lower the state income tax, coupled with a cigarette tax increase to fund Medicaid, but does not support the Democratic solution to the budget crisis: Sen. Tommy Moore's proposal for a 2-cent sales tax increase statewide on everything except food.

GOP critics call the Aiken Democrat's proposal the largest tax increase in state history. The plan was killed in the Senate on Wednesday.

"My hope is that the Legislature will follow the leadership shown by the Senate Finance Committee when they unanimously endorsed our plan," Sanford said. "We're also going to stick to our guns by vetoing any job-killing tax proposal that would stunt economic growth in South Carolina, and what I have seen thus far on sales tax proposals falls into that category."

This philosophical debate threatens to hold the General Assembly past the traditional adjournment date, a move that would cost the state about $25,000 a day.

Ironic, since they are fighting over how to spend -- or rather, not spend -- tax dollars. That point came out during Wednesday's debate, when Sen. Jake Knotts, R-West Columbia, stood up to argue against a budget amendment to give one agency head a $2,700 raise. Knotts said that if state employees aren't going to get raises, there shouldn't be an exception.

Sen. Robert Ford, D-Charleston, said the amendment, which was

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not his, was simply to make sure the agency head was the highest-paid employee in the department and that arguing over it was about as costly as passing it.

"They say it costs $25,000 a day to run the Legislature," Ford said. "Well, you've argued against this $2,000-worth already."

The debate continues today.

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The State.com

Posted on Thu, May. 15, 2003

Budget bickering festers in Senate

By VALERIE BAUERLEIN
Staff Writer

The prospect of meeting next year's budget by raising taxes -- on cigarettes, sales or anything else -- dimmed Wednesday as the Senate continued fighting over state needs and which ones were and were not negotiable.

The day began with partisan rancor and continued with bickering across and within party lines.

Democrats held a midday press conference to criticize Republicans, who control the House and Senate and who have Mark Sanford in the governor's office. They say Republicans have offered no way out of the unprecedented budget crunch.

"Where are the Republicans who will stand up for education and health care?" said Senate Minority Leader James Smith, D-Richland.

"Where are they?"

Republicans countered that when times got tight, Democrats immediately pushed for tax increases, said state Sen. David Thomas, R-Greenville.

"It's the same-old, same-old story," he said. "What we need to do is tighten the belt."

The state does not have enough money next year to pay for services at this year's level. Consequences could range from state employees paying at least $45 more a month for health care to schools laying off 6,000 teachers to prisons being unable to house people safely.

The House passed its $5.1 billion version of the budget in March, refusing to raise taxes and cutting services instead. The House cut education spending to $1,643 per pupil -- a level that the Senate sees as unacceptably low.

Yet senators cannot agree on how to raise the money for their proposed $5.4 billion budget. So far:

• The Senate Finance Committee abandoned its plan to raise $142 million by eliminating the sales tax cap on cars, among other changes.

• Democratic and Republican proposals to raise the sales tax by 2 cents have failed, though they might resurface later.

• And support for a cigarette tax is softening. Democrats said Wednesday they had little incentive to go along with Republicans on their tax-swap plan -- raising the tax on cigarettes by 53 cents a pack to pay for Medicaid health care in turn for gradually lowering the income tax.

Senators continued budget negotiations until 9 p.m. Wednesday. They spent hours wrangling over arcane rules and their interpretation, which often left senators unable to push items they wanted.

Sen. Verne Smith, R-Greenville, said in his 30 years' service, he had not seen the Senate ever in this big a fix -- over rules and internal problems.

"We need to figure out a way for senators to act like senators, instead of acting like eunuchs."

The Senate is expected to continue debate this morning.

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Posted on Thu, May. 15, 2003

Rural schools hit hardest by cuts

At least two-thirds of S.C. districts are rural; typically they have few resources to fall back on

By JOHN C. DRAKE
Staff Writer

Second-graders at Edgefield County's Johnston Elementary School are still talking about the apes they saw at Riverbanks Zoo and Garden during a field trip to Columbia a few weeks ago.

