



## SOUTH CAROLINA ASSISTED LIVING ASSOCIATION SPRING CONFERENCE

### 2020 LEGISLATIVE AND BUDGET OVERVIEW

JUNE 3, 2020

KERR & COMPANY, INC.

#### *Legislative Session*

The second year of the biennial session convened on January 14, 2020. On March 13th, Governor McMaster declared a state of emergency related to the COVID-19 pandemic. The following week the General Assembly approved and the Governor signed a bill making \$45 million available to the Department of Health and Environmental Control for the State's COVID-19 response efforts. During the last week of the session, the legislature passed [H.3411](#), a continuing resolution, to keep state government operational in the absence of an approved budget for the upcoming year.

Major provisions of the continuing resolution include:

- Funding for state agencies at the same funding levels as the current fiscal year.
- Coronavirus Relief Fund to receive federal appropriations and allows for the Department of Administration to procure professional grant management services to oversee and ensure compliance of federal COVID-19 funding.
- COVID-19 Response Reserve Account funded with \$175 million from reserves.

The General Assembly also passed [S.1194](#), a *sine die* resolution, which allows them to come back into session from September 15th–24th to address matters related to the budget, conference reports, COVID-19 response, vetoes, any legislation that has passed through one chamber, and other specified legislative matters. The *sine die* resolution also allows the General Assembly to meet any time between September 24th and November 8th subject to the call of the President of the Senate and Speaker of the House to consider the same issues.

#### *State Budget*

The total state budget for the current fiscal year ending June 30th is \$29 billion, of which approximately \$8.7 billion come from general fund revenues. The State also maintains two “raining day” funds. Both reserve funds are fully funded for the current fiscal year.

Prior the beginning of the legislative session, state economists had predicted the General Assembly would have an extra \$1.9 billion in general fund revenues, including about \$800 million of recurring revenue, to spend for the budget beginning July 1st. The SFY 2020-21 general fund budget was expected to total \$10.2 billion. The full impact of the COVID-19 pandemic is still uncertain. However, the current forecast projected a loss of \$1.2 billion in state revenue for the current and upcoming fiscal years. However, there are not anticipated cuts for the current fiscal year ending June 30th. At the present time, the forecast for next fiscal year estimates a reduction in general fund revenue of approximately \$702 million.

The General Assembly plans to return in September to finalize a budget for SFY 2020-21. Although the House adopted its version of the budget during the legislative session, it will have to be amended based on the revised budget forecast subsequent to COVID-19.

## 2020 Elections

In addition to the upcoming presidential election, one of South Carolina's two U.S. Senate seats is up for election in 2020. Senator Lindsey Graham, long-standing incumbent, is facing opposition. All seven of South Carolina's House congressional seats are up for election, with all incumbents facing challengers.

All 170 seats in the South Carolina General Assembly are up for election. The South Carolina Senate has 46 members, elected every four years, and the House of Representatives is comprised of 124 members, elected every two years. There are no term limits.

Three incumbent Senators are not seeking reelection: Greg Gregory (District 16), John Matthews (District 39), and Paul Campbell (District 44). Nineteen other incumbents are facing opposition.

Ten incumbent House members are not seeking reelection: Gary Clary (District 3), Eddie Tallon (District 33), Mike Forrester (District 34), Robert Ridgeway (District 64), McLain Toole (District 88), Con Chellis (District 94), Nancy Mace (District 99), David Mack (District 109), Mike Sottile District 112), and Robert Brown (District 116). Thirty-two other incumbents are facing opposition.

You may find information about candidates running in your district at the following link: <https://info.scvotes.sc.gov/Eng/candidate/selectelection.aspx>

Due to the COVID-19 pandemic, Governor McMaster signed into law a bill allowing any South Carolina voter to request an absentee ballot for the June 9th primary and subsequent runoff elections.

## COVID-19 Update

A number of state and federal efforts have been adopted to address the COVID-19 pandemic. Highlighted below are some of the major efforts that have been implemented to date.

### Federal

- Coronavirus Preparedness and Response Appropriations Act - provides funding for research and development of potential treatments and vaccines.
- Families First Coronavirus Response Act – requires employers with fewer than 500 employees (with exceptions) provide paid family and medical leave and sick leave for people affected by COVID-19; increased the Medicaid federal funding percentage by 6.2 percent; grants to states to provide unemployment benefits; funding for various food assistance programs.
- Coronavirus Aid, Relief, and Economic Security Act – individual cash payments, increased unemployment benefits; funding to various public and private entities; insurance coverage changes to cover COVID-19 tests; funding for broadband improvement in rural areas; removed barriers to telehealth; funding for states
- Paycheck Protection Program (PPP) and Healthcare Enhancement Act (HEA) – PPP loan designed to provide incentive for small businesses to keep worker on the payroll and loans to be forgiven if all employees are retained on the payroll for eight weeks and the funds are used for payroll, rent, mortgage interest, or utilities. HEA provide funding for hospitals to respond to COVID-19 and funding to enhance testing.

State

- General Assembly approved and Governor signed into law a bill to provide \$45 million to the Department of Health and Environmental Control for immediate COVID-19 response.
- Additional \$175 million approved for COVID-19 response in the continuing resolution passed by the General Assembly and signed by the Governor.
- AccelerateSC – an advisory team appointed by the Governor to consider and make recommendations within 30 days regarding economic revitalization plans for South Carolina.
- SCEMD – responsible for acquiring and distribution personal protective equipment.
- Medicaid – temporary policy changes implemented to address ongoing access to care including telehealth expansion, E-signature policy revision on Medicaid applications; relaxing prior authorization requirements, etc.

SCALA

- Letter to Governor McMaster regarding funding for assisted living facilities related to unexpected costs associated with COVID-19
- Letter to Director Toomey at the Department of Health and Environmental Control regarding funding for COVID-19 related expenses
- Board/Facility outreach to legislators regarding need for financial assistance for COVID-19 response efforts
- COVID-19 Liability Issues – discussion at both state and federal level

*Bills of Interest*

Attached are two legislative tracking reports highlighting bills that were monitored during this session. The first report highlights two bills that were ratified this session. The second report highlights bills that were being monitored but not enacted. As this is the second year of the biennial session, these bills will not be carried forward but could be reintroduced next session.