

South Carolina School Boards Association

Special SCSBA Legislative Update

Wednesday, April 22

12:00 – 1:00 PM

Webinar Meeting

Important Bills

- H5201 (House Ways & Means Committee) - General Appropriations Bill
- H5202 (House Ways & Means Committee) - Capital Reserve Fund

Note: Both of these bills have passed the House and currently reside in the Senate Finance Committee.

Important Bills

- **H3411** (G.R. Smith) - This Bill was reported to the Senate floor by the Finance Committee with a “strike and insert” amendment on March 17th. The amendment contained a “pure” Continuing Resolution. The Finance Committee amendment was adopted on the 17th and the bill was given second reading that same day.
- On April 8th, Senator Leatherman offered an amendment (Enhanced Continuing Resolution) which was adopted. A second amendment offered by Senator Grooms was adopted which amended Section 10 (Santee Cooper) compared to the original amendment. The bill was given Third Reading and returned to the House with amendments.
- If/ when the House returns, the question for the House is concurrence with the Senate amendments.

Important Bills

- **H3485** (Jefferson) - This Bill was amended by the House on April 8th at the stage “Senate amendments amended” (Amendment to the 3rd degree). The amendment was a “strike and insert” amendment that was the same amendment used by the Senate for the Enhanced Continuing Resolution (H3411) with the exception of several verbiage changes in Section 10 (Santee Cooper).
- If / when the Senate returns, a message will be in the Senate’s box from the House that H3485 was amended. Therefore, the question before the Senate is to concur with the House amendments.

Important Bills

S1194 (Peeler) - This Sine Die Resolution was adopted by the Senate and sent to the House on April 8th. The Resolution contains the following provisions:

- From now until May 14th - Call of the Chair (President and Speaker).
- After May 14th Until September 15th - Call of the Chair, limited to certain items (Veto, Sine Die, Shortfall Legislation, Appointments, Resolutions of Sympathy, Local Legislation with Unanimous Consent, Elections for Vacancies, Legislation concerning Covid-19, Legislation passed by one House).
- Statewide Session on September 15th through September 24th. Limited to certain Items (Appropriations, CRF, Supplemental Bill, Recission Bill, new Continuing Resolution, everything else above).
- After September 24th through November 8th - Call of the Chair with narrowed list of items that may be considered.
- November 8th Sine Die Adjournment.

Gubernatorial Powers to Call the General Assembly into Session

- **South Carolina Constitution** - Article IV, Section 19. Extra sessions; Governor may adjourn General Assembly.

“The Governor may on extraordinary occasions convene the General Assembly in extra session. Should either house remain without a quorum for five days, or in case of disagreement between the two houses during any session with respect to the time of adjournment, he may adjourn them to such times as he shall think proper, not beyond the time of the annual session then next ensuing.”

- Note: On April 16th, Governor McMaster sent a letter to President Peeler and Speaker Lucas stating that he would exercise this power if needed to call the General Assembly back into session before July 1st to put in place a continuing resolution for budgetary purposes.
- Note: Should the Governor exercise this power, the Legislative session is simply extended with no limitation on which bills may be considered by either body. There is also no limitation on the length of the Legislative session except that a new General Assembly will be seated after the November general elections.

