



WAYS AND MEANS COMMITTEE

BUDGET SUMMARY

Fiscal Year 2015-16

*General Appropriations Bill &
Capital Reserve Fund*

Standing Committee Briefings



THE FOLLOWING CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

Big Picture Dollars



Available Revenue:

- \$288 million “new” recurring revenue
- \$20 million FY 14 end-of-the-year surplus
- \$19 million FY 15 BEA certified surplus
- \$70 million Master Settlement Agreement
- \$128 million Capital Reserve Fund
- \$323 million Lottery



- Reserve Funds are fully funded and total nearly \$456 million. This represents a ‘Rainy Day’ fund of 7% of our General Fund revenue.

Non-recurring Dollars

	FY 14-15	FY 15-16
<i>Contingency Reserve Fund</i>	<i>\$68.4 million</i>	<i>\$19.7 million</i>
<i>BEA Certified Surplus</i>	<i>\$165 million</i>	<i>\$19.3 million</i>
<i>Other N/R Revenue</i>	<i>\$2.3 million</i>	<i>\$9.8 million</i>
<i>Capital Reserve Fund</i>	<i>\$114.9 million</i>	<i>\$127.8 million</i>
<i>Total</i>	<i>\$350.6 million</i>	<i>\$176.6 million</i>

** We had approximately 1/2 of the non-recurring dollars available to spend as compared to last year.*

Total Budget



•* *General Fund Revenue Forecast = \$7.5 billion*

•* *Recurring General Funds - \$6.9 billion*

•* *Federal Funds - \$8 billion*

•* *Other Funds - \$9.2 billion*

•* *Total Budget for FY 15 = \$24.5 billion*

Statewide Items



† *Statewide Cyber Security Upgrades:*

† *\$4.5 million to continue to implement the IT security recommendations made by Deloitte to increase the state's cyber security posture.*

† *Employee Health Insurance:*

† *\$35 million to cover 100% of the state employee health insurance increases so employees will have no additional monthly premium cost.*

† *Local Government Fund:*

† *Increased the LGF's recurring base by \$12.5 million and added \$12.5 million non-recurring to maintain the LGF at its current level, \$212 million.*

Road Funding in the W&M Budget



- *Following the success of Act 98 from FY 13-14, the budget utilizes \$50 million in vehicle sales tax revenues that would normally flow into the general fund and directs those dollars to generate approximately \$500 million in bonds for road and bridge repairs and widening existing interstates.*



Subcommittee Budget Areas



K-12 Education



- ** \$94 million to increase Base Student Cost by \$100 to \$2,220.*
- ** \$8.5 million in district transition payments to consolidate funding streams and simplify funding for school districts.*
- ** \$5 million for Reading Coach Initiative expansion.*
- ** \$1.5 million for expansion of intensive summer reading camps for students not yet ready to advance to the next grade.*

K-12 Education



- ◌* *\$30 million for school bus lease/purchase.*
- ◌* *\$20 million for instructional materials.*
- ◌* *\$12 million in new funding for charter schools to accommodate the growing student population of the Public Charter School District.*
- ◌* *\$30 million in the lottery for the statewide technology initiative.*
 - ◌* *Doubled money to improve both internal and external connectivity at schools to insure all students have sufficient technology access.*

Higher Education *(Colleges & Universities)*



- ◌* *Fully funded scholarships.*
- ◌* *Funded \$6.4 million in total general fund increases for colleges and universities.*
- ◌* *Increased tuition grants by \$100 per student.*
 - ◌* *2014-2015: Max. Grant~\$3,000 Average Grant~\$2,700*
- ◌* *Provided for transferability of credit hours from two-year public institutions to public research universities or four-year colleges.*



Higher Education *(Technical Colleges)*

- ◌* *\$2 million increase to the Tech Board to provide enhanced tuition awards for students majoring in critical-needs (STEM) fields and who intend to work in regions of the state with workforce shortages.*

- ◌* *\$1 million for the ReadySC job training program at the Tech Board.*

- ◌* *\$14 million for capital needs at technical colleges.*
 - ◌* *\$2 million for STEM, Manufacturing, and Healthcare Equipment.*
 - ◌* *\$5 million for an Aeronautical Training Center at Trident Tech.*

Higher Education *(S.C. State University Proviso)*

- ✧ *Removed the board of trustees and transferred duties and powers to an interim board.*
- ✧ *Interim board composed of members of the State Fiscal Accountability Authority or their designees.*
- ✧ *Directed to remove president and employ an interim president on at-will basis.*
- ✧ *Interim board and interim president carry out appropriate responsibilities concerning daily operations to include expenditure of funds for daily operations.*
- ✧ *Interim board and interim president serve until election of a new board by the General Assembly.*



Healthcare

✦ *Medicaid Budget:*

- ✦ *\$100 million to cover the Medicaid maintenance of effort, projected enrollment growth, increased autism services, and state funds to maintain physician reimbursement rates cut by the Affordable Care Act.*
- ✦ *Funded, for the third year, the Healthy Outcomes Initiative with a continued focus on improving health in rural communities.*