The students get excited when they find real-world uses of the things they learn in the classroom.

"But they and their parents had to pay dearly, in my opinion," said teacher Kay Campbell.

Parents paid for the rare trip. For a few students whose parents could not afford the trip, school employees chipped in.

It's one way rural educators are trying to provide the services their communities expect despite mounting state budget cuts.

The House has approved a state budget that would return school funding to 1995 levels. As the state Senate continues to debate its own spending proposal, rural districts worry about what the fall school year will bring.

While some districts will be able to absorb the expected cuts, Edgefield County, like dozens of rural districts, already is operating on a shoestring budget.

"I think every district has been hit hard by this," said Sharon Keesley, Edgefield's school superintendent. "In rural districts, we don't have a lot of resources to begin with."

At least two-thirds of the state's 85 school districts are located in rural communities and serve about 42 percent of the state's students. The communities lack local industries to pump tax money into the schools in order to help offset cuts.

• Of the state's 85 school districts, 57 districts, or 67 percent, are considered rural by the National Council for Educational Statistics.

• The Rural School and Community Trust ranks the state 12th in the nation in the percentage of public school students who attend rural schools (33 percent).

• That same organization ranked the state eighth in the percentage of students eligible for free or reduced-price lunches (51 percent), a common indicator of poverty, and sixth in the percentage of rural students who are minorities (42 percent).

In districts where superintendents serve as transportation and food service directors, and miles of farmland divide neighborhoods, budget cuts mean pinching pennies just to provide basic services.

"Rural areas are in a depression; suburban and urban areas are in a recovering recession," said John Robinson, who lobbies the General Assembly on behalf of rural school districts.

SMALLER TAX BASE

Lexington 4 of Gaston and Swansea has little industry but has seen rapid population growth, serving about 3,700 students.

Next year, the district may lose up to $1.5 million in state funding out of an annual budget of approximately $7 million.

Superintendent Frank Vail said he already has proposed cutting 10 teaching positions, which means larger class sizes. Now he has proposed cutting all guidance counselors in kindergarten through sixth grade.

"When I have to make recommendations about raising class sizes or eliminating positions, it goes beyond frustrating," Vail said. "I know deep down this is not good for kids."

Steve W. Quick, superintendent in Florence 2, which serves the town of Pamplico, said his district will be able to avoid cutting teachers or services, despite an anticipated budget cut of nearly $500,000 (in a $6 million budget).

Not that there would be much for the 1,200-student district to cut. The district office consists of Quick and two assistant superintendents, and there are only two schools. Quick drives school buses and takes out the trash.

It is among the state's smallest districts, but the state and federal governments expect no less of Florence 2 than they do of South Carolina's largest districts.

"We do the exact same things as they do in Charleston, Greenville, Spartanburg," Quick said. "It's not that we're doing anything magic, it's just that we do whatever it takes to make it work."

While the state expects no less from its rural schools, rural communities often expect more.

In rural areas, many of which lack museums, theaters, large libraries, community recreation and other cultural opportunities for students, schools are called upon to pick up the slack.

"Just about everything (students) do socially is centered around the school, because there is not much else socially for a teenager to do," Keesley said.

And when districts cannot call upon parents to absorb the cost of exposing students to cultural opportunities, it becomes a district expense.

"It really takes more money to provide an appropriate education in a rural setting because of the lack of infrastructure," Robinson said.

HEARING CONCERNS

Opinions are split on the state's response to rural districts. Some say state legislators are taking their concerns more seriously. Others say they are seeing no improvement.

"It's not being heard enough, and even when it's heard, it's ignored," Vail said.

His district, Lexington 4, and seven other rural districts expect to finally see their lawsuit against the state reach the courtroom this summer. They allege the state's system for funding education is unfair to rural districts.