Alphabet Soup: Understanding the Shape of the COVID-19 Recession

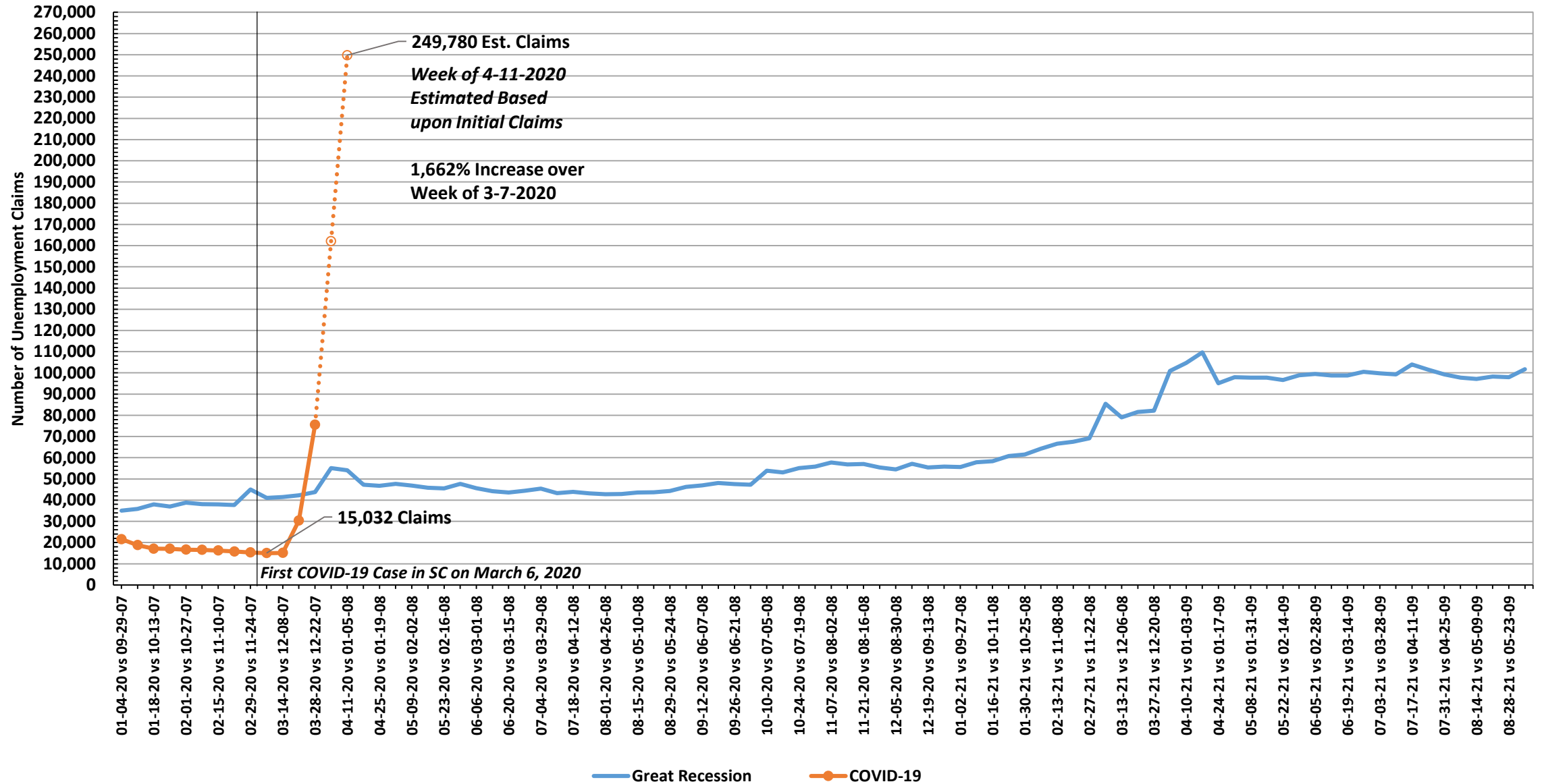
by David Rodic, Forbes Magazine, April 19, 2020

- **V-Shaped Recession:** Steep Decline, Quick Recovery
Example: US 1990-91 Recession
- **U-Shaped Recession:** Long Period Between Decline and Recovery
Example: Great Recession of 2008
- **W-Shaped Recession:** Quick Recovery, Second Decline
Example: US 1980-83 Recessions
- **L-Shaped Recession:** An Extended Downturn
Example: Japan 1990's the "Lost Decade"

This Economic Downturn is Unique, because...