✦ *Telemedicine:*

- ✦ *\$10 million through Healthy Outcome Proviso and \$20 million in bond proceeds to further develop and build out the statewide telemedicine infrastructure network through MUSC.*
- ✦ *Established a \$2 million recurring telemedicine line through DHHS.*



Healthcare

- *\$11 million for DDSN, including continued reduction of the waiting list.*
- *\$14 million for DMH, including the final phase of a 4-year budget restoration and year two of electronic medical record development.*
- *\$6 million for DSS to include increased salaries to retain existing caseworkers and additional FTEs for new caseworkers.*
- *\$3.9 million in recurring funds for the Pinewood Hazardous Waste Disposal Site*



Economic Development

- * *\$1 million to expand Agriculture’s “Certified SC” program.*
- * *\$8 million for the final phase of DOR’s new tax processing system.*
- * *1.5 million to enhance the following programs at Clemson PSA: 4-H & Youth, Agribusiness and Emerging Farmers, Fruit and Vegetable Production.*
- * *\$500,000 for new firefighters and foresters at Forestry.*
- * *Multiple programs/initiatives at the Dept. of Commerce to allow them to build on recent success:*
 - * *\$17.5 million – Deal Closing Fund*
 - * *\$1.25 million – Office of Innovation*
 - * *\$1 million – Locate SC Site Prep*
 - * *\$750,000 – Military Base Taskforce*
- * *\$3.7 million for the Rural Infrastructure Authority’s water/sewer quality loan fund.*



Law Enforcement

- * *\$645,000 for two new family court judges.*
- * *\$219,656 spread among PPP, SLED and DPS for overtime costs associated with bike week security.*
- * *\$1.1 million for new investigative positions at SLED.*
- * *\$2 million recurring for vehicle replacement cycle for state troopers plus an additional \$2 million in non-recurring to complete that cycle for one year.*
- * *\$1.8 million in other fund grant authorization for a Highway Patrol DUI enforcement team.*



Law Enforcement

- * *\$1.6 million for caseload equalization among the 16 solicitors' offices.*
- * *\$269,000 for sex/violent crime prosecution at the Attorney General's office.*
- * *\$3.9 million recurring and \$1.4 million non-recurring to fulfill the Department of Correction's mental health remediation responsibilities.*
- * *\$2.5 million for 44 new parole agents.*
- * *\$299,737 for 5 new DNR law enforcement officers.*



Trans/Reg/Cultural

- ◌* *\$1,341,395 to annualize non-recurring aid to public libraries at the State Library.*

- ◌* *Human Affairs Commission:*
 - ◌* *\$213,900 for three compliance investigators and one EEO officer.*
 - ◌* *\$119,000 in one-time funding for the creation of Community Relations Councils.*

- ◌* *Department of Transportation:*
 - ◌* *\$945,300 for statewide salt shed infrastructure maintenance.*
 - ◌* *\$870,000 for statewide facility maintenance.*

- ◌* *\$1 million for Jasper Ocean Terminal permitting at the State Ports Authority.*



Legislative/Exec

- ◌* *Lt. Governor's Office on Aging:*
 - ◌* *\$529,827 for the Vulnerable Adult Guardian ad Litem program. This will establish the program as mandated by law.*
 - ◌* *\$750,000 recurring for caregiver services.*

