



**Executive Budget
State of South Carolina**

Fiscal Year 2020-21

**Governor Henry McMaster
January 13, 2020**

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HENRY McMASTER
GOVERNOR

January 13, 2020

To the People of South Carolina and Members of the General Assembly:

I submit to you my Executive Budget for 2020-21.

South Carolina is roaring into the twenties with a vibrant economy, innovation and a growing population. This provides opportunities of unlimited prosperity for our people.

Since 2017, we have announced nearly \$10 billion in new capital investment and close to 35,000 new jobs. These are records, compounding the great progress of earlier years. Unemployment is at a record low. More people are working today than ever before, and personal income growth is at an all-time high.

We are growing faster than almost any other state, adding over one million residents in the last twenty years. National rankings consistently list us as one of the best states in which to raise a family, do business or visit.

South Carolina is winning because we are thinking - and thinking ahead.

Last year I asked the General Assembly to take bold actions necessary to keep our state winning. Working together - in a spirit of communication, collaboration and cooperation - we began laying the groundwork for historic reform - evidenced by the record number of Executive Budget proposals that were embraced by the legislature in the final General Appropriations Act.

This year we must again be bold. This year, my Executive Budget continues investing in our people and our priorities while keeping faith with our taxpayers.

South Carolina's booming economy has once again created a large, unexpected amount of new revenue, greatly exceeding last year's revenues of \$9 + billion. Over \$1.8 billion unexpected dollars are coming in from the taxpayers, but that does not mean we should spend them all.

By thinking ahead and investing wisely in the foundational and empowering functions and structures of our state, we can return to the taxpayers nearly twenty-five cents of every dollar from this year's budget surplus. This would send back to our taxpayers over \$400 million dollars in the form of tax cuts and rebates - while meeting our state's most pressing needs.

Accordingly, this year we must begin tax reform. South Carolina's personal income tax rate of 7% is the highest in the southeast and the 12th highest in the nation. States around us have recently cut their income tax rates, enhancing their competitiveness for new jobs and investment.

This Executive Budget cuts personal income taxes by \$160 million this year and \$2.6 billion over the next five years. In addition, this budget sends \$250 million dollars back to the South Carolina taxpayers in the form of a rebate check. We must maintain the people's confidence by investing in our state's priorities and returning the rest to the people.

In addition, I ask you again to eliminate all state income taxes on the retirement pay of career military veterans and first responders, as well as retired state and federal law enforcement officers, firefighters and peace officers. It is past time for the General Assembly to act on this issue. These citizens - through their commitment, discipline, talent and service - form the backbone of our peace and prosperity. We must ensure their success.

Prosperity requires that we continue to work tirelessly to protect our state's competitive advantage for new jobs and investment. We are taking bold steps in education reform to empower the next generation's workforce. Our investment into education will be the most significant ever.

Recent statistics indicate that excellent teachers are leaving South Carolina classrooms at an alarming rate, with almost half leaving before they reach their fifth year of employment. We must reverse this trend. To attract and retain talented classroom teachers, we must provide competitive starting and career salaries.

In last year's state budget, we began the process of investing in our educational strength by raising all South Carolina teachers' salaries. This year, my Executive Budget proposes providing each teacher with an additional \$3,000 pay raise - which equates to an average 7% raise per teacher.

The impact of this investment will be dramatic and immediate. South Carolina will vault to the top 25 national ranking for average teacher pay. We now rank 41st. We will surpass the southeastern average for the first time. And the minimum starting salary for new teachers will have jumped 26% in the last three years, to \$38,000.

These continued investments will help attract the best and the brightest young people into the profession while keeping our highly successful and experienced teachers where they are needed the most - in the classroom.

The skilled and educated workforce of the future requires us to recognize today the weaknesses which exist in our state's early childhood education efforts. We know we are falling behind in educational improvement and outcomes.

Data indicate that South Carolina's lower income five-year-old children are increasingly entering kindergarten unprepared to learn and without the necessary literacy and language skills. This makes them immediately "at risk" and unlikely to ever catch up. By the third grade the best indicators of progress and future success are reading and writing skills. Without them these children are less likely to graduate or obtain the skills necessary to enter the workforce and contribute to our economy and their own success.

In 2006 the General Assembly funded full-day, four-year-old kindergarten programs for Medicaid-eligible children in public schools and private child care centers. Currently 62 school districts are eligible to participate, and 17 districts are not. This leaves 13,000 lower income "at risk" children in 17 urban and suburban school districts without the option to attend full-day, four-year-old kindergarten.

My Executive Budget proposes that we provide every lower income four-year-old child in South Carolina the opportunity to attend full-day kindergarten at the public, private, parochial or religious institution of their parents' choosing. We do this by simply unleashing the free market into early childhood education with the entry of new providers, eliminating burdensome regulations and increasing the reimbursement rate - the money - that already follows each child.

The time is now to take dramatic and decisive action - to demonstrate to the nation that South Carolina is serious and determined to compete and win for generations to come, and to assure all of South Carolina's parents that their children will not be left behind.

We must also continue our collaborative efforts to make our public universities and colleges - technical and comprehensive - more affordable and accessible for all South Carolinians. Last year we took a dramatic step by freezing college tuition for in-state students in order to halt the alarming rise in the costs associated with obtaining a degree.

My Executive Budget once again proposes a tuition freeze by providing a 5% increase in higher education funding for each institution upon certification by the Commission on Higher Education that they have not raised in-state tuition for the upcoming school year.

This year our surplus also allows us to make an historic, one-time investment toward repairing aging campus buildings and infrastructure at these institutions. I ask the General Assembly to join me in paying down the state's deferred maintenance liability while we can - now - rather than borrowing it in the future through a bond bill.

Scholarships, grants and financial assistance are critical in providing opportunity and access to higher education for lower income students seeking a degree. This Executive Budget provides an additional \$164 million dollars for need-based scholarships and grants to remove the financial barriers of cost and debt and open the door to opportunity for our state's students. This is in addition to our state's investment in Palmetto Fellows, LIFE and HOPE scholarships that totals \$325.8 million.

In addition, active duty members of the South Carolina Army or Air National Guard attending college in our state will have 100% of their college tuition paid by the state under my budget proposal.

One of the main responsibilities of the government is to provide for the safety of the people. Every member of the General Assembly is aware of the struggles facing the men and women working at our Department of Corrections. Each day they are confronted with the challenges of contraband, violence, gangs, staffing, health care and facilities that are inadequate, outdated or simply broken.

This year our investment will be dramatic not only in its size but also in its message. This budget invests over \$100 million dollars toward making our prisons safer and more secure, both inside and outside the fence, by replacing and repairing existing infrastructure, facilities and control systems.

Keeping our citizens safe also means keeping law enforcement on the job. Our state law enforcement agencies continue to lose valuable and experienced personnel because they are unable to remain competitive with pay and benefits. Our highways are dangerous without troopers on patrol. Every school must have a resource officer on duty all day. Forest fires must be battled and contained. Justice requires investigations be properly conducted. Correctional facilities need guards. And our waterways and lakes must remain navigable and safe.

This budget dedicates over \$60 million in new dollars to law enforcement, public safety and first response agencies for recruitment and retention. This includes pay raises for troopers, state law enforcement division agents, wildlife officers, probation agents, firefighters, corrections officers, forestry services and emergency services personnel. In addition, we will have completed placing a school resource officer in every school in the state.

During times of national or state emergency we call on the South Carolina National Guard to do many things, including defending the country and safely evacuating and securing our coast. These brave men and women are known around the world for their service and sacrifice. However, the conditions of many armories are unsafe, unusable or inadequate for training and drill. This budget will provide for a timely and significant reinvestment into improving the condition of our armories around the state.

We face recruitment and retention challenges not only with teachers, troopers and guards, but also with valuable talent at our state agencies. Our booming economy and record low unemployment sometimes put agencies at a disadvantage with the private sector in recruiting personnel. Government should run like a business, so it should compete like a business, too.

I believe the question of state employee compensation needs re-examination. Across-the-board pay raises for state employees are less effective than those based on performance, merit, success or longevity. Agency directors should be empowered to incentivize their personnel. Therefore, this budget takes the \$33 million which is almost the equivalent of a 2% across-the-board state employee pay raise and directs that those same funds be used instead by agency directors for merit-based recruitment and retention pay raises.

The time has also come to refresh the retirement benefit program provided for state employees. Our state's unfunded pension liability continues to grow every day. The enrollment of new state employees in an antiquated "defined-benefit" retirement plan only makes our unfunded liability worse. This budget proposes that the state, at the end of this year, close enrollment into the

current “defined-benefit” plan and require new employees enroll in the state’s existing 401k retirement plan, which is currently optional.

Finally, this budget takes an unprecedented step toward maintaining the public’s trust in government by implementing new procedures to ensure transparency in the appropriations process. Last year, as in years past, the General Assembly appropriated substantial taxpayer dollars (\$21,630,000) to various agencies to be spent for vague purposes like “Parks Revitalization” and “Sports Marketing.” Neither the citizens nor the agency heads who received the funds could identify the intended recipients of these funds, or who placed them in the budget. Discrete instructions arrived later, usually by email and always out of public view as to where and how the money was to be distributed.

Since becoming governor, I have vetoed these items, but there is a better way for the taxpayers. It is time that such appropriations be publicly disclosed, debated and allowed to stand on their own merits.

To that end, this budget appropriates almost identical funds to the same agencies as last year, but with the caveat that they be awarded through a public competitive grants process. Funds will only be made available to entities with demonstrated community support and missions which advance the agencies’ underlying objectives. Further, all applications and awards will be placed online, allowing for public scrutiny and total transparency.

Last year’s budgetary process was characterized by unprecedented communication, collaboration and cooperation between the Governor’s Office and the General Assembly. Working together, we were able to agree on more than 60 proposals, and the people of the Palmetto State benefited as a result. This year let us remain collaborators - not competitors. Let us be bold. Let us act on behalf of the sons and daughters of South Carolina, so that they may receive a state as bright with promise as that which we were blessed to inherit.

