

MINUTES
CONFERENCE CALL MEETING
of the
SOUTH CAROLINA CONSERVATION BANK
Wednesday, March 8, 2017 – 10:00 am
1201 Main Street – Suite 1820
Columbia, SC 29201

The South Carolina Conservation Bank Board (SCCB) held a conference call meeting on Wednesday, March 8, 2017 at 10:00 am at 1201 Main Street, Suite 1820, Columbia, South Carolina. Notice of the date, time and place of the meeting was posted and mailed to the news media in accordance with the Freedom of Information Act. Chairman James Roquemore presided at the meeting and members present included Michael G. McShane, Vice Chairman; Andrea Clark; Elliott Close; C. Douglass Harper; D. Clinch Heyward; W. Thomas Lavender, Jr.; William L. Snow, Sr. and Ex-Officio member Dr. Walt McPhail, SC Forestry Commission Chairman. Members absent were Charles Lane and Ex-officio members Cary L. Chastain, Chairman SCDNR Board and Duane Parrish, Director for SCPRT.

I. WELCOME AND CALL TO ORDER

The Chairman called the meeting to order and requested Director, Marvin Davant to update the Board on the status of the Legislative Audit Council Report and pending legislation.

- A. **Legislative Audit Council (LAC) Report** – Mr. Davant stated the LAC Report had been completed and all Board members should have received a copy. Mr. Davant informed the Board that a letter had been sent to all House of Representatives & Senate members acknowledging the LAC Report. The letter noted factual discrepancies in the review which were addressed in the Agency’s Comments at the end of the Report. Mr. Davant stated there had been several op-eds in the Lowcountry, Orangeburg and Anderson newspapers. Mr. McShane asked about the letter to the House and Senate and Mr. Davant confirmed these had been delivered. Mr. McShane suggested the responses and suggestions made by the LAC to the Board should be discussed at the next Board meeting as to how to implement some of the LAC’s recommendations. Mr. Davant stated that staff had already implemented some of the suggestions; however, others would have to be discussed in more detail as how to handle.
- B. **Pending Legislation** – Mr. Davant stated that there were several Provisos in the Appropriations Bill relating to the SC Conservation Bank. Mr. Davant stated these include Proviso 53.1, 117.129, 117.130 and 118.14 and proceeded to explain each Proviso.

Mr. Davant stated that in **Proviso 53.1** the House Ways & Means Committee had suspended the deed stamp revenues for FY 2017-18 and this Proviso had been submitted by Rep. Pitts. In the discussions during the House Ways & Means Committee meeting on Feb. 22, 2017, Rep. Pitts submitted Amendment D9 suspending the Bank’s revenue source and transferred those funds to the statewide General Fund. Earlier during that meeting Rep. Pitts informed the Full Committee the Subcommittee had provided the Bank \$283,916 for operating funds and a onetime non-recurring budget allocation of \$5,000,000 which was established in **Proviso 118.14**. Mr. Davant noted that Rep. Pitts informed the W&M Committee that this was done as a result of the recent LAC Report and the fact that the Bank’s pending sunset and reauthorization were approaching during FY 2017-18. Rep. Pitts further stated until it was determined if the Bank was going to be reauthorized the Subcommittee felt this was the best approach in funding the Bank.

Ms. Clark asked if the SCDNR Provisos were still in the Appropriations Bill. Mr. Davant stated the Provisos from the previous fiscal year were still in the Appropriations Bill to transfer a total of \$3,000,000 to SCDNR to be used for match funds as listed in **Provisos 117.129 & 117.130**.

Mr. Davant stated that **Proviso 117.140** had been introduced at the Ways & Means Committee meeting (Amendment 10) which restricted the DNR, Forestry Commission and PRT from accepting any additional lands or properties until they had adequate resources to manage the lands they currently own from July 1, 2017 forward. This Proviso would not have an impact on existing approved land transfers or donations to these agencies.