Summerville resident Al Eads, president of the National Rural Education Association, said state lawmakers are more aware of issues affecting rural districts, in part because of the S.C. Association for Rural Education, and the school finance lawsuit.

Quick, of Florence 2, said the state would do well to focus on rural school districts.

"If you truly want to improve education in South Carolina as a whole, take the 18 school districts in the Pee Dee, and put money into those districts, because that's where the problems are."

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Posted on Thu, May. 15, 2003

The State

Tax swap plan has potential for great good, great harm

THE STATE HOUSE IS abuzz with talk of a plan to overhaul our tax system and our school funding system. The details change daily, and the House leaders backing the plan aren't even sure they will bring it out, but the idea is being discussed enough behind the scenes that it's time to bring it into the light of day and analyze its potential effects on our tax system.

The basic proposal is this: Increase the sales tax to 7 percent and eliminate many sales tax exemptions; in return, eliminate the property taxes that pay for school operations, which constitute nearly half of all property taxes. This would increase education funding by about $400 million.

Even when the details are finalized, the overall plan will be neither entirely good nor entirely bad. The proposal could affect public education both positively (increasing funding and potentially providing equity, for example) and negatively (stripping counties of much of their control over the schools). Beyond that, it would have a dramatic effect on our tax system.

On the positive side, it has the potential to:

- Eliminate the war between senior citizens (and other property owners) and the schools.
- Eliminate the 1995 property tax rollback, and all its problems, which likely will not otherwise occur.
- Eliminate the problem of high car property taxes.
- Eliminate many sales tax exemptions, thus broadening the tax base and doing away with bad policy.
- Give cities and counties more room to raise property taxes to pay for their needs.
- Spur development in poor, rural counties, by reducing their extra-high property taxes.
- Reduce the demand on current residents to subsidize new growth.
- Reduce the tax disparity between large and small, old and new industry, and between industrial and non-industrial businesses, by reducing the need for special tax breaks.
- Move the ratio of state/local funding more toward the national average.
- Reduce the incentive for people to not register -- and insure -- their cars.
- Shift a large part of the tax burden to tourists.

The plan has fewer negatives, but many of them are substantial. It would:

- Make the tax system less able to withstand economic changes. We rely about equally on funding from the sales, property and income taxes. This would change that three-legged stool to one in which sales taxes make up more than half the money from the major taxes and property taxes less than 15 percent.

- Make the tax system more regressive.

- Move the sales tax from 21st to fourth highest in the nation, and raise the sales tax in some localities, for some products, as high as 10 percent.

- Give away the deduction property owners are able to claim on federal income taxes.

Beyond all that, the plan is not comprehensive tax reform, yet it is so massive that it could slam the door on a thorough rebalancing of state and local taxes.

None of these points alone is reason to support the plan; none alone is reason to oppose it. And there are ways to address some problems; for example, the tax code could be made less regressive by eliminating the sales tax on food or making the income tax progressive. What's important is that everyone consider all these points (and others) and make them -- rather than the politics of the moment -- the basis for their decision.

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SC in upper echelons of lobbying limits, reporting

Posted Wednesday, May 14, 2003 - 7:17 pm

By DAN HOOVER
STAFF WRITER
dhoover@greenvillenews.com

South Carolina's scandal-driven crackdown on lobbyists a decade ago helped give it the nation's third-highest ranking in a study of state lobbying controls and public reporting requirements last year, according to a study released today by the private Center for Public Integrity.

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In spending by lobbyists and their employers to influence legislators, South Carolina ranked 15th, the report showed.

South Carolina tightened its lobbying laws after the 1990 FBI vote-buying sting, "Operation Lost Trust," that resulted in indictments against 27 legislators, lobbyists and state employees. Those changes were a stark departure from a more free-wheeling era.

Center spokeswoman Leah Rush said that no state received a perfect score and more than half — 27 — failed to garner a passing grade. Even South Carolina's showing put it in only the "relatively satisfactory" category.