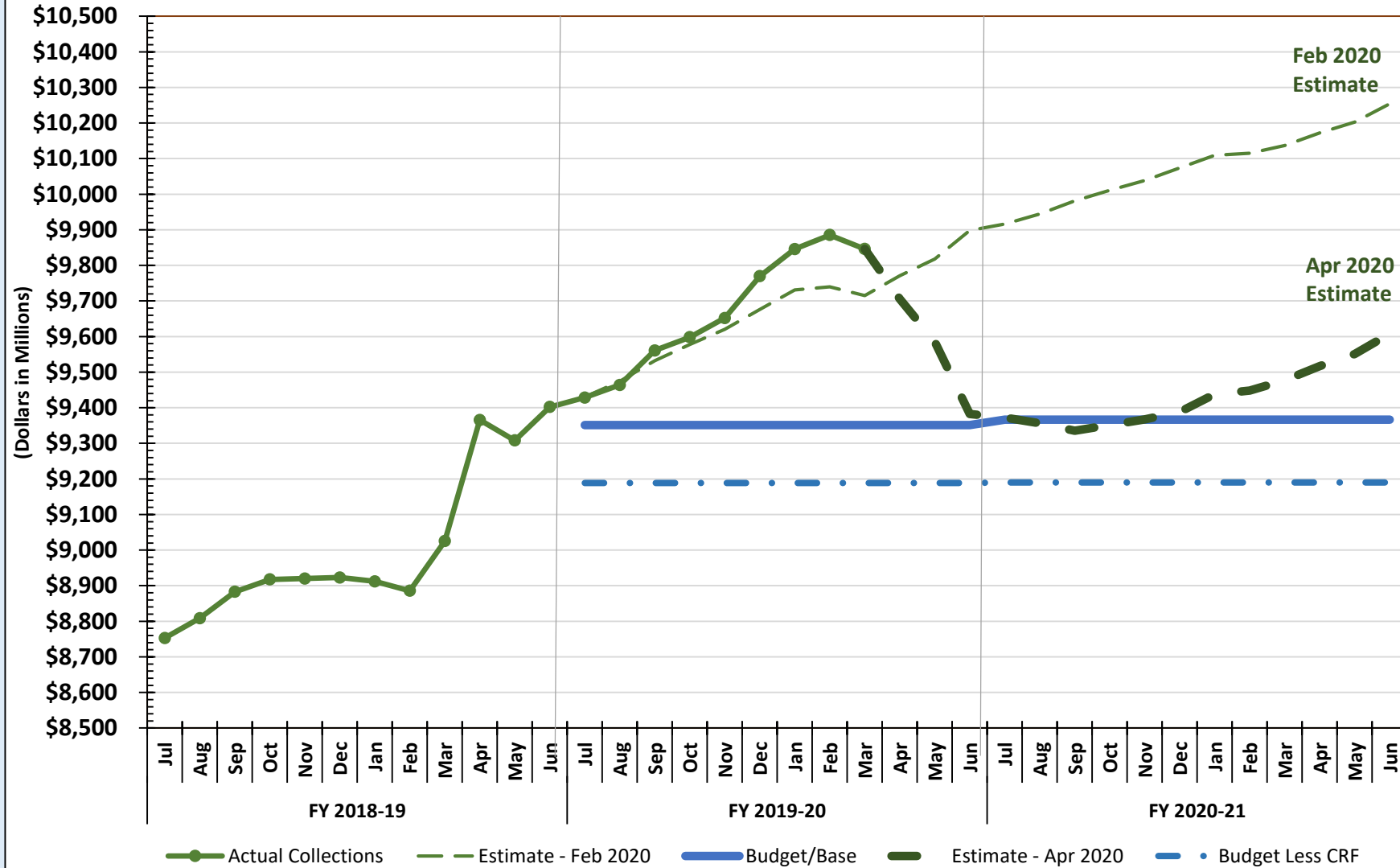
- This economic downturn is unique because its root cause is non-economic. Most economic downturns are caused by an imbalance in some economic factor like a drop in consumer spending or a decrease in investment. This downturn (likely a severe recession), is the result of a collective action through governments to restrict physical human interaction. These restrictions have in effect placed our economy on life support until a level of safety returns for humans to physically interact.
- This economic downturn is also unique because of its swiftness. Economic activity did not seem to drop until the middle of March.
- This economic downturn is also unique because of its universality. Most countries across the world that have a trading relationship with the United States have also limited human interaction which curtailed economic activity.

SOUTH CAROLINA TOTAL UNEMPLOYMENT CLAIMS



Data Source: U.S. Department of Labor; S.C. Dept. of Employment and Workforce, 4/16/2020