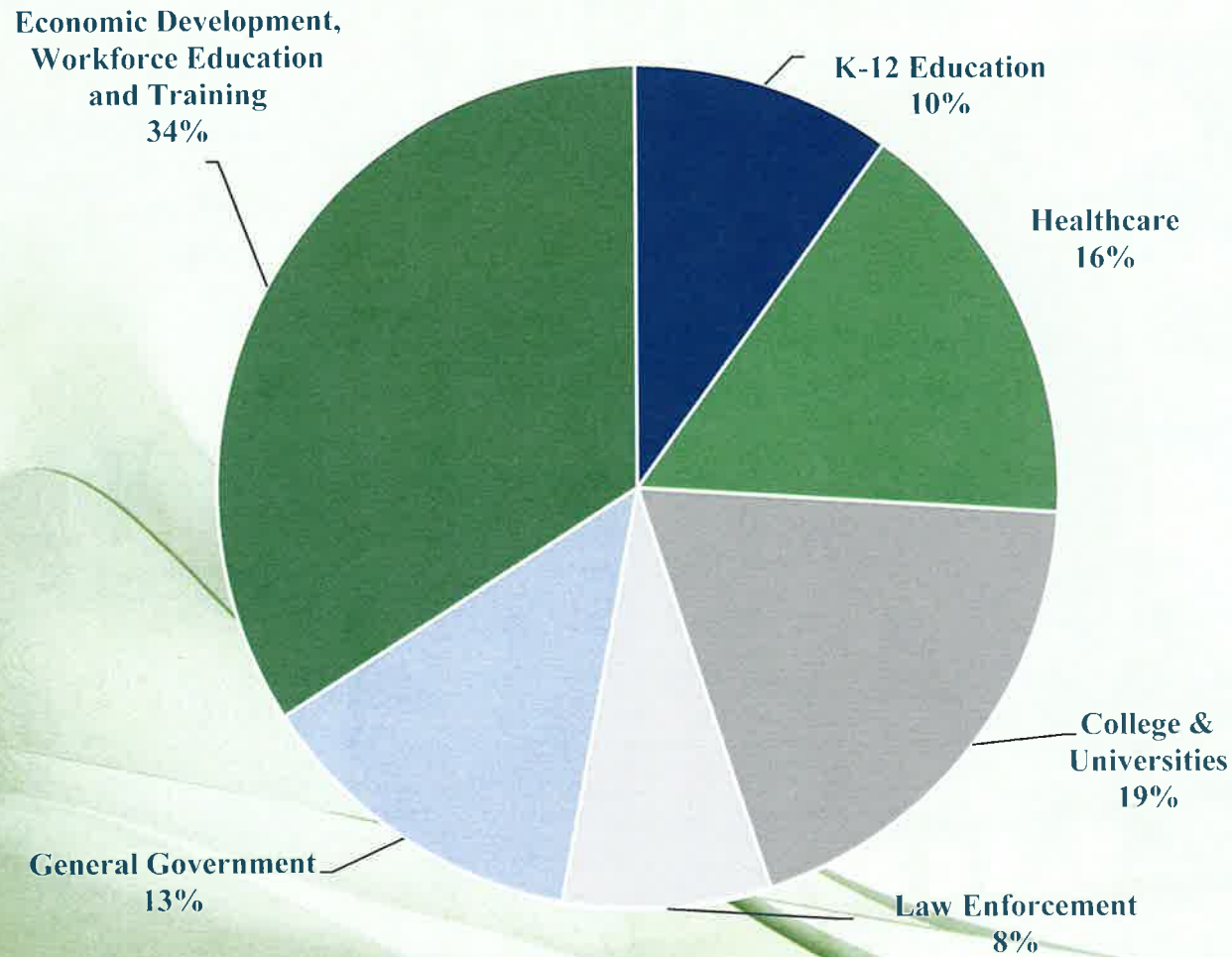
- ◌* *Secretary of State:*
 - ◌* *\$150,000 non-recurring for the Charitable Raffle Online Filing & Reporting System.*

- ◌* *Election Commission:*
 - ◌* *\$2,200,000 non-recurring for the two 2016 presidential primaries.*

- ◌* *PRT*
 - ◌* *\$1 million for Undiscovered SC.*
 - ◌* *\$500,000 recurring for PARD.*
 - ◌* *\$500,000 recurring and \$775,000 non-recurring for the Sports Development Marketing Program.*
 - ◌* *\$2,000,000 for the Destination Specific Tourism Marketing Grant Program, which brings the total to \$14,000,000 recurring.*

The Bond Bill - \$497 million

By Subject Area



Why pass a bond bill?

- ◌* *The bond bill passed by Ways and Means will require **no additional debt service**.*
- ◌* *The S.C. Constitution limits annual debt service to 5% of general fund revenue. Our current debt service is 2.1%, less than half of the limit.*
- ◌* *SC is one of only 15 states with a AAA credit rating from Moody's and current interest rates are low.*
- ◌* *It has been 15 years since the General Assembly approved a bond bill.*
- ◌* *The state will pay off a large portion of its debt portfolio in the next few years.*

Bond Bill Highlights

- *Tech Board Workforce Development - \$50 million*
- *Department of Commerce - \$60 million*
- *K-12 Education Initiatives - \$50 million*
- *MUSC Children's Hospital - \$50 million*
- *Tech School Upgrades - \$61 million*
- *Statewide Telemedicine build-out - \$20 million*
- *Law Enforcement - \$36 million*
- *Armory Deferred Maintenance - \$15 million*
- *PRT Welcome Centers & State Parks - \$25 million*

Staff Information



- † *Chairman: Brian White*
 - † *Chief of Staff: Beverly Smith*
 - † *Budget Director: Daniel Boan*
 - † *Director of Legislation: Rena Grant*

- † *K-12 Education & Special Schools*
 - † *Chairman: Kenny Bingham;*
 - † *Staff: Kenzie Riddle*

- † *Higher Education*
 - † *Chairman: Jim Merrill;*
 - † *Staff: Kara Brurok*

- † *Healthcare*
 - † *Chairman: Murrell Smith;*
 - † *Staff: Ryan Burnaugh*

- † *Economic Development & Natural Resources*
 - † *Chairman: Gary Simrill;*
 - † *Staff: A.J. Newton*

- † *Law Enforcement & Criminal Justice*
 - † *Chairman: Mike Pitts;*
 - † *Staff: Katie Owen*

- † *Transportation, Regulatory, Cultural*
 - † *Chairman: Chip Limehouse;*
 - † *Staff: Alyssa Weeks*

- † *Legislative/Executive*
 - † *Chairman: Bill Herbkersman;*
 - † *Staff: Blythe Littlefield*

- † *Provisos*
 - † *Chairman: Bill Whitmire;*
 - † *Staff: Daniel Boan*



Questions?



Ways and Means Staff will be available this weekend from 9am - 5pm, March 7th and 8th to draft amendments and help you with any budget-related matter.

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