Yours very truly,



Henry McMaster

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Budget Process

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Preparing the FY 2020-21 Budget

July 2019	<ul style="list-style-type: none"> Governor's Office began to develop instructions and templates for the upcoming fiscal year.
August	<ul style="list-style-type: none"> Executive Budget Office (EBO) transmitted instructions and templates to state agencies and universities.
September	<ul style="list-style-type: none"> Agencies submitted their requests to EBO, which distributed copies to Governor's Office, plus House and Senate staffers.
October	<ul style="list-style-type: none"> Governor's Office met with agencies and universities to discuss their requests.
November	<ul style="list-style-type: none"> Board of Economic Advisors (BEA) released the revenue estimate upon which the Governor's Executive Budget is based.
December	<ul style="list-style-type: none"> Governor's Office analyzed budget requests and prepared budget drafts.
January 2020	<ul style="list-style-type: none"> Governor releases FY 2020-21 Executive Budget. House Ways and Means Subcommittees begin formal deliberations.
February	<ul style="list-style-type: none"> Full House Ways and Means Committee takes up the budget.
March	<ul style="list-style-type: none"> BEA revises its revenue forecast. House of Representatives debates and passes the budget.
April	<ul style="list-style-type: none"> Senate Finance Committee begins its deliberations. Senate debates and passes the budget.
May	<ul style="list-style-type: none"> Conference Committee convenes. House and Senate adopt Conference Committee report.
June	<ul style="list-style-type: none"> Governor acts on budget; General Assembly takes up any vetoes.

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EXECUTIVE BUDGET SUMMARY

FY 2020-21

TAX AND REGULATORY REFORM

The FY 2020-21 Executive Budget provides \$428.5 million in savings for South Carolina taxpayers, representing one quarter of every new dollar in this budget, including:

- A \$250 million taxpayer rebate, to be distributed pro-rata based on amount paid;
- A 1% rate reduction over five years for all personal income tax brackets, starting with an immediate \$160 million cut that is paid for and certified in this budget; and
- An immediate and full retirement income exemption for military veterans and first responders, including retired state and federal law enforcement, firefighters and peace officers, representing \$18.5 million in relief the first year.

With \$1.8 billion in new revenue for FY 2020-21, we have a unique opportunity to make progress on multiple fronts. At the same time, the surplus makes clear: this is the year for tax reform.

Reducing the tax burden on South Carolina's people and businesses is one of the most important ways we can lay a foundation for future growth. Recently, Governor McMaster issued a \$69 million dollar (34%) cut to the unemployment insurance taxes paid by our state's employers thanks to successful reforms to our state's unemployment trust fund. This budget takes the next step to reduce impediments on our people and future prosperity.

South Carolina maintains the highest marginal tax rate (7%) in the southeast and the 12th highest in the nation. The FY 2020-21 Executive Budget proposes and pays for a 1% rate reduction over five years for all personal income tax brackets, resulting in \$2.6 billion in taxpayer savings. In the first year of implementation, taxpayer savings would constitute \$160,000,000.

Coupled with these savings, this budget again proposes sending money back to taxpayers in the form of a rebate check, totaling \$250 million – or a quarter of a billion dollars. The amount of the rebate for each individual taxpayer, regardless of filing status, will be based on the number of residents that filed a 2019 Individual Income Tax Return. The Department of Revenue will issue all rebates on a basis proportional to the amount paid.

Last year in his Executive Budget, Governor McMaster also proposed this initiative, and the final amount approved by the General Assembly totaled \$67 million. It was a start – but we should commit to returning tax dollars back to our people at every opportunity.

For the third year in a row, this budget includes a full retirement income exemption for military veterans and first responders, including retired state and federal law enforcement, firefighters and peace officers. This exemption would be effective immediately upon ratification and extend into perpetuity. Under Governor McMaster's plan, retired veterans and first responders will never pay state taxes on their retirement income again – ever.

The Office of Revenue and Fiscal Affairs has scored these proposals, determining that the majority of retired first responders under 65 will save an average of \$734 per year. Yearly savings for retired first responders over 65 will average about \$117 due to preexisting income deduction eligibility (at a total of \$9,351,000). For military retirees, yearly savings will average \$402 for those under 65 and \$68 for those over 65 (at a total of \$9,181,615).

Altogether, taxpayer savings in this budget total \$428,532,615 – or 24% of the total surplus revenue. This fiscal year, roughly one quarter of every new dollar is going back to the taxpayer.

Regulatory Reform. The costs of regulatory creep are well studied. Nationally, according to estimates by the Competitive Enterprise Institute, regulatory compliance costs total \$1.9 trillion, constituting a “hidden tax” of \$14,615 annually per household. Researchers at the Mercatus Center at George Mason University have estimated that federal regulation is slowing national economic growth by about 0.8 percentage points a year.

But regulations also have the pernicious effect of distorting markets by influencing the decisions of companies – often serving as the determinative factor in where a company decides to do business. In South Carolina, Governor McMaster has focused on eliminating overburdensome regulations to better facilitate innovation, investment, vision, creativity and prosperity. In April of 2017, he issued an executive order requiring a reduction of regulatory scope and impact. Later that year, he embarked on a statewide listening tour to solicit suggestions from Main Street business owners about ways government can make it easier for them to do business.

South Carolina’s reputation as an attractive destination for business has benefited from this reform-based approach, as demonstrated by our strong economic performance. However, other states are always working to catch us; we must keep and enhance our competitive edge if we are to build for an even better tomorrow.

New legislation introduced by Senator Tom Davis (S. 902) in partnership with the Governor’s Office would require all future governors to submit a biennial report to the General Assembly concerning statutes and regulations that he or she has determined to be burdensome. The report would include: statutes to be repealed or amended; regulations to repealed, codified or amended; boards, commissions, agencies to be eliminated, restructured or repurposed; and practices procedures or protocols created by a state agency to be eliminated for amended. This legislation should be promptly passed and implemented.

EDUCATION

The FY 2020-21 Executive Budget provides:

- \$213.5 million for a \$3,000 across-the-board pay raise for every one of South Carolina’s 52,733 teachers and \$13.8 million for additional teacher recruitment and retention;
- \$52.7 million to expand full-day 4K offerings for all Medicaid-eligible children and children whose family income is 185% or less of the federal poverty index, and \$4 million for early childhood education in rural South Carolina;
- \$21.7 million to increase base student cost to account for inflation, as well as a \$10-per-student increase at a cost of \$9.4 million, with an additional weighting for students with multiple disabilities at a cost of \$45.2 million;
- \$70 million for the purchase of new instructional materials at our K-12 institutions;
- \$47 million for school bus purchases and leases;
- \$24.5 million for school resource officers and mental health counselors at our K-12 institutions;
- \$1.2 million for computer science education;
- \$26.1 million for tuition mitigation at our institutions of higher education;
- \$162 million from last year’s Capital Reserve Fund for deferred maintenance at our institutions of higher education; and
- \$54.2 million in South Carolina Education Lottery proceeds for need-based grants.

South Carolina has made great strides in education over the past year. In the FY 2019-20 Appropriations Act, we invested \$159 million dollars in our teachers, raising salaries across-the-board by 4% with the goal of recruiting new teachers and reversing the trend of losing them before their fifth year in the classroom.

We also invested in rural South Carolina – providing the “spark” for recruiting new jobs and investment into our state’s most impoverished school districts. The Rural School District Economic Development Closing Fund will enhance recruitment of companies in areas of the state they might not otherwise consider – creating jobs, infrastructure and long-term revenue.

In his 2019 State of the State Address, Governor McMaster said, “the words ‘Corridor of Shame’ will be a distant memory.” Indeed, five years after the *Abbeville* ruling’s criticism of “the creation of school districts burdened with administrative costs disproportionate to their size,” districts are finally consolidating. Hampton School Districts 1 and 2, Barnwell School Districts 19 and 29,

Clarendon School Districts 1 and 3 – all are currently in the process of joining together to reduce overhead, create efficiencies and put more dollars into the classroom where they belong.

This Executive Budget demonstrates Governor McMaster’s continued commitment to investing in students, parents and teachers.

Teacher Salaries. Teacher vacancies in our public schools continue to pose an obstacle – particularly in rural areas.

According to the December 2019 report from the South Carolina Center on Educator Recruitment, Retention and Advancement (CERRA), 6,650 teachers left the classroom at the end of the 2018-19 school year, leaving 555 vacant positions at the start of fall 2019 as compared to 621 in the fall of 2018. Fewer teachers have retired since the Teacher and Employee Retention Initiative was eliminated in June of 2018.

Of those leaving, 36% of teachers taught for five years or less, while 13% left after one year or less of teaching. As a state, we need more specific information on why teachers leave. A considerable number of teachers (40%) state personal/family reasons. However, it is likely that many are less than candid about their reasons for leaving, especially if they are related to job dissatisfaction.

We know that low pay remains a key contributing factor in the ongoing teacher shortage. We must continue investing in our teachers, and in future teachers, to ensure that our young people receive the best education possible. To facilitate robust recruitment and retention, salaries must be competitive with fellow teachers in the southeast – and compelling enough to attract more to enter the profession.

By paying teachers more, we will send a strong message: South Carolina is serious about education, South Carolina is investing in education and South Carolina will continue to do so.

This budget proposes a \$3,000 pay raise for every one of our state’s 52,733 public school teachers – 100% paid for by the state. This \$213.5 million investment represents an average of 7% per teacher – and an 8.6% increase over the minimum starting salary for new teachers entering the profession.

The adjustment will boost our state’s national ranking from 41st into the top 25 states for average teacher pay. Further, it will constitute a substantial cumulative increase; in the last three years, the minimum starting salary for new teachers will have gone up by 26%, from \$32,000 to \$38,000. In 2020, South Carolina teachers will make \$2,456 above the southeastern average for the first time in decades.

