Fiscal Year 2018-19 BUDGET BRIEFING

General Appropriations Bill (H. 4950) & Capital Reserve Fund (H. 4951)

Conference Report adopted June 29, 2018

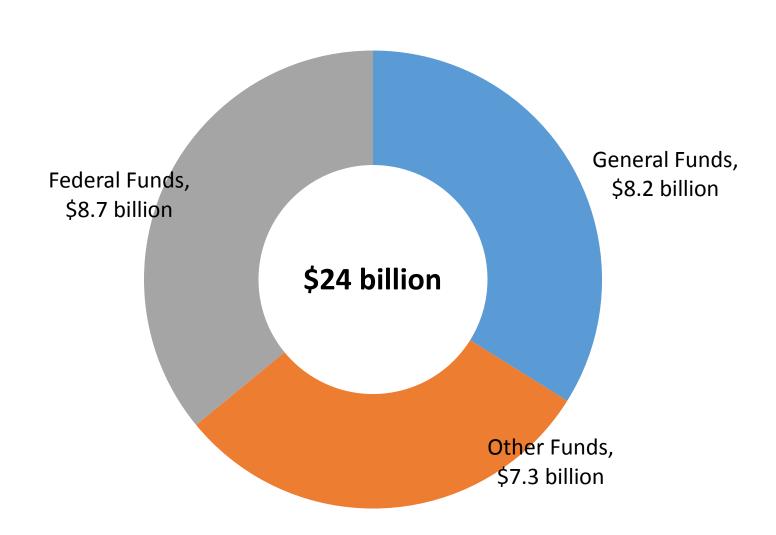


New Dollars Available

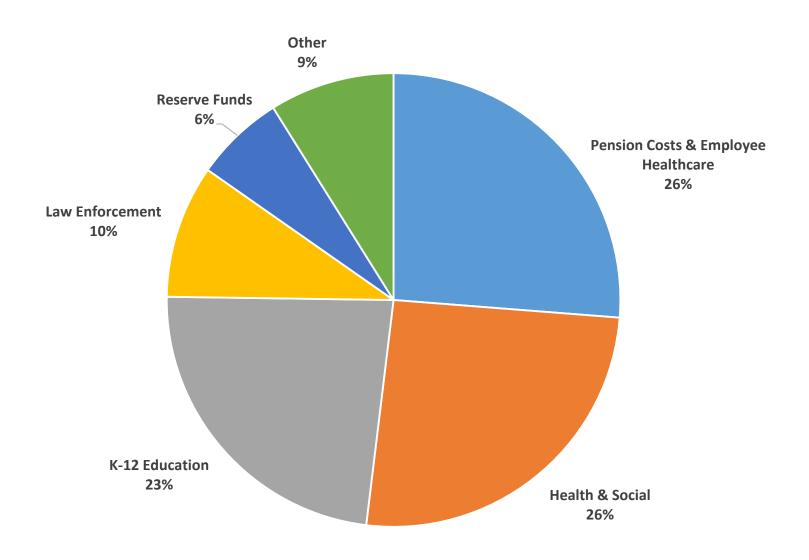
Source	
FY 18-19 "New" Recurring Revenue	\$276 million
Act 98 Repeal	\$50 Million
Total Recurring	\$326 million

Source	
Capital Reserve Fund	\$145 million
Unobligated Debt Service	\$84 million
Litigation Recovery Account	\$4 million
Total Non-Recurring	\$233 million