Washington state ranked first at 87 and Wyoming was last, at 34.

South Carolina received a 75 grade, tied with Connecticut, and just below Kentucky, at 79.

But Rush said the center rated 80 and above as satisfactory to excellent, 70 to 79 as relatively satisfactory and 60 to 69 as barely passing. Pennsylvania earned the lone zero by virtue of a state judge invalidating the lobbying law.

The center is a non-partisan, not-for-profit research foundation with headquarters in Washington.

Its study of state-level lobbying used a grading system based on a 48-question survey, including availability of reports for public inspection, spending limits and the volume of financial data required from lobbyists and their employers.

South Carolina's $25 limit on lobbyists' spending per legislator and ban on campaign donations by lobbyists "was why South Carolina scored a little bit more strongly that others," Rush said.

Will McCain, a lobbyist in Columbia, said the state's requirements "are reasonable, not

onerous."

The report showed that in 2002, the 332 lobbyists employed by 447 companies and organizations, represented a $13.6 million expenditure, from their salaries and fees to drinks and meals for lawmakers.

Among neighboring states, North Carolina doesn't track lobbyist expenditures and Georgia doesn't require the reporting of their salaries.

South Carolina's figure pales in comparison to the leader, California, where lobbying cost $197 million, more than twice the $92 million reported by New York.

The Palmetto State was sandwiched between Oregon, at $15.9 million, and Alaska, at $11.9 million.

Overall, the report showed that lobbyists and their employers in the 39 states with financial disclosure laws spent more than $715 million wining, dining and generally influencing state lawmakers in 2002. Many details about how those dollars were spent remain hidden from public view, according to the report.

But John Crangle of the South Carolina chapter of Common Cause, a watchdog group, said that's not the case in this state.

The post-Lost Trust law, enacted in 1992, imposed "unprecedented" restrictions and disclosure requirements on lobbyists and their employers.

"Our law is better than the federal," he said, because Congress hasn't banned campaign donations to its members. "We require lobbyists to disclose who's hiring them, how much they're being paid, what legislation they're working on and how they spend their money. They're under the microscope here."

Dan Hoover covers politics and can be reached at 298-4883.

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MyrtleBeachOnline.com

Posted on Thu, May. 15, 2003

In the Carolinas

SOUTH CAROLINA

COLUMBIA

House committee approves minibottle bill

A House bill ending the requirement to use minibottles in bars received easy committee approval Wednesday on a voice vote with only a few opposed.

The House Ways and Means Committee approved a bill identical to one that is awaiting action in the Senate. House members say the measure will move faster if they have their own bill they can merge the Senate bill with when it arrives.

South Carolina is the only state that requires bars to use the 1.7-ounce bottles, and it's time to change, said Rep. Bill Cotty, R-Columbia. His subcommittee approved the bill last week.

Rep. Herb Kirsh, D-Clover, said the system works well and doesn't need changing.

The bill now goes to the House floor, but Cotty said supporters intend to hold it until the Senate bills arrive. The Senate is holding off on the bills until it finishes the budget.

Both houses have a bill that implements the change and a separate one calling for a referendum for voter approval in the 2004 election.

COLUMBIA

Bill requiring conduct grades gains key OK

A bill requiring grades reporting on a child's conduct in school gained key House approval Wednesday.

The bill won second reading approval with a 94-5 vote.

"It's important because parents and students need that feedback," said the bill's sponsor, Rep. Shirley Hinson, R-Goose Creek.

Students will get grades of satisfactory, needs improvement or unsatisfactory under the bill. Teachers will have to put comments on the report cards, Hinson said.

The Education Department said it's no additional burden to require conduct grades, Hinson said.

The bill, one element of Gov. Mark Sanford's legislative agenda, is expected to win routine third reading before heading to the Senate. The Senate has given second reading to a similar bill but hasn't given it final approval because of debate on the state budget.

