Fiscal Year 2018-19
Budget Briefing

General Appropriations Bill (H. 4950) & Capital Reserve Fund (H. 4951)
as passed by the House Ways and Mean Committee
New Dollars Available

### Recurring Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 18-19 “New” Recurring Revenue</td>
<td>$276 million</td>
</tr>
<tr>
<td>Act 98 Repeal</td>
<td>$50 Million</td>
</tr>
<tr>
<td><strong>Total Recurring</strong></td>
<td><strong>$326 million</strong></td>
</tr>
</tbody>
</table>

### Non-Recurring Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Reserve Fund</td>
<td>$145 million</td>
</tr>
<tr>
<td>FY 17-18 Debt Service Lapse</td>
<td>$17 million</td>
</tr>
<tr>
<td>Litigation Recovery Account</td>
<td>$4 million</td>
</tr>
<tr>
<td><strong>Total Non-Recurring</strong></td>
<td><strong>$166 million</strong></td>
</tr>
</tbody>
</table>
2018-19 Total Budget

General Funds, $8.2 billion
Other Funds, $11.0 billion
Federal Funds, $8.7 billion

$28 billion
Non-Recurring Breakdown

Higher Education 30%

DSS Child Support Enforcement System 15%

Commerce - Economic Development 9%

Statewide Beach Renourishment 7%

Medicaid Management Information System 5%

Judicial Department 5%

Clemson PSA 4%

Real ID Implementation Costs 3%

School Buses 3%

Other 19%
Statewide Items

Reserves
- $22 million to fully fund Constitutional Reserve Funds
- $515 million total ($364 million – General Reserve; $151 – Capital Reserve)

Tax Relief
- $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 multi-year 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

- **$60 million** for Teacher Salary increase of 2%

- **$5 million** to increase the statewide minimum starting salary for a teacher with 0 and 1 year experience from $30,000 to $32,000

- **$32 million** to maintain the Base Student Cost at $2,425

- **$13 million** for SC Public Charter Schools student growth

- **$3 million** recurring and **$5 million** non-recurring for school buses

- **$11 million** for Technical Assistance for low-performing schools

- **$2 million** for Career and Technology Education
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
- 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

- **$9.4 million** for the successful ReadySC job training program, which provides customized training for new and expanding business and industry
- **$9.8 million** for High Demand Skill Training Equipment to be distributed to all technical colleges

Colleges and Universities

- **$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 high-utilizers 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

Heath and Human Services - Rural Health Initiative & Telemedicine

- **$4 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 **$1.5 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**
- **$3.8 million** increase in state recurring funds for increased rates for autism therapy and service providers ($9,423,120 in matching federal funds)
- Rates for ABA line therapists will increase from $17.38 to roughly $27/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
- **$7.5 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

- **DSS** - $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

- **DDSN** - $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

- **DMH** - $6.9 million to increase funding for Supported Community Housing, Child and Adolescent Intensive Community and Residential Services, and enhanced School Based Services

- **DHEC** - $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

- **$3.7 million** to increase the starting salary for correctional officers by $750 and provide an increase for existing officers.
- **$1.7 million** for workforce and reentry services for Level II/III institutions

SLED

- **$1 million** recurring for vehicle rotation, which will fully fund a 5-year rotation cycle
- **$956,131** for a pay increase for eligible Class 1 and 3 personnel
- **$1 million** recurring and **$1.6 million** non-recurring for technology equipment and software

Criminal Justice Academy

- **$992,260** to expand training from 12 to 15 weeks

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
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

- $1.9 million for law enforcement salary realignment
- $403,934 for law enforcement step increases for eligible officers from 5% - 10% of base salary

Conservation Bank

- $3.5 million recurring and $1.5 million non-recurring for Conservation Bank Trust

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
- **$5.2 million** for the Deal Closing Fund to build on recent successes in recruiting new jobs and industry
- **$10 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

Forestry Commission
- **$1.5 million** for firefighting equipment to assist in the replacement of open-cab dozers with safer and more efficient closed-cab dozers
- **$1.5 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
- $500,000 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
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

**Human Affairs Commission**
- **$80,000** for the training of staff needed in order 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
  - **$3 million** for State Park Maintenance Needs - the agency has over $25 million in maintenance and upgrade needs for the state parks across the state
  - **$2.5 million** for the Sports Marketing Grant Program
  - **$4.1 million** for PARD

- **Adjutant General**
  - **$1 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
On the W&M website, you can find all Proviso Changes and the Summary Control Document.
House Ways and Means Committee

803-734-3144

Staff will be in the office Saturday, March 10th and Sunday, March 11th from 9:00 am to 5:00 pm to answer questions and draft amendments.

Please have amendments drafted as soon as possible.