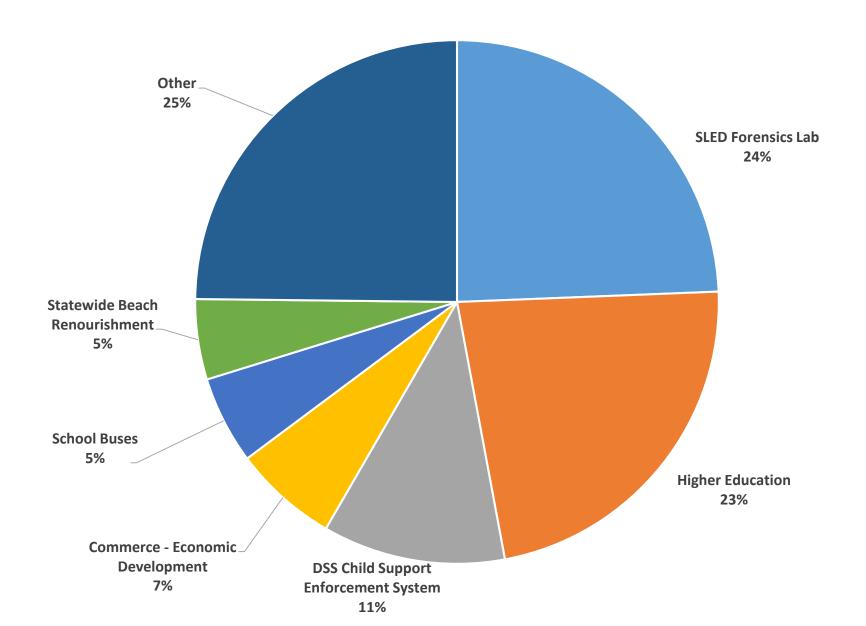
2018-19 Total Budget



New Recurring Dollars Breakdown



Non-Recurring Breakdown



Statewide Items

- \$22 million to fully fund Constitutional Reserve Funds, which brings the reserve fund total to \$515 million (\$364 million – General Reserve; \$151 – Capital Reserve)
- Reduced the total budget by \$2.4 billion by removing double-booked funds and items in higher education that are not state funds
- \$599 million in direct tax relief for South Carolinians

State Employee Benefits

- \$32 million to fund the General Fund employer cost of Year 2 of the multiyear plan to bring down the multi-billion pension liability
- \$56.4 million to cover 100% of the state employee health and dental insurance increases so employees will have no additional monthly premium cost
 - Expanded to cover Well Visits as a contractual service, which will require copays but also count towards deductibles
 - Small increases to patient liability in deductible and copays

House Budget Subcommittee Areas

Public Education and Special Schools

Teacher Salary Increases

- \$31 million for a statewide teacher salary increase of 1%
- \$7.8 million to increase the statewide minimum starting salary for a teacher with 0 and 1 year experience from \$30,000 to \$32,000

Increased School Funding

- \$55.8 million to increase the Base Student Cost by \$60 per pupil to \$2,485
- \$13 million for SC Public Charter Schools student growth
- \$11 million for Technical Assistance for low-performing schools

School Buses

- \$12 million in recurring, non-recurring, and lottery funding for new school buses
- With this new funding, all 1995 fire-prone buses will be off the road by the start of the school year

Public Education and Special Schools

School Resource Officers

- **\$2 million** recurring for hiring certified law enforcement officers to serve as School Resource Officers
- Funds are available for school districts that otherwise would lack the adequate resources to hire their own SROs, with districts of the lowest index of taxpaying ability receiving priority consideration
- Allows any retired Class 1 law enforcement officer to return to employment as an SRO without affecting the monthly retirement allowance

School Safety Upgrades

- \$15 million in the Lottery for School Safety and Critical Facility and Equipment Improvements
- Funds are for life safety infrastructure for school facilities including door locks, security cameras, metal detectors, lifesaving medical equipment and SRO equipment

Higher Education

Scholarships and Tuition Aid

- \$11 million for Workforce Scholarships to provide grants for tuition, fees, transportation, or textbook expenses to SC residents enrolled in a career education program at a technical school or professional certification program
- \$3.9 million to create Palmetto Promise Scholarship Pilot program that awards scholarships to students from the Abbeville plaintiff school districts
- For the third year in a row, fully funded LIFE, HOPE and Palmetto Fellows Scholarships through the Lottery, including the increases from the 10-point grading scale

Technical Colleges

- \$4 million in recurring increases for all technical colleges
- \$9.4 million for the successful ReadySC job training program, which provides customized training for new and expanding business and industry
- \$11 million for High Demand Skill Training Equipment to be distributed to all technical colleges

Colleges and Universities

- \$20 million in recurring to help bring colleges and universities closer to pre-recession funding levels
- \$50 million non-recurring for capital projects and maintenance needs at colleges around the state

Healthcare

Heath and Human Services - Medicaid Budget

- **\$26.4 million** for the state Medicaid Maintenance of Effort and annualization to continue current level of services without expending agency reserves
- Includes Increased revenue assumptions and lower targets for managed care rates
- Continued funding for the Healthy Outcomes Proviso, serving over 14,000 highutilizers of emergency rooms and/or inpatient services through coordination with all Medicaid-designated hospitals, 70 primary care safety net providers, and three behavioral health clinics state-wide

