



## SOUTH CAROLINA ASSOCIATION OF COUNTIES

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April 9, 2020

Members of the General Assembly returned to Columbia on Wednesday for a one-day emergency session aimed at funding the ordinary expenses of state government at current levels in the event the 2020-2021 fiscal year begins without the passage of the annual general appropriations act. Lawmakers in the House of Representatives met briefly and passed a continuing resolution ([H. 3485](#)) that includes the establishment of the “Coronavirus Relief Fund” for the receipt and disbursement of appropriations received from the federal government. The continuing resolution also includes a provision that suspends the employer contribution increase into both the South Carolina Retirement System and Police Officers Retirement System. The employer contribution rate for these systems will remain the same as they are in FY 2019-2020 under the continuing resolution. The General Assembly intends to pass an appropriations act this fall and those increases could possibly go into effect in that budget.

The resolution also calls for the appropriation of \$180 million from the State’s FY 2018-2019 Contingency Reserve Fund to a newly created “COVID-19 Response Reserve” account. Under the new account, the Governor may direct funds to be used for 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, with priority given to expenses related to the participation of first responders. The Governor’s expenditures from this account must be approved by the legislative Joint Bond Review Committee. Leadership in both the House and Senate ensured that the federal funds and the reserve account would be used to fully reimburse county government for the expenses they continue to incur in response to COVID-19.

The House version of the continuing resolution also included provisions that would prohibit Santee Cooper from entering into contracts for longer than a year, including, but not limited to contracts related to the purchase of energy or generation capacity.

The Senate adopted its own continuing resolution ([H. 3411](#)) on Wednesday afternoon that mirrored the funding language as approved by the House, including the retirement systems employer contribution increase suspension. However, after extended debate, members of the Senate amended portions of the resolution pertaining to the restrictions on Santee Cooper. The Senate’s plan removed the contract restrictions on the agency but provides that all decisions made by Santee Cooper must be approved by the Governor, the Senate President, the House Speaker, and the budget chairmen in the House and Senate. As a result of the Senate amendment, the House of Representatives must return to Columbia before June 30, 2020, to concur or non-concur with the Senate plan. If the House does not return to address the Senate’s action, then the provisions of the continuing resolution, including the employer contribution increase suspension, will not go into effect.

Prior to adjournment, the Senate also passed a “Sine Die” resolution that would provide lawmakers with the opportunity to conduct a special session after the last day of regular session on May 14, 2020, for matters relating to the budget, Santee Cooper, Coronavirus response, and other legislative matters. The resolution will also head to the House for consideration. If the Sine Die resolution isn’t approved, then the legislature will be subject to be called into session by the Governor after May 14. Please call Kent Lesesne at (803) 608-7407 if you have any questions about the legislature’s actions.