



STATE OF SOUTH CAROLINA  
THE SENATE  
COLUMBIA

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**Columbia** – S.C. The economic problems facing our nation may spark long-overdue reforms in state government. That's what Senator Glenn McConnell (R-Charleston) is counting on.

McConnell, who is President Pro Tempore of the South Carolina Senate, has pushed for a number of economic reforms in years past. "Next year maybe different," McConnell said. "Bad economic news may motivate the General Assembly to act on the conservative reforms that have been pending for years."

Today, McConnell unveiled a five-point plan to make South Carolina "Fiscally Fit." He says he plans to begin work immediately on the reform agenda so the legislative proposals will be ready for action as soon as the Senate convenes in January 2012. He will name a bipartisan study committee of Senators to refine the plan. Senator McConnell will serve as chair of the study committee.

McConnell compared his reform agenda to the kind of exercises men and women need to become physically fit and to lead healthy, productive lives. "Government is no different," he said. "Our state government is not in good shape financially. To create jobs, improve services, stop abuse of taxpayers and get our economy back on the road to prosperity, we need a concerted effort to make South Carolina fiscally fit. My goal is to get those reforms moving in the State Senate."

McConnell said the recent debt ceiling crisis in Washington should be a warning to South Carolina. "For years and years, federal politicians, Democrats and Republicans alike, have stuck their heads in the sand and ignored the core problems created when you spend more than you can afford. Now the chickens have come home to roost," McConnell said. "The same thing will happen here in South Carolina unless we take action now to make our state is fiscally fit."

The "Make South Carolina Fiscally Fit Agenda" includes five legislative initiatives. Those five initiatives are as follows:

1. **A Constitutional Amendment to Cap State Spending:** Unless we limit the growth of government to the growth in the ability of our citizens to pay the bills, we will never be able to control the wild growth of government spending. Various forms of this proposal have been around

for years. The time has come to give the people of South Carolina the right to vote on whether they want to amend the constitution to cap the growth of state government. That's the only way to make sure growth in state government is sustainable. I would also specify that windfall revenues in times of prosperity should either be used to pay down debt or else be returned to those who paid the bills in the first place: taxpayers.

2. **Commission on Spending and Fiscal Reform** – In order to become “fiscally fit,” our first priority must be to prioritize spending. Which services are most essential? Where can we find duplication and waste? Where can government save money by turning over certain roles to the private sector? The Commission will be tasked to identify core functions of government, explore efficiency ideas, develop a specific plan to convert to a system of zero based budgeting and make other recommendations to the General Assembly.

3. **Taxpayer Fairness Act** - Over the years, we have seen too many tax laws changed by bureaucrat interpretation in order to get more money in tax collections. We need new legislation to ensure that taxes are fair, equitable and collected exactly as they were written, without giving bureaucrats subjective power to “re-interpret” tax law.

4. **Deficit Prevention Act** - The people of South Carolina have long thought, and I believe have taken solace in the fact that our state constitution does not allow deficits. Unfortunately we have learned that deficits have blossomed as our economy has wilted. Approximately, \$220 million dollars were allowed to be spent via deficit by the 5 members of the Budget and Control Board. As President Obama and Congress continue to debate and negotiate a compromise on raising the federal deficit ceiling, it is interesting to note that in South Carolina an amendment inserted in the budget by the South Carolina Senate to make clear that no agency could run a deficit was taken out by a Republican controlled Conference Committee. I believe that it is time we give meaning to the balanced budget requirement in the Constitution.

5. **Trust Fund Protection Act** - Another lesson that we seem to be taking from Washington is about trust funds. We are learning the hard way in Columbia what has happened with Washington trust funds like the Social Security Trust Fund that money put in trust funds to protect those funds is not protected and in reality is only a rainy day fund for legislators to use when tax dollars run low. I believe that money that is raised for a specific purpose and placed in a trust fund should only be used for that purpose. However, it seems that common sense belief is not widely shared in Columbia so I am asking the task force to look at legislation that would place trust fund protections in the Constitution.

Before the new session of the General Assembly begins in January, 2012, McConnell says he will seek input from leaders in business, industry and government as well as voters from all walks of life for ways to improve the “fiscally fit” agenda. “Just as exercise and changes in diet are sometimes needed to improve your personal health, we have seen clear symptoms that our state’s economy is seriously ailing.” McConnell said. “The time has come to make some tough decisions and to bring the kind of changes and conservative reforms our state needs to become fiscally fit. And we must act now, before it’s too late. The future literally depends on it.”