COLUMBIA

Positions open with S.C. Democratic Party

The new state Democratic Party leader will have a couple of staff positions to fill.

Joe Erwin, elected party chairman earlier this month, said political director Will Drake and finance director Ashlie Bagwell have left the organization.

Drake moved to Virginia to take part in Democratic Party activities there, the S.C. party said. Bagwell took a position as executive director with Maryland NARAL.

Erwin said he'll look to fill the spots with people who can help advance the Democratic Party in South Carolina.

ANDERSON

Suit accuses children's homes of sexual abuse

A lawsuit filed on behalf of an Oconee County girl says she was sexually abused by staff members at two Upstate homes for troubled children.

The suit, filed Tuesday in Greenville County, said the girl was "regularly and routinely abused, sexually exploited, humiliated and terrorized" at the Crain House in Greenville County and by staff at the Anderson Youth Association, now called New Foundations.

The two homes were named in the suit, along with Lutheran Family Services and the state Department of Social Services.

The complaint is being taken very seriously, New Foundations CEO Vernon Hayes said. Officials at DSS and Lutheran Family Services in Raleigh, N.C., refused comment until they reviewed the suit.

While at the homes, the girl filing the lawsuit tested positive more than once for a sexually transmitted disease as well as tuberculosis, according to the lawsuit.

YORK

Group wants King holiday, threatens boycott

A national civil rights group will urge a boycott in York County unless the county's Martin Luther King Jr. holiday policy is changed.

The Charlotte, N.C., chapter of the National Action Network plans a march at the courthouse here Monday to encourage the county to recognize King Day as a full holiday.

York, Greenville and Lexington are the only counties in South Carolina that don't close offices on the

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Story last updated at 7:21 a.m. Thursday, May 15, 2003

Legislative muscle needs restraint

There are indications the Charleston Legislative Delegation may now be willing to consider trimming its local office budget by a few thousand dollars as requested by Charleston County Council. It would be a symbolic gesture if nothing else.

After all, according to the county's calculations, the delegation's local budget has gone up 130 percent since 1995.

County Council tried last year to interest the delegation in a little budget cutting but ran into a stone wall. This year, council decided to press the issue when there was no response to a request that the proposed $145,192 budget be reduced by $3,855. A frustrated council voted to put $142,000 for the delegation office in its contingency account. County officials said the intent was to put the matter on hold for further discussion.

In retaliation, local lawmakers introduced a bill to cut Charleston County out of $14 million in state-shared revenue. It was great political showmanship, particularly the part that said the money would go instead to the school district to reduce property taxes. But our reading of the state constitution says the formula for state-shared revenue can't be changed by a bill that applies to only one county.

Nevertheless, the legislative reaction upset County Council members who blamed the newspaper for portraying the transfer of delegation office money to the contingency account as akin to trying to close the doors. The leaders of both groups have since called a truce.

Legally, the county has no real choice but to give the lawmakers all the money they want to run their local office. There's a law, passed before Charleston County got "Home Rule," that so directs. There also is a separate, state law that says counties have to provide delegation offices and funding.

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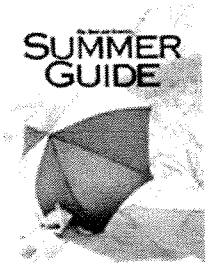

The S.C. Association of Counties has questioned whether the state law still is in effect, but the matter has never been litigated.

What the state law clearly doesn't authorize is direct cash subsidies to lawmakers in lieu of providing local offices. In 1996, an investigative report by this newspaper showed that 13 county governments still were ignoring attorney general opinions and giving those direct subsidies. Today, a survey provided by county officials shows that two counties, Berkeley and Dorchester, continue to give the subsidies, ranging from $98 to $6,000. While those subsidies may be less expensive than office space, they are legally vulnerable.