<u>Health and Human Services - Rural Health Initiative & Telemedicine</u>

- \$3.5 million in increased funding for the Rural Health Initiative. DHHS will continue to partner with the USC School of Medicine in the development of a long term strategic plan for addressing medically underserved communities in the rural areas of the state through services such as the iCARED initiative.
- Aimed at supporting and developing medical education in rural areas through rural residency placements and infrastructure improvements
- \$5 million in non-recurring through Telemedicine Proviso for continued infrastructure build out and \$1 million increase in recurring funds for Telemedicine operations this brings total recurring dollars for the SC Telehealth Network to \$11.5 million in combined funding through DHHS and MUSC

Healthcare

Health and Human Services - Autism Spectrum Disorder

- \$4.8 million increase in state recurring funds for increased rates for autism therapy and service providers (\$9.4 M in matching federal funds)
- Rates for ABA line therapists will increase from \$17.38 to roughly **\$30/hour** with increases to the supervisor rate from \$58/hour to \$64/hour
- Agency has updated the rate methodology to reflect cost-driven structure and avoid blending the supervision rate with line therapists
- Rates are indexed against national standard cost of employment information, and proposal is being distributed to providers by the end of the month
- DHHS is continuing to explore opportunities to increase capacity in the workforce, so that children are not placed on waiting lists – 20% increase in enrolled providers since November 2017

DHHS, DAODAS and MUSC - Opioid Abuse Prevention

- Over \$11 million in increased state funding specifically aimed at addressing the Opioid Epidemic through DHHS and DAODAS
- \$5 million in state funds for the MUSC Hospital Authority Health Innovations Program, which includes funding to expand the Emergency Department MAT pilot established in FY 17-18 to additional hospitals
- Proviso 117.142 will use these funds to implement many of the House Opioid Abuse Prevention Study Committee recommendations
- **\$4 million** in non-recurring through HOP proviso 33.20 for capital improvements to the behavioral health facilities based on need as determined by DAODAS and DHHS

Healthcare

Other Health Agencies

- <u>DSS</u> \$23 million in recurring funds to address required components in settlement agreement and continue child care match for \$8.65 million in federal funds, \$25 million in non-recurring for the continued development of the Child Support System
- <u>DDSN</u> \$11.3 million to increase the department's direct care staff starting salaries agency wide from \$11/hour to \$12/hour and a 3-4% increase to direct care wages for employees working with the department for at least 5 years, \$500,000 increase to the Greenwood Genetic Center for Autism Research, \$650,000 for in-home Autism Support services
- <u>DMH</u> \$6.9 million to increase funding for Supported Community Housing, Child and Adolescent Intensive Community and Residential Services, and enhanced School Based Services
- <u>DHEC</u> \$2.4 million for the EMS Performance Improvement Center and the Credentialing Information System, Enhanced Communicable Disease Prevention and Treatment, including funding specific to HIV/AIDS, Breast and Cervical Cancer, and Colorectal Cancer

Law Enforcement and Criminal Justice

Department of Corrections

- **\$5 million** to increase the starting salary for correctional officers by \$1,000 and provide an increase for existing officers.
- \$1.7 million for workforce and reentry services for Level II/III institutions
- \$3 million for security system equipment and upgrades
- **Proviso 65.25 (Cell Phone Interdiction)** amended to give the department additional flexibility within their budget for critical security upgrades.

SLED

- \$500,000 recurring for vehicle rotation
- \$956,131 for a pay increase for eligible Class 1 and 3 personnel
- \$54 million for a new forensic laboratory

Criminal Justice Academy

\$212,980 to increase instructor salaries

Judicial Department

- \$7 million for Phase I of 3 of Case Management Modernization
- \$1.1 million for security upgrades to the Supreme Court building and parking lot
- \$900,000 for building maintenance at Court Administration and the Supreme Court

Law Enforcement and Criminal Justice

Probation, Pardon and Parole Services

- \$1.1 million for vehicle support, fully funding the agency's lease program and bringing the agent to vehicle ratio to 1:1
- \$863,408 for expansion of the Offender Supervision Specialist Program to eight additional counties bringing the total to 28 counties