This budget also increases the amount of Education Improvement Act (EIA) reimbursement funds available for teacher supplies from \$275 to \$400 per teacher. We know that teachers spend substantial dollars out-of-pocket for supplies each year; this will ensure they are fully reimbursed for their personal investments in students and classrooms.

We must do more. We must reform our education delivery system in South Carolina. We must not only act to directly impact teachers, but students as well – from birth to graduation.

Full-Day 4K. Poverty is the enemy of education. Some of our children live in circumstances so dire that education is but a fleeting experience. For parents struggling to put food on the table, building a strong educational foundation can be a challenge.

It is time that we invest in early childhood education. It is time that we offer choice for those without any.

In 2018, only 37% of young people in our state entered kindergarten ready to learn. High quality, full-day 4K programs – especially for our most at-risk youth – provide a tremendous return on investment through better kindergarten readiness rates and higher graduation rates. We know that children in poverty who attended full-day 4K programs in public schools outperformed their peers who did not.

In 1984, the creation of the EIA led our state’s first investment in early childhood education by creating and funding half-day 4K programs. Then, in 2006, the General Assembly funded full-day 4K programs for four-year-olds in poverty who lived in districts named in the *Abbeville* suit.

Over the past 13 years, the program has gradually expanded, allowing four-year-old children living in districts with a poverty rating of 70% or greater to participate in a full-day kindergarten program provided in either a private child care center or public school. Yet, today, four-year-old children in only 62 of the 79 traditional school districts in our state are eligible to participate. In these 62 districts – of the 20,253 children eligible to participate – 77% participate in Head Start or the state-funded full-day 4K program. A total of 80% attend public schools, while 20% attend private child care centers.

In the remaining 17 school districts, there are an estimated 13,000 “at risk” four-year-old children who are unable to attend a full day kindergarten like their “eligible” peers in the 62 school districts.

A 2019 study from University of Colorado Boulder entitled “The Effects of Full-Day Prekindergarten: Experimental Evidence of Impacts on Children’s School Readiness” explores the hypothesis that “expanding the length of the school day will provide children with more exposure to high-quality learning opportunities, which, in turn, will yield greater and longer lasting benefits.” The study provides compelling evidence that “a full-day, full-week preschool supports young children’s development.”

Such studies demonstrate what is already self-evident. We should provide all-day, high quality early childhood education for every four-year-old living in poverty in our state.

This Executive Budget proposes that the state invest an additional \$52.7 million in EIA funds to expand the existing full-day 4K program to all Medicaid-eligible children and children whose family income is 185% or less of the federal poverty index. This includes a significant increase in the per pupil reimbursement rate – from \$4,600 to \$4,800.

At a cost of \$52.7 million, this will almost double the number of four-year-old children eligible for full-day 4K. Not only will this expansion improve kindergarten readiness, it will empower parents to make the best decisions for their children. This proposal will expand where an eligible child may attend – including qualified parochial, private, independent or church schools. Allowing more institutions to enter the 4K realm will allow free market principles of competition to play a role in improving education outcomes by incentivizing schools to improve effectiveness and innovation.

This expansion can be entirely paid for with new penny sales tax revenue, which is projected to increase \$69.5 million in FY 2020-21. But revenues alone will not be enough to meet this challenge. Health care providers, faith-based organizations and non-profit organizations all have a role to play in laying a foundation for our children's future success.

Governor McMaster is directing the Office of First Steps to develop a statewide strategy to improve services to children and their families from birth to age three. The Governor's Office will work with the First Steps board to set goals for serving a higher proportion of our at-risk children and establish a plan and timetable for reaching this goal. The board will establish priorities in early childhood programs that will target services to the most at-risk students so that available resources meet the greatest need.

The Governor is proposing an additional \$3 million in EIA funds for the Office of First Steps to accomplish these objectives. Applications must address the needs of children living in Tier III or Tier IV counties, our most rural.

This executive budget also includes \$1 million in EIA funds for Save the Children – the national non-profit which helps expecting and new parents learn how to provide early childhood education for their children to strengthen their language, math, social and emotional development.

State Aid to Classrooms. With \$1.8 million in surplus revenue, we should dedicate additional resources into our classrooms where they will make an impact. This budget includes a \$21.7 million increase in state aid to classrooms to account for inflation, as well as a \$10-per-student increase in the base student cost at \$9.4 million, with an additional weighting for students with multiple disabilities at a cost of \$45.2 million. Coupled with salary increases for teachers, this budget's investment in classrooms totals \$289,779,302.

Studies show that students' anxiety and stress related to social media are reduced when cell phone access during school hours is prohibited. We all know that cell phone use is distracting. This budget includes an anti-bullying proviso which requires school districts to implement policies prohibiting the use of cell phones or other personal electronic communications devices before they receive any increased funding for base student cost. Teachers should be free to teach and students free to learn without the burden of added distraction.

This budget also includes \$71 million for the purchase of new instructional materials. South Carolina schools have not replaced their mathematics text books since the elimination of "Common Core" in 2015. These dollars will allow them to finally purge these outdated books from

shelves and refocus instructional efforts on an approach tailored to the needs of South Carolina students.

For the third year in a row, this budget commits to replacing our aging fleet of school buses. While past budgets have successfully gotten fire-prone buses off the roads, we should continue to cycle out older vehicles – leasing when possible to reduce ownership of aging assets. The FY 2020-21 Executive Budget includes \$15 million in recurring dollars to lease new buses and \$32 million in non-recurring dollars for purchases.

Students must be prepared to compete in the 21st century economy. According to the 2019 State of Computer Science Report released by Code.org, South Carolina gets high marks for being one of only two states in the country (along with Nevada) to have computer science graduation requirements. However, the report also highlighted the need for our state to complete and publish a state plan for K-12 computer science.

While all South Carolina school districts are now required to offer computer science, classroom offerings can vary wildly from school to school – some might offer coding, while others might offer less challenging coursework. This Executive Budget provides \$1.2 million for coding and computer science regional specialists and materials. The South Carolina Department of Education (SCDE) will develop a state K-12 computer science plan to be reviewed and approved by the State Board of Education, which will include timelines and strategies for achieving the goals by December 30 of the fiscal year.

School Safety. Last year in his executive budget, Governor McMaster requested \$46 million to advance the goal of placing a trained police officer at every school in every county – all day, every day. The General Assembly appropriated \$10 million in the FY 2019-20 Appropriations Act. It is time that we fulfill our commitment to students and parents. This budget offers \$23.4 million to continue and complete this process.

The Governor's Executive Budget also funds the Department of Mental Health's school mental health services program in the amount of \$1.1 million. This funding will allow DMH to hire more counselors to assist troubled youth and recognize warning signs of violent behavior before it occurs.

Future Reform. Last year, Governor McMaster, Speaker Lucas and President Peeler called on the Office of Revenue and Fiscal Affairs (RFA) to objectively review South Carolina's outdated education funding formula and suggest a new, more efficient and modern funding model for the General Assembly to consider. In October, the final report proved much of what we already believed to be true – the manner in which we fund K-12 education is confusing, not working and no longer sustainable. We have no easy solution nor a quick fix before us.

Education reform means accountability, efficiency and transparency for local school boards and administrators – ensuring taxpayer dollars are being properly delivered and utilized in the classrooms. It means removing outdated, inefficient and confusing testing and paperwork from the classroom so that teachers can teach and students can learn.

The House of Representatives has passed a comprehensive education reform bill, and the Senate is working on their own version. Through collaboration and cooperation, working together as a team, we can deliver a modern education reform plan that will deliver real results in all of South Carolina's classrooms.

Higher Education. For too long, rampant spending at our institutions of higher education has resulted in skyrocketing tuition rates. In 2018, South Carolina led the nation in student debt. This is one “number one” we do not need. In South Carolina, graduates leave school with an average debt of \$26,535. Pennsylvania is second with \$26,084. Alabama is third with \$25,917.

Last year, Governor McMaster proposed and signed into law a tuition mitigation plan which placed a 7% increase in higher education's base appropriation (totaling \$42 million) with schools, which then had to verify that they had not increased tuition before spending a single dollar. Public colleges that pledged to forego tuition increases received these dollars on a pro-rata basis after certification by the Commission on Higher Education (CHE).

This budget again increases base funding for higher education – by a level of 5%, or \$26,149,958 – to reflect inflation costs. These dollars will be placed directly with the institutions with the caveat that they be used contingent only upon certification by CHE.

Higher education has tremendous deferred maintenance needs which should not go ignored in a year in which the state has \$1.8 billion in new revenue. This budget proposes that the \$162 million now sitting in last year's Capital Reserve Fund go directly to these institutions. This funding will be distributed pro-rata based on the number of in-state students at each school – and will constitute the largest deferred maintenance investment in years. Under this formula, every school in the state should get one of their top deferred maintenance priorities. Schools with large numbers of in-state students will see proportional benefit.

Deferred maintenance amounts by institution:

Two-, Four-Year and Research Universities

Institution	Non-Recurring Dollars
The Citadel	\$2,617,458
Clemson University	\$15,956,246
College of Charleston	\$7,136,986
Coastal Carolina University	\$5,699,867
Francis Marion University	\$3,963,701
Lander University	\$2,943,980
South Carolina State University	\$2,786,531
USC - Columbia	\$21,332,761
USC - Aiken	\$3,333,904
USC - Upstate	\$6,126,776
USC - Beaufort	\$1,870,368
USC - Lancaster	\$1,557,583

USC - Salkehatchie	\$922,503
USC - Sumter	\$1,088,406
USC - Union	\$1,130,674
Winthrop University	\$5,393,422
Medical University of South Carolina	\$2,120,807
<u>Total</u>	\$85,981,973

Technical Colleges

Institution	Non-Recurring Dollars
Trident Technical College	\$12,708,991
Northeastern Technical College	\$1,324,051
Florence Darlington Technical College	\$4,281,769
Greenville Technical College	\$11,121,820
Horry-Georgetown Technical College	\$5,583,629
Midlands Technical College	\$10,158,105
Orangeburg-Calhoun Technical College	\$2,482,200
Piedmont Technical College	\$4,634,708
Spartanburg Technical College	\$4,692,827
Central Carolina Technical College	\$3,742,849
Tri-County Technical College	\$5,929,172
York Technical College	\$4,324,037
Aiken Technical College	\$2,088,050
Denmark Technical College	\$471,291
Technical College of the Lowcountry	\$2,181,040
Williamsburg Technical College	\$778,793
<u>Total</u>	\$76,503,332

As Governor McMaster said back in 2017, we do not need another bond bill – this is why. Our success allows us to make a one-time investment in our institutions of higher education, without taking on any additional debt. We are making this investment in cash – not on a credit card.