It also should be noted that 10 counties provide neither space nor subsidies to their delegations. Keep in mind that for the past nine years, each lawmaker has received a state-funded $1,000 check for "district" expenses each month, no accounting required. Of course, it's no secret that the extra $1,000 actually functions as a backdoor pay raise.

Charleston's delegation office budget, which funds three full-time employees, is the second- highest in the state. Richland allocates $160,869. But then, there's Greenville. That delegation manages to get its local business taken care of by just one county employee who also is secretary to the county administrator. For her delegation work, she gets an extra $8,000 a year. For that amount, the county employee attends all the local delegation meetings, handles correspondence, notary public applications, public inquiries and the farm-to-market road fund requests.

During peace talks with council, Rep. Chip Limehouse, delegation vice chairman, said he believes lawmakers are ready to consider a reasonable request to trim their local budget. They ought to follow the Greenville example. State lawmakers may be able to muscle County Council on their office budget, but ultimately they are answerable to the local taxpayers who pick up their tab.

EDITORIALS
Legislative muscle needs r
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LETTERS TO THE EDITO

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Story last updated at 7:21 a.m. Thursday, May 15, 2003

Port takes step toward expansion

SPA board votes to spend $460,000 on soil testing at former Navy base

BY RON MENCHACA
Of The Post and Courier staff

GREENVILLE--The State Ports Authority board, meeting Wednesday at the North American headquarters of one of its biggest customers, Michelin Tires, took a big step toward realizing ambitions to handle additional cargo in coming years.

Strapped for space at its existing container terminals in downtown Charleston, North Charleston and Mount Pleasant, the SPA is pushing ahead aggressively with plans to build a new container terminal at the former Navy Base on the Cooper River.

The board took its first concrete step in that direction Wednesday, voting to spend $460,000 on soil testing at the base.

SPA board Chairman Whit Smith said the soil study is probably the single most important step in getting the terminal built because it lays the groundwork for what can be built where and at what cost. "You have to know this, or you would never proceed," he said.

S&ME, a Mount Pleasant engineering firm, was awarded the contract for the study, which is expected to take the rest of the year to complete.

Because the 250-acre expansion site consists of wetlands and open water areas that will need to be filled in, engineers expect the land will need considerable improvement before it can handle the massive loads associated with a container terminal.

Joe Bryant, the SPA's vice president of terminal development,

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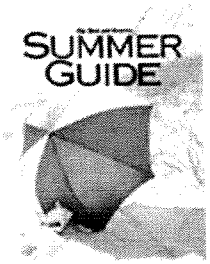

said the soil study also would include land occupied by Charleston International Ports, a private firm that handles breakbulk cargo at the old base. The firm and the SPA are locked in a legal battle over who controls the 100-acre facility.

Still, Bryant said the soil within the CIP footprint also needs to be examined to "begin asking the question 'what's it going to take to build on these areas.' "

The soil studies still need approval from the Charleston Redevelopment Authority, the state agency shepherding the base back to civilian use on behalf of the U.S. Navy, Bryant said.

While the study contract marks a major step in the development of a new terminal, the SPA has made it this far once before.

The now-defunct Global Gateway container terminal on Daniel Island racked up some $8 million in pre-construction studies before it was abandoned for the base plan.Many of those same studies, including an expensive and time-consuming environmental impact review, still lie ahead.

Bryan said he didn't think planning costs for the new base terminal would climb as high as they did on Daniel Island.

No matter the cost, operation at the terminal is still years away, and the SPA is looking for ways to squeeze life out of its existing facilities.

The board, meantime, agreed Wednesday to spend about $1.4 million to upgrade 10 of its mobile container stackers, called rubber tire gantry cranes.

Made by Kone Crane of Finland, the cranes are capable of stacking four containers on top of one another. Bryant said adding larger parts to 10 of its 18 cranes at Wando Terminal in Mount Pleasant would allow for stacking five containers, increasing storage capacity in that particular area of the terminal by about 25 percent.