Department of Natural Resources

- \$403,934 for law enforcement step increases for eligible officers from 5% -10% of base salary
- \$415,600 for law enforcement vehicle rotation
- \$3 million as state match for Pittman-Robertson and North American Conservation funds

Conservation Bank

• \$4 million recurring and \$1.5 million non-recurring for Conservation Bank Trust as well as \$265,335 for operational expenses

Department of Juvenile Justice

• \$3.6 million for development and implementation of a program for treatment of the severely mentally ill population

Economic Development & Natural Resources

Department of Commerce

- \$4.2 million for the Deal Closing Fund to build on recent successes in recruiting new jobs and industry
- \$11 million for Locate SC to continue to develop depleted suitable inventory for potential business relocation prospects
- \$600,000 for the Military Base Task Force

Clemson PSA

- \$2 million for Water Resource Research, Management & Technology and \$3 million for facility renovation for water research
- \$3 million for field facilities and equipment storage at Research and Education Center facilities located throughout the state
- \$500,000 for the Comprehensive Statewide Extension Program, which will help support the Clementa Pinckney 4-H Leadership Program

Forestry Commission

- \$1 million for firefighting equipment to assist in the replacement of open-cab dozers with safer and more efficient closed-cab dozers
- \$1 million for forester recruitment and retention

Economic Development & Natural Resources

Department of Agriculture

- \$1 million for statewide agribusiness infrastructure and site preparation for agribusiness relocation prospects that do not qualify for Locate SC funds
- \$100,000 for Agribusiness Development Grants that will help support the production of fresh fruits and vegetables and thus increase healthy food equity among the rural and/or underprivileged urban communities

Arts Commission

 \$350,000 to be used as grants to support local art organizations around the state

Archives and History

• \$200,000 to conserve and preserve the seven South Carolina Constitutions: 1776, 1778, 1790, 1861, 1865, 1868, and 1895

State Ports Authority

• \$1.425 M for development of the Jasper Ocean Terminal Port

Transportation and Regulatory

Department of Motor Vehicles

- **\$5.6 million** non-recurring for customer service representatives, Saturday work at branches, and State to State Help Desk IT creation associated with implementation of the REAL ID program
- \$379,122 recurring for 9 operators to run the federally-mandated State to State Help Desk required to maintain compliance with the REAL ID program
- \$428,000 recurring for staffing and materials costs associated with the Moped Bill

Commission on Minority Affairs

• **\$231,360** for additional Statistical & Research Analysts and **\$75,000** for the agency's Small Business Program

Human Affairs Commission

- \$80,000 for staff training to maintain federal funding levels
- \$20,000 for additional administrative hearings due to an increase in caseloads

Division of Aeronautics

• \$275,000 for facilities maintenance in the form of replacing windows and painting the exterior of its headquarters

Legislative, Executive, and Local Govt.

Department of Administration

- \$3 million to support all state agencies as the agency continues to implement the Statewide IT Strategic Plan
- \$1 million for Guardian ad Litem to comply with national Court Appointed Special Advocate standards and to replace funding they were previously receiving from DSS
- 4.5 million for State-Owned Building Maintenance

PRT

- \$11 million for Beach Renourishment, which completes the program
- **\$5.4 million** for State Park Maintenance Needs the agency has over \$25 million in maintenance and upgrade needs for the state parks across the state
- \$4.5 million for the Sports Marketing Grant Program

Legislative, Executive, and Local Govt.

Adjutant General

- \$1.55 million recurring and \$3 million non-recurring for Armory Revitalizations
- \$451,000 Emergency Preparedness Operations to address personnel costs and various operating expenses such as IT, training exercises, and facility maintenance needs
- \$235,000 total for State Guard Operations to offset reductions from federal reimbursements

Election Commission

- \$250,000 for Security of Election Infrastructure which will ensure the security of the state's election infrastructure, which includes the statewide voter registration system and the statewide voting system
- \$600,000 Special Election Funds Recoupment to replenish election funds used to pay for the numerous special primaries and elections over the last year
- \$4 million for the refurbishment of the current statewide voting system
- \$4 million for the new statewide voting system reserve fund to continue setting funding aside for the purchase of a new system in future years which could cost over \$50 million total



For more information on H.4950 and H.4951, visit:

www.scstatehouse.gov