It's time to right-size our institutions of higher education. With this investment, there is an expectation that school administrators get control of tuition. If this investment is made and fees and costs continue to go up, it will constitute a break of faith with the citizens of this state, who in many cases are under-represented at our state colleges and universities.

We must redouble our efforts to ensure more of our in-state students are able to get an education in South Carolina. According to CHE, in FY 2018-19 the 33 public colleges and universities had a combined unmet scholarship need of \$59.8 million, while independent institutions had an unmet need of \$5.9 million. This budget endeavors to fill this gap, dedicating \$54.2 million in South Carolina Education Lottery proceeds for need-based grants. This allocation will provide

substantial relief for meritorious students who would otherwise have to take on debt to pay for their education.

ECONOMIC & WORKFORCE DEVELOPMENT

The FY 2020-21 Executive Budget provides \$109 million for workforce development, including:

- \$50 million for the creation or expansion of career and technical education center offerings in rural areas of the state;
- \$18 million for equipment for high-demand job skills training at our technical schools;
- \$10.3 million for readySC direct training; and
- \$30.5 million for workforce scholarships.

Economic Development. South Carolina roars into the twenties at the forefront of a new era of economic success and prosperity. Since 2017, we have announced nearly \$10 billion in new capital investment and close to 35,000 new jobs. Our unemployment rate is a record low of 2.4%, the second lowest rate in the country, and far outpacing the United States average (3.5%).

We have the ninth fastest growing population in the nation; since 2000, we have added more than one million new residents. In recent years, we've added approximately 60,000 people annually – an average of more than 170 each day.

According to *Area Development* magazine, South Carolina places third overall for best places in the country to do business, second for workforce development programs, third for cooperative and responsive state government, fourth for favorable regulatory climate and fifth for most competitive labor climate. We are open for business.

Workforce. Prosperity requires businesses have access to a pipeline of future employees who are trained, educated and ready to work.

According to *U.S. News and World Report*, South Carolina is ranked in the top 5% for high potential for job growth, especially in manufacturing, technology, health care and engineering fields. But there is a flip side to this prosperity. Businesses are struggling to fill vacancies in their workforce. The labor market is tight. Competition for workers is fierce. And some businesses are closing – not for a lack of customers – but because they cannot find enough staff.

According to the South Carolina Department of Employment and Workforce, “critical needs” jobs account for 45% of the workforce, while only 29% of people have the necessary skills to fill those jobs. And, according to a report by the Lumina Foundation, by 2025, 60% of Americans will need some type of high-quality credential beyond high school to participate in the workforce.

We have the people and all the resources that we need – what is important is that we expand our investment in retraining and technical education to ensure our workforce continues to play a decisive role in recruiting new business. New efforts like The Continuum in Lake City are

working to reach students at a younger age to prepare them for careers in advanced manufacturing or other industries.

This budget provides over \$109 million for South Carolina workforce development. That includes \$18 million for equipment for high-demand job skills training at our technical schools, \$10.3 million for readySC direct training and \$30.5 million for workforce scholarships. It also includes \$1.4 million for Jobs for America's Graduates (JAG), the national non-profit which helps at-risk and disadvantaged students achieve career success. Since its inception in 2009, JAG-SC has launched 2,623 high school seniors with an average 96.57% Graduation Rate. This funding will allow JAG-SC to expand to hire new teachers and expand to ten new sites throughout the state.

This budget also allocates \$50 million for the creation or expansion of career and technical education center offerings in rural areas of the state. These career and technical education center grants will be utilized to provide students and adults with college courses and workforce training designed to address the identified needs of local business and industry. Per proviso, grants will only be available in counties with one school district.

The 2020-21 Executive Budget also dedicates more than \$1.5 million to the South Carolina Vocational Rehabilitation Department to help individuals with barriers achieve employment success. This includes money for new equipment furthering job-driven credential attainment to better meet the needs of our thriving manufacturing industry.

In 2018, Governor McMaster asked our state Health and Human Services Director Josh Baker to request a waiver from the federal government that would allow the state to require certain able-bodied recipients of public assistance to pursue 80 hours a month of community engagement, education, job training or employment.

Recently, Governor McMaster created the "State Community Engagement Implementation Task Force" to coordinate efforts between the numerous agencies and entities necessary to implement the new requirements and begin adding new skilled, trained and educated workers to our workforce.

This initiative will result in a healthier South Carolina by encouraging able-bodied Medicaid recipients to engage in their communities, further their training and education, and eventually find gainful employment rather than relying on temporary government assistance.

PUBLIC SAFETY

The FY 2020-21 Executive Budget includes:

- \$38.2 million in new, recurring dollars for law enforcement and criminal justice recruitment and retention;
- \$100 million nonrecurring for safety and security upgrades and \$29.5 million in recurring dollars for health services and expansion of the Gang Enforcement Security unit at the Department of Corrections;
- \$15 million for cybersecurity efforts at the Aiken Readiness Center;
- \$5 million to revitalize state armories; and
- \$2.5 million to expand the South Carolina National Guard College Assistance Program (SCNG CAP).

The most important role of government is protecting its citizens. As the state's former top law enforcement official and current chief executive, Governor McMaster remains dedicated to vigorous enforcement of the law and supporting our public safety officials in every capacity.

According to the South Carolina Office of Highway Safety, 978 people were killed on highways in South Carolina in 2019. The year prior, we lost over 1,000. A more robust Highway Patrol presence on our roads will have a deterrent effect on reckless and drunk driving.

In November, the Governor nominated North Charleston Police Chief Reggie Burgess as the new Director of the South Carolina Department of Public Safety (DPS). One of the finest leaders that South Carolina has ever produced, Chief Burgess has a remarkable record of achievement. As director, he will restore morale, recruitment and retention of additional troopers while also addressing discipline and grievance policies.

Currently, there are 130 vacancies at DPS – this governor is committed to putting 100 new troopers on the roads within one year. This budget dedicates \$38.2 million in new, recurring dollars for recruitment and retention – not just at DPS, but across all law enforcement agencies ensure a safer, more secure South Carolina.

That includes: \$8.5 million for recruitment and retention of officers, teachers and health professionals at the Department of Juvenile Justice (DJJ); \$5.5 million for recruitment and retention at the State Law Enforcement Division (SLED); \$2 million for recruitment and retention at the Department of Probation, Parole and Pardon Services; and \$2 million for recruitment and retention at the Department of Natural Resources (DNR).

Every member of the General Assembly is aware of the struggles facing the men and women working at our Department of Corrections (SCDC). Each day they are confronted with the challenges of contraband, violence, gangs, staffing, health care and facilities that are inadequate, outdated or simply broken.

This year our investment is dramatic in both size and message. This budget invests over \$100 million dollars toward making our prisons safer and more secure, both inside and outside the fence, by replacing and repairing existing infrastructure, facilities and control systems.

This budget also commits \$29.5 million in recurring dollars for health services at SCDC and for expansion of the Gang Enforcement Security unit.

Military and Veterans. South Carolina is a military state. We have more than 50,000 active duty and reserve members of the military, eight major military installations and more than 400,000 veterans in South Carolina. 50% percent of all soldiers entering the Army each year come through Fort Jackson. Victory starts here and victory lives here.

That is why it is important that we make veterans an even greater priority. We must ensure they receive the benefits and access to services that they earned over a lifetime of protecting our country.

Governor McMaster was proud to work with the General Assembly to support legislation creating the South Carolina Department of Veterans' Affairs. Veterans in South Carolina will now have a gubernatorial-appointed secretary leading this cabinet-level agency to act as their advocate on the state and federal level.

Lt. Col. Bobby Cox is a skilled, capable leader with decades of experience in military and government. As secretary, he will assist former, present and future members of the armed services of the United States in South Carolina by advocating for and assisting in securing benefits for veterans and their dependents from the federal government – for pensions, medical care, mental health and rehabilitative services, housing, job placement and education.

This budget provides \$37,888,352 for two new veterans nursing homes (with locations to be determined by the agency). It also provides \$2.5 million to expand the South Carolina National Guard College Assistance Program (SCNG CAP). Currently, SCNG CAP offers financial assistance to members of the South Carolina Army and Air National Guard as an incentive for enlisting or remaining for a specified period of time in either body. Recipients may receive up to a maximum of \$4,500 for the Army National Guard and up to a maximum of \$9,000 for the Air National Guard per academic year, with the cumulative total not to exceed \$18,000. In many cases, these dollar amounts are not sufficient to cover all tuition costs at our state institutions of higher education. With this additional investment, based on last year's numbers, SCNG CAP recipients will have all of their tuition covered.

We should always seek to honor and reward those that dedicate their time and efforts to serve our nation. This adjustment will do so – and may also encourage more in-state enrollment in the process.

Let it be known: if you join the South Carolina Army or National Guard, and you meet qualifications, your tuition will be paid for – all of it.

This budget includes \$15 million for phase two of construction of the Aiken Readiness Center – a state-of-the-art facility that will provide cyber training and modernization of the National Guard’s cyber mission. The facility will provide the basis for a collaborative effort between military, education, business, industry, and research centers to be able to protect the infrastructure and continue to attract new industry to the state. It includes \$5 million for armory revitalization to address current and on-going facility revitalizations and assist in eliminating the backlog of deferred maintenance.