The containers, mostly loaded with cargo, range from 8-1/2 feet to 9-1/2??feet tall. Empty containers already are being stacked seven high in some areas of the Wando terminal.

Until the new base terminal is up and running, SPA President and CEO Bernard Groseclose Jr. said, "These are the kind of things we will have to do for (increased) port capacity."

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Posted on Thu, May. 15, 2003

S.C. Senate panel OKs seniors prescription plan

Horry legislators push bill

By Zane Wilson
The Sun News

COLUMBIA - A program to help senior citizens get less expensive prescriptions is more likely to pass this year after a Senate committee gave it quick approval Wednesday morning.

The legislation, driven by Horry County lawmakers at the request of the Silver Haired Legislature, sets up a drug bulk-buying program so the state can negotiate for lower prices.

The cost to members will be an annual fee, which will be determined after a program plan is drafted.

Tom Lloyd of Columbia, speaker of the Silver Haired Legislature, said he hopes the state Health and Human Services agency will draft the plan over the summer if the bill passes, and then people will have a better idea what it will cost and how much they will save on drugs.

The annual fee has been guessed at between $5 and $30.

The program would be open to anyone older than 65 who is not on Medicaid, regardless of any other insurance they may have.

Pharmacist Brian Musgrove with The Medicine Shoppe Pharmacy in Surfside Beach said he was concerned about how the program would work. He worried that if a mail-order system was set up for patients, it would impact the patient-pharmacist relationship.

"If it allows patients to still utilize one pharmacy, then the pharmacist can still check for drug interactions," Musgrove said. "If patients have questions about their medications, will they have to dial an 800-number? That defeats the whole purpose. I think people like that face-to-face relationship with a pharmacy."

The House already passed the bill, which Rep. Alan Clemmons, R-Myrtle Beach, sponsored.

Clemmons told the Senate Medical Affairs Committee it is "a simple program" that won't cost the state anything.

Something is needed to help seniors, Musgrove said.

"We see more and more seniors who fall between the cracks," Musgrove said. "They either make too much for Medicaid or SilverCard, [another state prescription drug program that helps needy seniors], and it's taking all their money to pay their insurance and for medications. It doesn't leave much to live off of."

Susie Davis, 70, of Conway, said any additional help would make it easier for people like her.

Davis was paying more than $500 a month for prescription medicine before she enrolled in SilverCard.

"SilverCard has helped, but a program like the [bulk-buying program] would help even more," Davis said. "I had to have one of my medications switched because it was so expensive."

Evelyn Richardson, 68, of Conway, said she spends about a $100 a month on prescriptions. She can't afford to purchase her cholesterol medication all at once. And the medication that would help her acid reflux is too expensive, so she often goes without it.

"I just can't afford it," Richardson said.

"This is important to our senior citizens," Sen. Dick Elliott, D-North Myrtle Beach, told the committee. He asked that his bill be made the same as Clemmons' measure and that both be sent for floor debate.

Both bills were passed with no opposition.

Elliott said to ensure passage, he also intends to attach the plan to the state budget while the Senate is working on the spending plan this week, and it will also be attached to an HHS reform bill.

"I don't know of any legislation that's had four bites of the apple," Elliott said.

The bill also calls for the buying program to be combined with a similar one for Medicaid clients to get a bigger pool. But whether the state can do that is still up in the air, Clemmons said.

The federal government has questioned whether Medicaid clients should be combined with a non-Medicaid group, and the issue is currently in federal court, he said.

If the court rules that the two groups can't be combined, the state will look for other groups to join, Clemmons said.

Staff writer Elaine Gaston contributed to this report.

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The State.com

Posted on Thu, May. 15, 2003

The State

Counselors would help vulnerable borrowers know when to walk away

By WARREN BOLTON
Associate Editor

RECENTLY, A CONSUMER advocate told me she didn't understand why lenders opposed a provision requiring mandatory counseling for high-cost loans in an anti-predatory lending bill.

