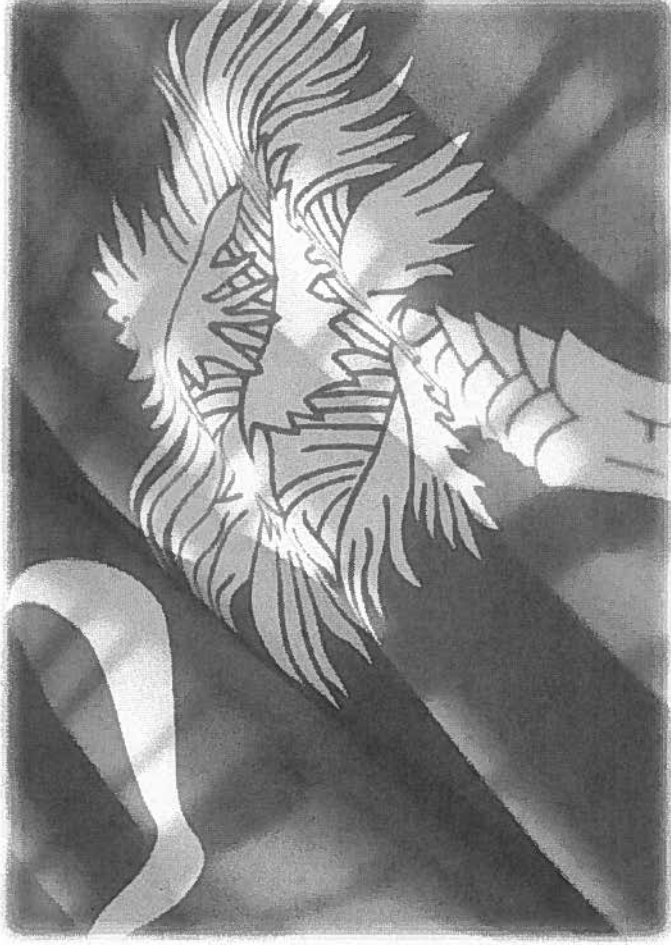


H. 4813
GENERAL
APPROPRIATIONS BILL

H. 4814
CAPITAL RESERVE
FUND



FY 12/13 BUDGET - KEY POINTS

AS INTRODUCED BY THE WAYS & MEANS COMMITTEE
MARCH 2012

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.

BUDGET GOALS

- * Live within our means – limit budget growth in accordance with the House passed spending limit bill (H.3368)
- * Make reserves a priority
- * Fund core missions of state government (i.e. K-16 education, law enforcement, and health care)
- * Invest in programs that have proven successful in helping put people back to work
- * Continue to improve our State's infrastructure

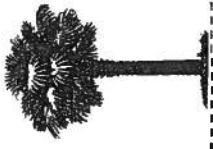




BIG PICTURE

- '* Available 'New' Revenue
 - '* \$535M Recurring 1A
 - '* \$377M in Contingency/Surplus Accounts
 - '* \$165M in Cigarette Tax/Medicaid Reserve Account
 - '* \$104M in Capital Reserve Fund

- '* Federal and Other Funds Over Authorization Project
 - '* In an attempt to bring budgeted allocations more in line with actual audited expenditures we reduced unused Federal and Other Funds authorization across state government
 - '* All total we reduced unused authorization by \$260M (Federal - \$143.M and Other Funds - \$116.5M)



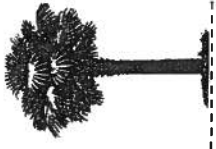
BUDGET GROWTH

	FY 11/12	Governor	Ways & Means
Recurring 1A	5,453,533,140	5,700,202,236	5,975,477,357
Recurring & Nonrecurring	5,932,387,558	6,183,102,399	6,531,800,982
Federal	5,456,790,809	5,306,322,446	5,700,850,994
Other	7,844,893,375	8,164,562,693	8,000,696,021
CRF	107,653,455	100,957,557	104,837,915
Total	22,320,755,197	23,256,944,877	23,338,215,912

*† The Ways & Means Total Budget represents a growth of 4.56% over FY 11/12 Total Budget

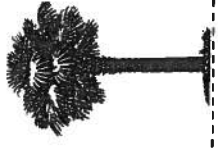
*† That 4.56% increase falls below both the House passed spending limit and the spending limit suggested by the Governor

The figures above are taken directly from the respective Summary Control Documents and represent no adjustments



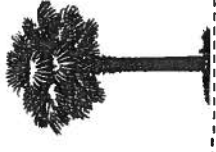
STATEWIDE ITEMS

- '* Reserve Funds
 - '* Fully funded both the General Reserve Fund (5%) and Capital Reserve Fund (2%) (total reserves are 7% of FY2010/11 General Fund Revenue - \$394.3M)
- '* Employee Provisions
 - '* Provided a 2% employee pay raise - \$28M
 - '* Split the increase needed for the Employee Health Insurance Program (EIP) 50/50 for the employee/employer
 - '* Represents a monthly increase of \$7.33 for the average enrollee
 - '* Funded the employer share of the increase required for the Retirement System
- '* Local Government Fund
 - '* Provided the same level of funding as current year (FY 2011/12)



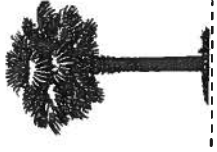
K-12 PUBLIC SCHOOLS (BINGHAM)