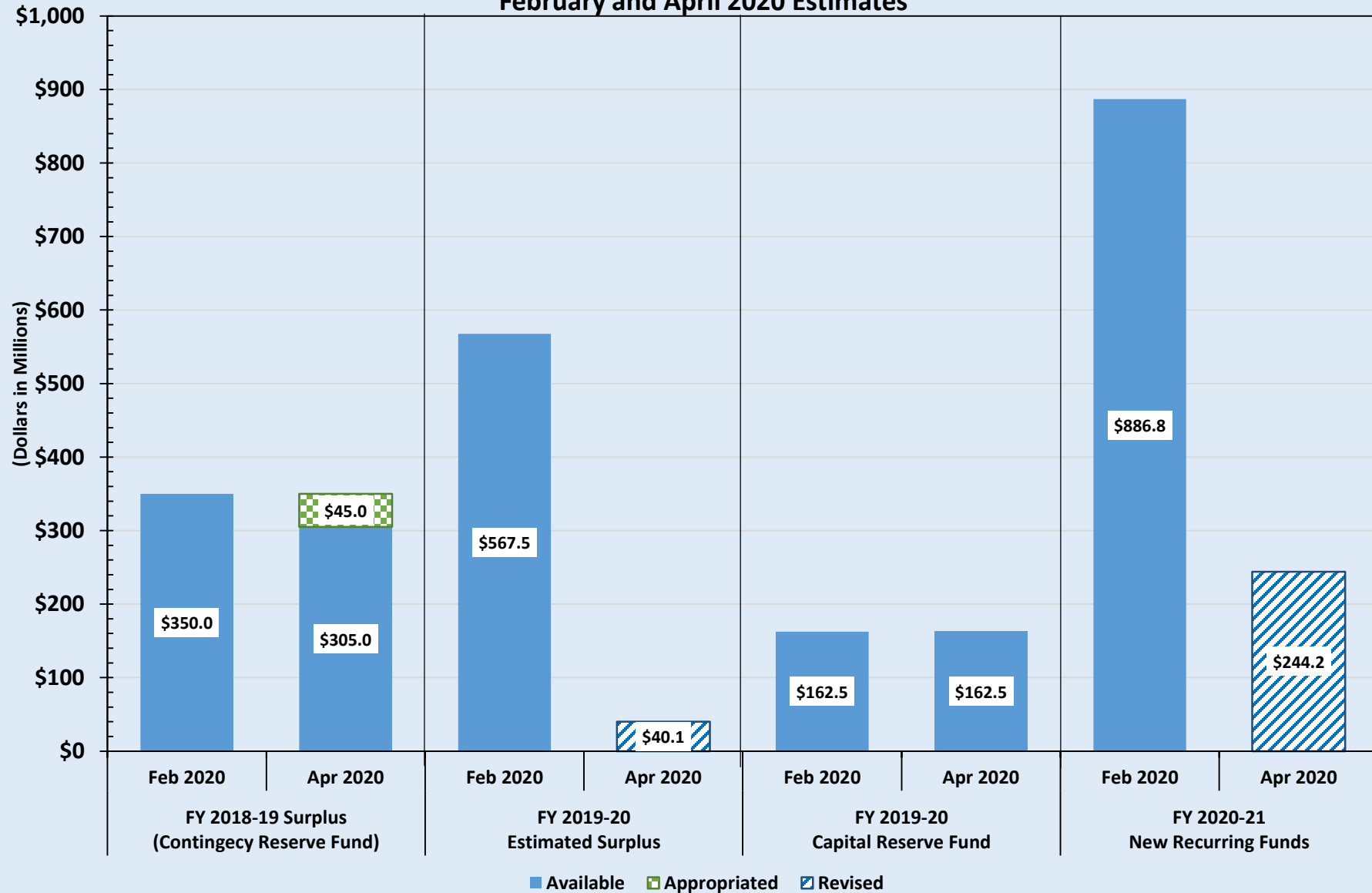
ROLLING FISCAL YEAR ACTUAL GENERAL FUND REVENUE AND BEA ESTIMATES OF FEBRUARY AND APRIL 2020



Note: Budget includes Property Tax Relief Trust Fund

AVAILABLE FUNDS - FY 2020-21 BUDGET PROCESS

February and April 2020 Estimates



Other Items – FY 2019-20

Revenue Source	FY 20 Budget	FY 20 Feb. Estimate		FY 20 Apr. Estimate	FY 21 Apr. Estimate	Agencies Affected
EIA	\$861.2	\$892.5		\$867.1	\$887.2	School Districts, SDE
Homestead Ex.	\$798.8	\$806.3		\$782.2	\$799.3	School Districts
Lottery	\$463.2	\$470.3		\$470.3 (?)	\$469.8	Scholarships, CHE, SDE, and others
Admissions Tax	\$32.4	\$33.5	/1	\$25.1	\$34.4	GF, PRT, DNR, Local Governments
Documentary Stamps	\$84.7	\$85.5	/1	\$81.3	\$91.1	GF, Conservation Bank, Housing, Heritage Land Trust, Counties

/1 General Fund estimate

This Economic Downturn is Unique, because...

- SC Revenue Sources in the FY19-20 General Appropriations Act

- Other Fund appropriations are the single largest category of appropriations in the State's \$30 Billion budget.

- The single largest category of other fund revenues used to underwrite appropriations in this category is tuition for our colleges and universities which comprises about 1/3rd of other funds. Tuition fees and transaction fees like college dormitory fees and meal plan fees have dropped dramatically as students have been receiving instruction remotely.

- This phenomenon, which is unusual compared to previous economic downturns, has placed fiscal stress on the higher education sector.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

- \$250 billion set aside for direct payments to individuals and families (with most American adults receiving \$1,200 and most children \$500).
- \$377 billion in small business loans.
- \$260 billion in unemployment insurance benefits.
- \$500 billion in loans for distressed companies.
- \$150 billion to assist states and localities.
- \$150 billion for hospitals to invest in equipment and infrastructure.

Margaret Mead (1901-1978)
American Cultural Anthropologist

“Helping someone else
through difficulty is
where civilization starts.”