The answer is simple: If a credit counselor points out predatory elements in a proposed loan, the informed borrower is likely to walk away from the deal.

Unscrupulous lenders who make loads of cash by duping poor, elderly and unsophisticated borrowers fear that. They would rather consumers not get sound advice before accepting loans.

These are not the kind of guys you want to do business with. They are rip-off artists.

What they do is not illegal; it's just wrong. Anytime you hoodwink people into taking loans they don't need or accepting higher interest rates than they should or paying excessive fees, that is wrong. Yet, that is what some lenders have been allowed to do in South Carolina.

Most lenders, including those who make subprime loans, operate in the light and aboveboard. However, there is a faction of them who use abusive practices that all too often lead to people losing their homes, cars and jobs.

State lawmakers can put a stop to that by approving a conference committee's recommendation. In addition to requiring mandatory counseling, the legislation limits fees and points for high-cost loans, requires mortgage brokers to work in the best interest of borrowers and prohibits the financing of credit insurance, among other things.

While every provision is needed, mandatory counseling is key. The idea is not for all subprime borrowers to receive counseling. It is to make sure that those who are considering high-cost loans get needed guidance to make sure they are not being cheated or getting into a loan they can't repay.

During one conference committee meeting last week, Rep. Joe Neal said borrowers would make better decisions and be less likely to be taken advantage of if they get counseling. "My position is that counseling is important. It's important because of some of my own constituents who have been victimized by predatory lending," he said. "I think it's a critical piece that has to be there."

However, John Foster of United Credit, who is a member of the S.C. Financial Services Board, said mandatory counseling could hurt his business. He said United's typical customer is someone buying a small home or needing a small loan package in the area of $25,000. "They have a need that we fill the niche," he said. "They've got bad credit."

Mr. Foster said he is for "mandatory consumer education, but not mandatory counseling."

He said he is concerned that HUD has no guidelines for counselors. "I'm a CPA so I believe in certification," Mr. Foster said. He said he envisions "unlicensed, unaudited counselors" providing guidance to borrowers. "If I look scared it's because I am," he said.

Brandolyn Pinkston, interim director of the Department of Consumer Affairs, had a passionate response to Mr. Foster's comment. "I too am scared. I am scared for people who are about to lose their homes," she said.

Ms. Pinkston said mandatory counseling could help some people realize they can get better deals. "There are a number of people who are placed in high-cost loans that should be in prime loans," she said.

There has been some concern as to whether there are enough counselors available to meet the need if mandatory counseling becomes law. However, representatives from the State Housing Authority as well as Consumer Affairs have said there are enough counselors available to cover the state's 46 counties. HUD-certified counselors work in a number of different agencies and would provide free counseling to borrowers, they said. Consumer Affairs would be charged with developing the process.

It is imperative that Consumer Affairs and the Housing Authority make sure a solid network of counselors is in place so consumers do not fall through the cracks.

Also, we must avoid the miscommunication that occurred in Cleveland, where mandatory counseling confused both borrowers and counselors. That was because the HUD-approved counseling agencies and the city's Consumer Affairs Department were not on the same page. Counseling agencies didn't get the help they needed from consumer affairs. As a result, some of them stopped offering the service.

According to one report, a Cleveland borrower went to a mandatory session and instead of being given guidance about the high-cost loan he was entering into, he was taught about good budgeting practices. Not only did he leave confused, but he later found that he had entered into a loan that carried a higher interest rate and higher mortgage payments than he had expected.

If the House and Senate do the right thing and approve this legislation, we'll get mandatory counseling in South Carolina.

The process must not be cumbersome, and counselors must know exactly what is expected of them. They should help borrowers make informed decisions about the loans they are considering. Consumers should understand how the loan works and what their options are.

If the loan is predatory, the No. 1 option must be to walk away.

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