- ’* Increased funding for EFA/Base Student Cost by \$152M
 - ’* The additional funding will increase the Base Student Cost from \$1,880/student (current level) to \$2,012/student.
 - ’* In an average classroom of 25 students this additional funding represents over \$2,900 in new dollars
- ’* Districts will be directed to use the additional EFA funding to provide a minimum 2% district level salary increase
- ’* Added an additional \$5M to the Public Charter School district to fully fund their budget request to the subcommittee
- ’* Funded First Steps as an independent agency for the first time (in previous years they fell under the State Department of Education)



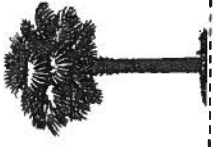
HIGHER EDUCATION (LIMEHOUSE)

- Fully funded Life, Hope, and Palmetto Fellows scholarship programs
- Allocated over \$54M in Capital Reserve Fund dollars to institutions of higher education – items funded include, but are not limited to:
 - \$10M for the USC Law School
 - \$3M for a Grid Simulator at Clemson’s CURI Campus
 - \$5.5M for the Ashley Tower upgrade at MUSC Hospital
- Provided a total of \$5M to USC for Palmetto College
- Increased total funding for the readySC worker training program by \$24.1M



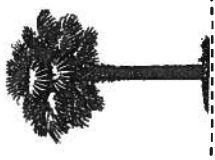
HEALTH CARE (M. SMITH)

- ’* Fully funded the Executive Budget Request for Medicaid of \$349M
- ’* \$242M of that request was to satisfy items currently funded with nonrecurring funds
- ’* Provided DHEC \$1M for ADAP, \$1M for immunizations, and \$1.8M for Community Health Centers
- ’* Fully funded the Executive Budget Request for Mental Health of \$18.5M
- ’* Provided DDSN with \$5.8M recurring dollars to continue current service levels
- ’* Increased funding for both Vocational Rehabilitation and the Commission for the Blind to assist persons with gaining employment



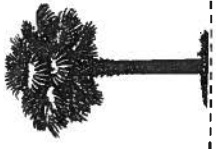
ECON DEVELOPMENT (SIMRILL)

- ’* Invested \$180M in a Reserve Account at the Ports Authority to fully fund the State’s portion of the Charleston Harbor Deepening Project
- ’* The State would be responsible for providing this funding regardless, and by funding it now we believe it shows our commitment to our Ports and strengthens, not weakens our competitive advantage
- ’* Increased funding for the Forestry Commission by nearly \$6M – these funds will ensure quick response to forest fires and provide the folks fighting those fires have the safest equipment possible
- ’* Provided \$10M for the Deal Closing Fund at the Department of Commerce
- ’* Included a proviso that could direct an additional \$20-30M to the Deal Closing Fund



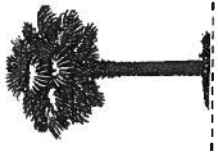
LAW ENFORCEMENT (PITTS)

- * Provided an additional 3% pay raise for Class One Law Enforcement Officers at DPS, PPP, and DNR – that represents a total pay raise for these employees of 5%
- * Increased recurring support to SLED by nearly \$8M and an additional \$8.7M in nonrecurring for a total increase of \$16.5M
- * Among other things, this funding will be used to begin to restore agency’s National Accreditation
- * Provided \$12.9M to the Department of Corrections for much needed capital repairs



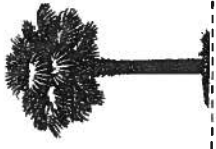
TRANS/REGULATORY (R. SMITH)

- * Provided \$47M to the Department of Employment and Workforce for the Unemployment Trust Fund/SUTA
 - * This will continue to provide all businesses in South Carolina with tax relief - on average this amount represents a 12% reduction to their 2012 UI Tax Rates
- * Provided the Department of Insurance \$1.6M to allow the agency to operate without the need to use Other Funds for programs that should be funded by the General Fund
- * Increased County Transportation Funds (C-Funds) by \$30M – this is about a 40% increase over the current amount appropriated to C-Funds



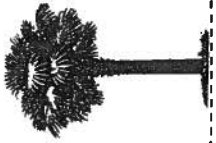
LEGISLATIVE/EXECUTIVE (MERRILL)

- * Provided the State Election Commission \$3M to conduct all state elections
- * Increased funding for PRT by \$12M
 - * Funds will be used to move the agency operations back to the General Fund and off Other Funds
 - * The amount includes an additional \$8M for the Destination Specific Advertising Program – a statewide program that requires a local match (\$2/\$1) to be used.
- * Allocated over \$1M to the Adjutant General - \$750K of which will support Armory Operations/Maintenance
- * Funded the Budget Development Component of SCEIS – assist the Governor and Legislature in drafting the budget



CAPITAL RESERVE FUND (H.4814)

- * The total amount available in the CRF is \$104.8M
- * The CRF is appropriated each year in the base appropriations and is equal to 2% of the prior year's General Fund revenue
- * The CRF can only be spent on one-time, non-recurring items (i.e. capital projects or debt repayment)
- * To allocate the CRF, a 2/3rds vote is required
- * This year's bill mainly funds the \$47M to SUTA and the Capital Projects in Higher Education



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