GOOD GOVERNMENT

The FY 2020-21 Executive Budget includes:

- \$22.6 million to end roll-up appropriations and replace them with a competitive grant appropriation for each agency;
- \$33,000,000 for merit-based raises for state employees;
- \$9,000,000 in recurring dollars for one free wellness visit – for every employee and dependent;
- \$69 million in new, recurring dollars for the Department of Social Services to better provide for in-home, trauma-informed, evidence-based prevention services to children and families; and
- \$8 million in new dollars for addiction services and the Substance Abuse Provider System.

Budgetary Reform. Too often, the General Assembly uses the practice of “rolling up” funding in the budget for individual earmarks, pet projects and “pork” commonly intended for local projects by in certain legislators’ districts. They are placed on lines inside a specific state agency budget and given vague names like “Parks Revitalization” and “Sports Marketing.” Ninety percent of the membership – and one hundred percent of the public, to whom these tax dollars actually belong – is unaware of the intended recipients of these appropriations, as no public list is provided. In practice, months after the budget has become law, an agency head is contacted by legislators or their staffers and instructed where and to whom these funds are to be sent.

Last year, Governor McMaster vetoed over \$20 million in “roll up” funds in the FY 2019-20 General Appropriations Act and provided the following explanation:

“This line represents a pass-thru earmark void of necessary transparency. The appropriation lacks disclosure or explanation, justification, description, purpose, location or amount. These earmarks should be publicly disclosed and debated through the normal appropriations process and allowed to stand on their own merits, not rolled up into one line thereby sheltered from scrutiny.”

These vetoes were subsequently overridden by the General Assembly and became law. This has become a routine exercise between governors and the legislature.

This budget takes an unprecedented step toward maintaining the public’s trust in government by implementing new procedures to ensure transparency in the appropriations process – ending roll-ups and replacing them with a competitive grant appropriation for each agency. Agencies shall establish a process for entities, organizations and individuals to apply for funding. Applications will be required to provide detailed explanation, justification, description and intended use of

these funds. Agencies shall also post online all information about grants, the application process, required criteria and award information.

In the future, organizations, festivals, tournaments and other standard recipients of earmarked dollars will apply for these grants and awards will be determined through a merit-based process established by an agency director. This new process will be transparent and accountable to taxpayers. Moreover, it will demonstrate to the people of South Carolina that their money is being spent wisely.

Amounts appropriated to each agency will be based on last year's funding levels, totaling \$22,630,000. Line-item appropriations are clearly delineated in this budget, as follows:

- Archives and History - \$5,400,000
- Arts Commission - \$450,000
- Health and Human Services - \$3,500,000
- Parks, Recreation and Tourism - \$6,500,000 (Parks Revitalization); \$4,500,000 (Sports Marketing)
- Public Safety - \$2,000,000 (Local Law Enforcement Grants)
- Labor, Licensing and Regulation - \$280,000 (Local Fire Department Grants)

Revenue expenditures should always be listed on the line. The Governor has made clear – if the General Assembly allows these allocations to stand on their own merits, he will issue a veto only where they fail to live up to the standards expected by the taxpayers, who are the true owners of every government brick and building in the state.

Ethics. South Carolinians must trust their representatives, and representatives must demonstrate they are deserving of that trust.

Along with former Attorney General Medlock, Governor McMaster co-chaired the South Carolina Ethics Commission, and made a series of ethics reform recommendations – some of which have been implemented, and some of which have not. It is the continued goal of this administration to see them all enacted.

South Carolina needs stronger and expanded investigative authority for the State Ethics Commission to obtain, verify and confirm information related to campaign finance disclosures and statements of economic interest. This budget doubles the registration fee for lobbyists from \$100 to \$200, allowing for increased investigation and enforcement efforts by the State Ethics Commission.

We should require anyone paid to influence decisions made by county, city or town councils to register as lobbyists. And we should require that Members of the General Assembly comply with the Freedom of Information Act (FOIA). After all these years, the legislature still shields itself from FOIA requests. If we are to hold all public servants accountable, this self-imposed exemption must end.

Raises and Wellness Visits for State Employees. Our booming economy and record low unemployment sometimes put state agencies at a disadvantage with the private sector filling jobs. Right now, there are more than 8,700 vacant full-time employee positions in state government (excluding higher education). Government should run like a business so it should compete like a business, too.

This budget allocates \$33,000,000 for merit-based raises for state employees, based on the agency director's discretion and with a salary cap of \$100,000. At their discretion, agency directors will now have a new opportunity to reward those employees who deserve and require a salary adjustment so we do not lose them to the private sector.

The FY 2020-21 Executive Budget also provides \$9,000,000 in recurring dollars for one free wellness visit – for every employee, each year. In the long run, this will save us millions of dollars, while ensuring a healthier, happier South Carolina.

Health. Improving the health and well-being of all South Carolinians is a top priority for this administration.

According to a study by the National Alliance on Mental Illness, one-in-five adults and 17% of youth in the United States experience some form of mental illness. In South Carolina, 4.5% of the population lives with serious mental health conditions like schizophrenia, bipolar disorder and major depression.

The people at DMH do admirable, effective work to provide medical and support services for children, adults and families impacted by mental health issues in South Carolina. Their staff are silent heroes. This Executive Budget provides \$3.5 million for recruitment and retention at DMH, as well as \$2 million to combat suicides at DMH facilities.

Protecting South Carolina's young people and vulnerable adults is one of the most important duties with which we are tasked in state government. In March, Governor McMaster nominated Michael Leach to serve as director of the South Carolina Department of Social Services (DSS). A trained mental health clinician, Leach has brought transformative leadership to DSS. This budget includes \$69 million in new, recurring dollars for the Department of Social Services for recruitment and retention and to better provide for in-home, trauma-informed, evidence-based prevention services to children and families.

The ongoing opioid crisis remains a key contributing factor to South Carolina's health woes. According to RFA, 10,717 patients were discharged from emergency departments and inpatient departments with issues related to opioid use/dependence in 2017. We are taking the steps to stop this scourge.

In December 2017, Governor McMaster declared the state's opioid crisis to be a public health emergency and established the South Carolina Opioid Emergency Response Team (SC OERT). Since its founding, the SC OERT has developed a multilateral strategy to prevent and treat the misuse of prescription opioids and use of illicit opioids in order to strengthen the health and well-being of the citizens of South Carolina. This budget dedicates \$8 million in new dollars for

addiction services and the Substance Abuse Provider System. With this funding, the South Carolina Department of Alcohol and Other Abuse Services will be better able to ease the trauma and anguish attendant to prescription painkiller abuse.

Pensions. We have been ringing the alarm bell for years. South Carolina's \$24 billion unfunded pension liability threatens to place unprecedented strain on state government if steps are not taken to address this crisis.

In 2017, Governor McMaster signed into law legislation increasing employee and employer contributions to the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS), an unfortunate but necessary first step to begin reducing the state's unfunded liability. It is time for the legislature to make some hard decisions and implement systemic reforms to correct this problem.

We must maintain our commitment to the 11.5% of South Carolina's population that relies on state retirement systems, while protecting taxpayers from bearing any additional financial burden caused by inaction or indecision. That means enacting a date-certain transition away from defined benefit pension plans to defined contribution retirement plans for new state employees.

This budget includes proviso language which closes enrollment in the South Carolina Retirement System (SCRS) to new members. A person who otherwise would have been required or eligible to become a member of SCRS and employed by the state after December 31, 2020, instead shall join the State Optional Retirement Program (State ORP) administered by the South Carolina Public Employee Benefit Authority (PEBA).

Adopting this reform will require a concerted expenditure of political willpower on behalf of the General Assembly. Yet, it pales in comparison to the cost of inaction, which threatens a much more permanent paralysis.

ENERGY & ENVIRONMENT

The FY 2020-21 Executive Budget provides:

- \$10 million in non-recurring dollars to the Medical University of South Carolina (MUSC) to connect campus storm water drainage to the City of Charleston’s deep well storm drainage project;
- \$7 million in non-recurring dollars and \$559,697 in recurring dollars for the creation of the “Waties Technology, Education and Research (WATER) Station” on Waties Island, South Carolina;
- \$1.5 million to continue with development and implementation of the State Water Plan;
- \$10 million for rest area renovations, \$7.6 million to revitalize our welcome center facilities, \$2 million for destination specific tourism marketing, \$1 million for advertising and \$5 million in non-recurring dollars for the Medal of Honor Museum at Patriot’s Point – with \$8 million dedicated to deferred maintenance at our state parks; and
- \$5.8 million to the South Carolina Department of Transportation to hire contractors to assist with litter control on our 41,500 miles of state-owned roads.

In 2004, the Sierra Club named then-Attorney General McMaster the public servant of the year. In the ensuing years, McMaster has remained a steadfast, unwavering advocate for protecting our environment and precious natural resources, which drive a \$22 billion annual tourism industry – our state’s largest. This governor will never take a chance with our trees, mountains, rivers, lakes, flora, fauna or any one of our 187 miles of coastal shoreline – ever.

Floodwater. In 2019, we largely escaped the wrath of a major hurricane – but we know well what to expect. Four major flooding disasters affected South Carolina in the period between 2012 and 2018. Collectively, these events resulted in 37 deaths and harm to nearly 150,000 homes. Damages exceeded \$800 million, with an estimated total loss of \$320 million in tourism dollars.

Hurricanes and flooding are challenges of the utmost urgency. That is why this governor has taken a proactive approach to protect our people, property and way of life.

In the one year since the creation of the South Carolina Floodwater Commission, this state has seen unprecedented, bipartisan collaboration and cooperation – across all levels of government, academia, the military, the private sector and non-governmental organizations. Thousands of hours of volunteerism have gone into producing a report which endeavors to address our many challenges in a balanced, holistic manner.

South Carolina cannot solve the world's problems. We *can* solve our own – and we can set an example for the rest of the world to follow. The Floodwater Commission's report sets out short- and long-term recommendations to alleviate and mitigate flooding in South Carolina.