Mr. Davant stated if the budget stays as proposed by the Ways & Means Committee the Bank will be limited to what it could fund during the next FY, if it could fund anything. Mr. Lavender stated he had recently been at a Chamber of Commerce meeting with Director Alvin Taylor as the speaker where in Director Taylor commented on DNR's programs based on merging resources to devote to land management. Mr. Snow stated the Bank's battles have always been fought in the Senate when the Appropriations Bill goes to Senate Finance and it's a totally different procedure. Mr. Davant agreed the Bank should have a better outcome in the Senate; however, the Bank has always been an agenda item when the Appropriations Bill goes to the Conference Committee. Mr. Snow asked if the leverage information had been provided to both the House and Senate and Mr. Davant confirmed it had been.

The Chairman stated the Senate would have to take a tougher posture with the House. Mr. Snow asked if anyone had talked with Governor McMaster. Mr. Roquemore stated he would be contacting Mr. McMaster within the next few days.

Mr. Davant next explained **S. 219** which is Senator Campsen's bill to reauthorize the Conservation Bank for another ten years, remove the death clause and have the Bank's budget authority reduced twice the percentage amount of what other state agencies budgets are cut. Mr. Davant stated at the time of this meeting the House had not introduced a Reauthorization Bill; therefore, the Senate Reauthorization Bill has no companion House Bill. Mr. Davant stated that some lobbyists had been talking to Rep. Bannister about introducing a companion Bill in the House. Mr. Lavender and Mr. Snow stated that an amendment could be made to any Bill to include the Reauthorization; however, the Bill would have to be germane to the subject matter. Mr. Lavender stated that the Chairman and Vice Chairman could be available to speak with legislators and to find out what's going on with the caveat that the Board exists at the pleasure of the Legislature.

Chairman Roquemore stated he agreed with meeting with legislators and would see Senator Setzler on Monday and would call on House members. The Chairman encouraged any other Board members to reach out to their legislators on behalf of the Bank. The Chairman stated he had talked with Senator Leatherman on behalf of the Bank and would contact Governor McMaster as well. Mr. Snow asked if anyone was going to contact the Speaker of the House. The Chairman stated he was going to call the Chief of Staff for Speaker Lucas.

Mr. Davant stated the question will be how they (the Legislature) want to make the potential changes and what they are willing to do to get there. Mr. Lavender suggested finding someone to go one on one to discuss with key legislators. Mr. Snow stated he had watched the video of the House debates and felt Rep. Pitts is going to make this a prerequisite if the Bank wants reauthorization. The Chairman stated he was getting mixed messages. Mr. Lavender stated he couldn't tell how Rep. Kirkman Finlay would respond on behalf of the Bank. Mr. Davant stated staff was already managing what is being discussed.

Mr. McShane asked when the next Board meeting was scheduled and maybe some of these issues could be addressed at that time. Mr. Davant stated the next meeting was scheduled for May 4. Mr. McShane asked if a request could be made to the SC Attorney General requesting their office to assign an attorney permanently to the SC Conservation Bank as its counsel. Ms. Rish stated the normal process the Bank had used was to submit a request for outside counsel to the Attorney General's Office, as many state agencies do, and the Attorney General's Office would approve. Mr. McShane again asked the Director to see if the Attorney General's Office could provide legal counsel for the Bank's next Board meeting to represent the Bank at no cost to the State. Mr. McShane stated this could be done with a letter to the Attorney General from the Director with a copy to the Board Chairman. Mr. Davant stated a letter would be sent to the Attorney General's Office.

The Chairman thanked everyone or their participation in the meeting. Mr. McShane made a motion directing staff to prepare a review of the scoring criteria for a grant application made to the Board for review at the May 4th Board meeting. Mrs. Clark seconded and the motion unanimously passed.

Mr. McShane made a motion to adjourn the meeting. Mr. Snow seconded and the motion unanimously passed.