We must address deferred maintenance of our state's drainage systems. We must plant more native vegetation – to deter erosion and aid in groundwater infiltration. We must protect, replenish and expand our marshes. We must develop centralized, streamlined resiliency and response strategies. And, we must ensure under-resourced local governments have the means to apply for and access much-needed recovery funds.

Most importantly, we must continue to have an honest and open discussion regarding the flood-related challenges that we all face. Together, Team South Carolina can – and will – be a world leader in water management.

The Floodwater Commission's recommendations will take some time to implement. However, certain items require action immediately – without delay. The FY 2020-21 Executive Budget provides \$10 million in non-recurring dollars to the Medical University of South Carolina (MUSC) to connect campus storm water drainage to the City of Charleston's deep well storm drainage project.

Since 2015, MUSC has experienced at least one major flood annually. King tides and summer storms are increasing in frequency, creating flooding several times each year. These events render campus roads impassable, turning health care facilities into islands and delaying or blocking emergency access. This funding will mitigate flooding by enabling the existing campus storm water drainage system to operate and discharge storm water from the streets. More importantly, it will reduce risk to patients and staff, ensuring ongoing access to the life-saving health care provided in the Charleston Medical District.

The 2020-21 Executive Budget also includes \$7 million in non-recurring dollars and \$559,697 in recurring dollars for the creation of the "Waties Technology, Education and Research (WATER) Station" on Waties Island, South Carolina. This state-of-the-art new facility will foster collaboration among state agencies while serving the research, education and extension missions of partnering universities. It will support innovation, exploration, communication, guidance and training in key thematic areas related to flooding and erosional pressures facing the state. And, it will serve as a base for the South East Atlantic Econet's environmental measurements and innovation initiative.

This budget also calls for the creation of a chief resilience officer position to be appointed by the governor. The chief resilience officer shall be responsible for creating a best-in-the-nation strategic resilience plan so that the state can maximize federal assistance on critical policy and projects and provide coordination across all relevant agencies to facilitate rapid response to future crises as they arise.

Water is a shared resource that is vital to our state. We have a responsibility to plan for its future. The South Carolina Department of Natural Resources (DNR) is leading the effort to create an updated State Water Plan with the goal of ensuring sustainable water supplies and resources for

current and future generations. This budget commits \$1.5 million to help DNR develop a plan for the Pee Dee River Basin.

Offshore Drilling. President Reagan recognized that, “If we've learned any lessons during the past few decades, perhaps the most important is that preservation of our environment is not a partisan challenge; it's common sense. Our physical health, our social happiness, and our economic well-being will be sustained only by all of us working in partnership as thoughtful, effective stewards of our natural resources.”

We must be stewards of our natural resources – and that means protecting our coastline. Nearly every town council along the coast has voted to oppose offshore drilling and seismic testing. They are right to do so. Our commercial seafood fishing industry enjoys a vibrant offshore ecosystem. The impacts and habitat disruption that marine life might suffer due to seismic testing is simply not worth whatever benefit our state might see from placing oil rigs offshore.

The governor is profoundly concerned about the construction of industrialized infrastructure required to support offshore drilling operations. Massive refineries, gas storage tanks, maintenance and operating facilities are not economically compatible with existing coastal residential and resort development, protected sea islands, estuaries and tidal marsh refuges.

Governor McMaster commends the Trump Administration for their decision to shelve plans for offshore drilling in the Atlantic. South Carolinians can remain confident that we will continue our efforts to protect our pristine coastline and invaluable tourism industry from this destructive threat.

Parks, Recreation and Roads. To keep and enhance our thriving tourism industry, this budget invests significant dollars in our state parks, providing \$10 million for rest area renovations, \$7.6 million to revitalize our welcome center facilities, \$2 million for destination specific tourism marketing, \$1 million for advertising and \$5 million in non-recurring dollars for the Medal of Honor Museum at Patriot’s Point – with \$8 million dedicated to deferred maintenance at our state parks.

This budget also provides \$5.8 million to the South Carolina Department of Transportation to hire contractors to assist with litter control on our 41,500 miles of state-owned roads. If we allow our state to be trashed, not only will it hurt tourism, it will destroy for future generations that which makes us special – the mountains, the beach and everything in between.

Money alone will not solve this problem; volunteerism and good citizenship is key. In November, hundreds of volunteers picked up thousands of pounds of litter throughout the state as part of Lieutenant Governor Pamela Evette’s “Grab a Bag” anti-litter campaign. We can legislate, and we can promulgate policy. But there is simply no substitute for this type of engagement.

It is how government is supposed to work. It is how communities are supposed to work. And it is emblematic of the spirit of this great state.

INFRASTRUCTURE

The FY 2020-21 Executive Budget provides:

- \$5 million for continued construction of the Jasper Ocean Terminal; and
- \$574,913 for South Carolina Education Television's rural broadband initiative.

South Carolina's ports, roads and rail continue to provide unparalleled benefit for those doing business within our borders.

Our trade, transportation and logistics industries are thriving. Last year, S.C. exporters achieved a 9th consecutive record year in export sales – topping \$34 billion for the first time. We have one of the nation's fastest-growing container ports, two innovative inland ports, 2,300 miles of rail lines and more than 41,000 miles of state-maintained highways. There are 208 million people within two days drive of South Carolina.

But we have our share of challenges. Our roads need substantial – and efficient – reinvestment. We must complete projects like I-73, which could create as many as 29,000 jobs in the Grand Strand and Pee Dee regions.

We must also redouble our efforts to finish the Port of Charleston deepening project. The Port of Charleston is among the fastest-growing container ports in the U.S. In FY19, it handled record cargo volume – nearly 2.4 million twenty-foot equivalent container units (TEUs), an 8.8% increase over the previous year.

Inland Port in Greer reported its busiest fiscal year in FY19, with a nearly 22% increase in rail moves. Inland Port Dillon, in its second year of operation, handled around 30,000 rail moves. And, the planned Jasper Ocean Terminal on the Savannah River will only enhance our competitive edge. This budget allocates \$5 million for its continued construction.

Over the next decade, S.C. will execute over \$2 billion in port-related capital investments. By continuing to invest in our infrastructure and logistics assets, we will ensure that South Carolina maintains its unmatched global connectivity.

Broadband. Broadband connectivity is a powerful catalyst for economic and social advancement. It is no longer a luxury – it is a necessity, critical to ensuring a level playing field for those in rural areas. Emergency response, health care access, education – all rely increasingly on Internet access. Children in rural schools must have the same advantages as those in more developed areas.

In South Carolina, nearly half a million people (434,725) are below the Federal Communications Commission standard for broadband connectivity – 94% of them are in rural areas. 160,655 people in rural South Carolina are completely unserved. The South Carolina Electric Cooperatives are announcing an initiative to run fiber-optic cable along their existing electric

distribution infrastructure. And, this budget includes more than half a million dollars for South Carolina Education Television's rural broadband initiative.

South Carolina's agriculture industry – one of our largest, with an economic impact of \$41 billion – will see substantial benefit from enhanced broadband connectivity. Rural broadband is essential to modern agriculture, allowing farmers to utilize precision agriculture techniques to achieve optimal yield and reduced environmental impact.

Santee Cooper. South Carolina's bright economic future and continued job growth require an abundant supply of clean and affordable energy. Without it, we are at a competitive disadvantage.

Governor McMaster has pushed for Santee Cooper's sale for a long time and commends the General Assembly for approving a process to field and evaluate offers from companies to purchase or take over management of the utility, which supplies power to 2 million South Carolinians.

This is a bold and historic step to protect ratepayers and taxpayers. Resolving the future of Santee Cooper is no longer a question of "if" – it's now a question of "when and how."

Paying off Santee Cooper's debt will cost direct-serve customers in customers in Horry, Georgetown and Berkeley counties about \$6,200 per household. It will cost customers of the 20 electric cooperatives who distribute Santee Cooper's power about \$4,200 per household.

The Governor has met with several large and significant utilities who have expressed interest in purchasing Santee Cooper. Offers have been made. The Department of Administration is now in the process of reviewing these offers and bring. After January 15, they will bring the best ones back to the General Assembly.

Governor McMaster instructed each of these interested purchasers that the State will not consider any proposal which saddles the ratepayers or taxpayers with any of Santee Cooper's \$4.3 billion nuclear construction debt.

We must provide the state with the best solution possible, one which protects ratepayers while recognizing the valuable contributions of current and former employees of Santee Cooper, both now and in the future.

VALUES

South Carolina is in the midst of a stunning economic resurgence – built on brainpower and bolstered by our values. That success and prosperity is the realization of an enduring philosophy based on strength and self-determination, celebrated and championed by the people of the Palmetto State. One that goes to the heart of who we are.

We believe in opportunity and hard work – in government that gets out of the way, out of your life and away from your pocketbook. Governor McMaster’s resolve is stronger than ever – to fight for South Carolina and the values we all share.

Children. There are more than 4,600 children in foster care in South Carolina. As of today, over 500 of those are awaiting adoption. It is critical that we redouble our efforts to find loving homes for these young people. This duty falls largely on the shoulders of one agency – DSS. But we are also lucky to have are to have strong partners like the South Carolina Foster Care Association and Miracle Hill in the upstate.

In 2018, Governor McMaster issued an Executive Order to ensure Miracle Hill’s religious freedom is protected. He also directed state agencies to review their policies and procedures to ensure our State is recognizing the constitutionally protected freedoms of faith-based organizations. We need more organizations like Miracle Hill to step up and help with our adoption needs – not less.

This budget also dedicates additional funding to the Department of Children’s Advocacy for the guardian ad litem program – to encourage more adults to represent young people in need of a champion.

Finally, for the third year in a row, this budget includes a proviso preventing the funneling of taxpayer dollars to abortion providers like Planned Parenthood. There are a variety of agencies, clinics, and medical entities in South Carolina that receive taxpayer funding to offer important women's health and family planning services without performing abortions. South Carolinians do not want their money spent that way; this budget safeguards against spending tax dollars in a manner that is contrary to the values we hold dear.

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Statewide Enterprise Strategic Objectives

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Statewide Strategic Objectives

South Carolina Government has a number of goals, priorities and key initiatives that transcend agency and other organizational boundaries. These enterprise-level strategic objectives seek to capture the core functions and responsibilities of state government into five strategic areas. They provide important input into agencies' planning processes, serve as a baseline for assessing progress on key issues and require cooperative efforts in order to affect performance in a meaningful way.

Education, Training and Human Development

- **Improve educational infrastructure to elevate the levels of educational preparedness of every South Carolinian to lead a healthy and productive life, including success in a job or career and in the community.**

Healthy and Safe Families

- **Enhance public well-being by delivering efficient and cost-effective public health and support services.**

Maintaining Safety, Integrity and Security

- **Protect the safety, integrity and security of statewide public resources, infrastructure and citizens including timely response to emergencies and disasters.**

Public Infrastructure and Economic Development

- **Build a world-class and safe public infrastructure to enhance the quality of life of our citizens and to promote the state in global competitiveness as a location for business, investment, talent, innovation and visitors.**

Government and Citizens

- **Deliver a government that serves the needs of South Carolinians and achieves inter-agency collaboration to deliver highly effective, efficient and innovative programs.**

Note:

Copies of each agency's Accountability Report and Strategic Plan may be found at:

<https://admin.sc.gov/budget/accountability>

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Financial Overview

Financial Overview

GENERAL FUND – RECURRING		
SOURCES:		
Sales and Use Tax.....	\$	3,572,229,000
Individual Income Tax.....		4,957,531,385
Corporate Income Tax.....		444,214,000
Other Recurring Sources.....		1,075,912,000
		<u>10,049,886,385</u>
Less: Income Tax Revenues Credited to the Tax Relief Trust Fund (§11-11-150).....		(629,405,136)
Net General Fund Revenues.....	\$	9,420,481,249
USES:		
General Fund Appropriations.....	\$	9,420,481,249
GENERAL FUND – NONRECURRING		
SOURCES:		
FY2018-19 Contingency Reserve Fund	\$	349,951,083
FY2019-20 General Fund Surplus.....		499,535,000
	\$	<u>849,486,083</u>
USES:		
Transfer to General Reserve Fund (§11-11-310).....	\$	34,024,350
Nonrecurring Appropriations.....	\$	815,461,733
CAPITAL RESERVE FUND		
SOURCES:		
Funds Appropriated to the FY2019-20 Capital Reserve Fund, Part IA, Section 107, FY2019-20 General Appropriations Act.....	\$	162,485,305
USES:		
Capital Reserve Fund Appropriations.....	\$	162,485,305
EDUCATION IMPROVEMENT ACT		
SOURCES:		
Recurring:		
Education Improvement Act Sales Tax.....	\$	930,273,000
USES:		
EIA Appropriations.....	\$	930,273,000
EDUCATION LOTTERY EXPENDITURE ACCOUNT		
SOURCES:		
Recurring:		
Lottery Proceeds.....	\$	448,300,000
Investment Earnings.....		2,500,000
Unclaimed Prizes.....		19,000,000
Nonrecurring:		
FY2019-20 Estimated EIA Revenue Surplus.....		7,000,000
	Total: \$	<u>476,800,000</u>
USES:		
Lottery Appropriations.....	\$	476,800,000

STATEMENT OF REVENUES
ESTIMATE OF GENERAL, SCHOOL, TRANSPORTATION,
EDUCATION IMPROVEMENT ACT AND EDUCATION LOTTERY REVENUES
FISCAL YEAR 2020-21

	Appropriation Act Estimate FY 2019-20	Board of Economic Advisors Estimate FY 2020-21 November 8, 2019	Governor's Estimate FY 2020-21
General Fund Revenues:			
Sales and Use Tax.....	\$ 3,294,402,000	\$ 3,572,229,000	\$ 3,572,229,000
Individual Income Tax.....	4,661,029,000	5,136,732,000	4,957,531,385
Corporate Income Tax.....	400,997,000	444,214,000	444,214,000
Insurance Taxes.....	266,000,000	288,995,000	288,995,000
Admissions Tax.....	32,429,000	34,354,000	34,354,000
Aircraft Tax.....	2,500,000	2,500,000	2,500,000
Alcoholic Liquor Tax.....	85,920,000	91,948,000	91,948,000
Bank Tax.....	54,851,000	82,190,000	82,190,000
Beer and Wine Tax.....	110,764,000	113,728,000	113,728,000
Bingo Tax.....	362,000	113,000	113,000
Business Filing Fees.....	7,750,000	8,200,000	8,200,000
Circuit & Family Court Fines.....	6,917,000	6,217,000	6,217,000
Corporation License Tax.....	105,162,000	119,060,000	119,060,000
Documentary Tax.....	84,652,000	91,050,000	91,050,000
Earned on Investments.....	60,000,000	75,000,000	75,000,000
Indirect Cost Recoveries.....	16,500,000	15,500,000	15,500,000
Motor Vehicle Licenses.....	11,476,000	12,890,000	12,890,000
Nursing Home Licenses/Fees.....	3,600,000	3,600,000	3,600,000
Parole & Probation Supervision Fees.....	3,393,000	3,393,000	3,393,000
Private Car Lines Tax.....	6,596,000	6,787,000	6,787,000
Public Service Authority.....	17,000,000	17,700,000	17,700,000
Purchase Card Rebates.....	3,147,000	3,497,000	3,497,000
Record Search Fees.....	4,461,000	4,461,000	4,461,000
Savings & Loan Association Tax.....	803,000	1,038,000	1,038,000
Security Dealer Fees.....	27,300,000	28,100,000	28,100,000
Surcharge on Vehicle Rentals.....	870,000	175,000	175,000
Tobacco Tax.....	23,142,000	28,657,000	28,657,000
Uncashed Checks.....	2,000,000	1,000,000	1,000,000
Unclaimed Property Fund Transfer.....	15,000,000	15,000,000	15,000,000
Workers' Compensation Insurance Tax.....	11,137,000	8,828,000	8,828,000
Other Source Revenues.....	10,502,000	11,931,000	11,931,000
Subtotal.....	9,330,662,000	10,229,087,000	10,049,886,385
Less: Income Tax Revenues Credited to Tax Relief Trust Fund (§11-11-150).....	(614,053,000)	(629,405,136)	(629,405,136)
Total General Fund Revenues.....	8,716,609,000	9,599,681,864	9,420,481,249
Add: Non-Recurring Revenues and Transfers.....	20,403,313	-	-
General Fund Revenues.....	8,737,012,313	9,599,681,864	9,420,481,249
Education Improvement Act Fund Revenues.....	861,235,000	930,273,000	930,273,000
Nonrecurring: Estimated FY2018-19 EIA Surplus.....	-	-	-
Total Education Improvement Act Fund Revenues.....	861,235,000	930,273,000	930,273,000
Transportation Fund Revenues.....	2,595,096,860	-	2,621,581,310
Education Lottery Account Revenues.....	463,200,000	469,800,000	469,800,000
Nonrecurring: FY2018-19 Certified Surplus Lottery Proceeds.....	45,900,000		-
FY2019-20 Certified Surplus Lottery Proceeds.....		7,000,000	7,000,000
Total Education Lottery Account Revenues.....	509,100,000	476,800,000	476,800,000
Total Estimated Revenues (§11-11-410)	\$ 13,316,497,173	\$ 11,636,160,000	\$ 14,078,540,695

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EIA, Lottery, CRF, and Nonrecurring Recommendations

EDUCATION IMPROVEMENT ACT	FY 2019-20		FY 2020-21	Notes
	Enacted Budget		Executive Budget	

A. STANDARDS, TEACHING, LEARNING, ACCOUNTABILITY

1. Student Learning

Classified Positions		\$	320,000	1
Other Operating Expenses		\$	120,000	1
Industry Certifications/Credentials	\$	550,000	\$	5,550,000
Adult Education	\$	15,073,736	\$	15,073,736
Aid to Districts	\$	24,401,779	\$	24,401,779
Students at Risk of School Failure	\$	79,551,723	\$	79,551,723
Arts Curricula	\$	1,487,571	\$	1,487,571
Career & Technology Education	\$	20,072,135	\$	20,072,135
Summer Reading Camps	\$	7,500,000	\$	7,500,000
Reading Coaches	\$	9,922,556	\$	9,922,556
EEDA	\$	8,413,832	\$	8,413,832
Subtotal:	\$	166,973,332	\$	172,413,332

2. Student Testing

Classified Positions	\$	548,518	\$	548,518
Other Operating Expenses	\$	678,748	\$	678,748
Assessment/Testing	\$	27,261,400	\$	29,261,400
Subtotal:	\$	28,488,666	\$	30,488,666

3. Curriculum & Standards

Classified Positions	\$	126,232	\$	126,232
Other Personal Service	\$	4,736	\$	4,736
Other Operating Expenses	\$	41,987	\$	41,987
Reading	\$	3,271,026	\$	3,271,026
Instructional Materials	\$	20,922,839	\$	20,922,839
Subtotal:	\$	24,366,820	\$	24,366,820

4. Assistance, Intervention, & Reward

Classified Positions	\$	1,236,436	\$	1,236,436
Other Operating Expenses	\$	1,374,752	\$	1,374,752
School Safety Program	\$	10,000,000	\$	10,000,000
EAA Technical Assistance	\$	23,801,301	\$	23,801,301
PowerSchool/Data Collection	\$	7,500,000	\$	7,500,000
School Value Added Instrument	\$	1,400,000	\$	1,400,000
Subtotal:	\$	45,312,489	\$	45,312,489

B. Early Childhood

Classified Positions	\$	831,246	\$	831,246
Other Operating Expenses	\$	556,592	\$	556,592
Alloc EIA - 4 YR Early Childhood	\$	15,513,846	\$	-
CDEPP - SCDE	\$	41,441,053	\$	79,079,696
Subtotal:	\$	58,342,737	\$	80,467,534

C. TEACHER QUALITY

1. Certification

Classified Positions	\$	1,263,470	\$	1,263,470
Other Personal Service	\$	1,579	\$	1,579
Other Operating Expenses	\$	638,999	\$	638,999
Subtotal:	\$	1,904,048	\$	1,904,048

2. Retention & Reward

Teacher of the Year Award	\$	155,000	\$	155,000
Teacher Quality Commission	\$	372,724	\$	372,724
Classified Positions	\$	80,000	\$	80,000
Teacher Salary Supplement	\$	181,230,766	\$	181,230,766
Teacher Supplies	\$	14,721,500	\$	21,346,500
Teacher Salary Supplement – Fringe/Employer Cont.	\$	39,524,934	\$	43,533,934
National Board Certification	\$	44,500,000	\$	44,500,000

EDUCATION IMPROVEMENT ACT	FY 2019-20		FY 2020-21	Notes
	Enacted Budget		Executive Budget	
Rural Teacher Recruitment	\$	9,748,392	\$	9,748,392
Subtotal:	\$	290,333,316	\$	300,967,316
3. Professional Development				
Professional Development	\$	2,771,758	\$	2,771,758
ADEPT	\$	873,909	\$	873,909
Subtotal:	\$	3,645,667	\$	3,645,667
4. ADEPT				
Classified Positions	\$	65,000	\$	65,000
Subtotal:	\$	65,000	\$	65,000
D. LEADERSHIP				
Classified Positions	\$	82,049	\$	82,049
Other Personal Service	\$	83,121	\$	83,121
Other Operating Expenses	\$	279,032	\$	279,032
Technology	\$	12,271,826	\$	12,271,826
Subtotal:	\$	12,716,028	\$	12,716,028
E. EIA EMPLOYER CONTRIBUTIONS				
Employer Contributions	\$	1,269,821	\$	1,514,476
Subtotal:	\$	1,269,821	\$	1,514,476
F. PARTNERSHIPS				
ETV - K-12 Public Education (H670)	\$	3,576,409	\$	-
ETV - Infrastructure (H670)	\$	2,150,000	\$	-
Literacy and Distance Learning (P360)	\$	415,000	\$	415,000
Reach Out and Read (A850)	\$	1,000,000	\$	1,000,000
S.C. Youth Challenge Academy (E240)	\$	1,000,000	\$	1,000,000
Arts Education Programs (H910)	\$	1,170,000	\$	1,170,000
Education Oversight Committee (A850)	\$	1,793,242	\$	1,793,242
Science PLUS (A850)	\$	563,406	\$	563,406
STEM Centers SC (H120)	\$	1,750,000	\$	1,750,000
Teach for America South Carolina (A850)	\$	3,000,000	\$	3,000,000
Gov. School for Arts & Humanities (H630)	\$	1,619,531	\$	1,795,652
Wil Lou Gray Opp. School (H710)	\$	736,678	\$	807,126
School for Deaf & Blind (H750)	\$	7,933,774	\$	8,421,316
Dept. of Disabilities & Special Needs (J160)	\$	408,653	\$	408,653
S.C. Council on Economic Education (H270)	\$	300,000	\$	300,000
John de la Howe School (L120)	\$	417,734	\$	417,734
Clemson Agriculture Education Teachers (P200)	\$	1,144,356	\$	1,272,090
Center for Educational Partnerships (H270)	\$	715,933	\$	715,933
Centers of Excellence (H030)	\$	1,137,526	\$	1,137,526
Teacher Recruit Program (H030)	\$	4,243,527	\$	6,083,527
Teacher Loan Program (E160)	\$	5,089,881	\$	5,089,881
BabyNet Autism Therapy (J020)	\$	3,926,408	\$	3,926,408
Call Me Mister (H120)	\$	500,000	\$	500,000
Regional Education Centers (P320)	\$	1,952,000	\$	1,952,000
Family Connection S.C. (H630)	\$	300,000	\$	300,000
Gov. School for Math & Science (H630)	\$	1,207,122	\$	1,423,629
Center for Educ. Recruit, Reten., & Adv. (CERRA) (H470)	\$	531,680	\$	781,680
Transform SC (A850)	\$	400,000	\$	400,000
EOC Partnerships for Innovation (NR)	\$	500,000		
SDE Grants Committee	\$	504,313	\$	7,504,313
National Student Clearinghouse (E500)			\$	56,100
Save the Children (A850)			\$	1,000,000
Subtotal:	\$	49,987,173	\$	54,985,216
G. TRANSPORTATION				
Other Operating	\$	22,032,195	\$	22,032,195
Subtotal:	\$	22,032,195	\$	22,032,195

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EDUCATION IMPROVEMENT ACT	FY 2019-20	FY 2020-21	Notes
	Enacted Budget	Executive Budget	

H. SOUTH CAROLINA PUBLIC CHARTER SCHOOL DISTRICT

S.C. Public Charter Schools	\$	126,461,481	\$	131,993,681
Subtotal:	\$	126,461,481	\$	131,993,681

I. FIRST STEPS TO SCHOOL READINESS

Classified Positions	\$	2,179,885	\$	2,179,885
Unclassified Positions	\$	121,540	\$	121,540
Other Personal Services	\$	150,000	\$	150,000
Other Operating	\$	1,906,225	\$	1,906,225
County Partnerships	\$	14,435,228	\$	17,435,228
CDEPP	\$	9,767,864	\$	24,832,169
Employer Contributions	\$	775,485	\$	775,485
Subtotal:	\$	29,336,227	\$	47,400,532

J. EIA NON-RECURRING

Computer Science Certification and Professional Learning		\$	700,000
Instructional Materials		\$	30,547,200
Subtotal	\$	-	\$ 31,247,200

TOTAL :	\$	861,235,000	\$	961,520,200
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Available FY 2020-21 EIA Revenue (Recurring):	\$	930,273,000
Available FY 2019-20 EIA Revenue (Non-Recurring):	\$	31,247,200
Available FY 2020-21 EIA:	\$	961,520,200
Surplus / (Deficit):	\$	-

Notes:

1. Funding increase for Classified Positions, Operating and Fringe for Computer Science Regional Specialists.
2. Funds are redirected to expansion of full-day 4K program and early literacy assessments.
3. Funding for ETV moved from EIA to General Fund.
4. Funding to increase teacher supply reimbursement from \$275 to \$400.

EDUCATION LOTTERY ACCOUNT

Certified Net Lottery Proceeds and Investment Earnings (*\$450.8M*)

(1) Commission on Higher Education and State Board for Technical and Comprehensive Education - Tuition Assistance	\$ 51,100,000
(2) Commission on Higher Education - LIFE Scholarships (Chapter 149, Title 59)	\$ 243,186,014
(3) Commission on Higher Education - HOPE Scholarships (Section 59-150-370)	\$ 13,057,116
(4) Commission on Higher Education - Palmetto Fellows Scholarships (Section 59-104-20)	\$ 69,571,483
(5) Commission on Higher Education - Need-Based Grants	\$ 32,276,121
(6) Higher Education Tuition Grant Commission - Tuition Grants	\$ 11,128,792
(7) State Board for Technical and Comprehensive Education - Workforce Scholarships and Grants	\$ 11,000,000
(8) CHE - National Guard Tuition Repayment Program (Section 59-111-75)	\$ 2,480,474
(9) State Board for Technical and Comprehensive Education - Workforce Industry Needs Scholarships	\$ 17,000,000
Subtotal:	\$ 450,800,000

Unclaimed Prizes (*\$19M*)

(1) Commission on Higher Education - Need-Based Grants	\$ 19,000,000
Subtotal:	\$ 19,000,000

Total Certified by BEA: \$ 469,800,000

FY 2019-20 Certified Surplus Lottery Proceeds (*\$7.0M*)

(1) Commission on Higher Education - Need-Based Grants	\$ 2,950,000
(2) Commission on Higher Education - Higher Education Excellence Enhancement Program	\$ 4,000,000
(3) Department of Alcohol and Other Drug Abuse Services - Gambling Addiction Services	\$ 50,000
Subtotal:	\$ 7,000,000

Total: \$ 476,800,000

CAPITAL RESERVE FUND		
Sect.	Agency/Item	Amount
13	The Citadel	
	Maintenance and Care of State-Owned Assets	\$ 2,617,458
14	Clemson University	
	Maintenance and Care of State-Owned Assets	\$ 15,956,246
15	University of Charleston	
	Maintenance and Care of State-Owned Assets	\$ 7,136,986
16	Coastal Carolina University	
	Maintenance and Care of State-Owned Assets	\$ 5,699,867
17	Francis Marion University	
	Maintenance and Care of State-Owned Assets	\$ 3,963,701
18	Lander University	
	Maintenance and Care of State-Owned Assets	\$ 2,943,980
19	South Carolina State University	
	Maintenance and Care of State-Owned Assets	\$ 2,786,531
20A	University of South Carolina	
	Maintenance and Care of State-Owned Assets	\$ 21,332,761
20B	University of South Carolina - Aiken	
	Maintenance and Care of State-Owned Assets	\$ 3,333,904
20C	University of South Carolina - Upstate	
	Maintenance and Care of State-Owned Assets	\$ 6,126,776
20D	University of South Carolina - Beaufort	
	Maintenance and Care of State-Owned Assets	\$ 1,870,368
20E	University of South Carolina - Lancaster	
	Maintenance and Care of State-Owned Assets	\$ 1,557,583
20F	University of South Carolina - Salkehatchie	
	Maintenance and Care of State-Owned Assets	\$ 922,503
20G	University of South Carolina - Sumter	
	Maintenance and Care of State-Owned Assets	\$ 1,088,406
20H	University of South Carolina - Union	
	Maintenance and Care of State-Owned Assets	\$ 1,130,674
21	Winthrop University	
	Maintenance and Care of State-Owned Assets	\$ 5,393,422
23	Medical University of South Carolina	
	Maintenance and Care of State-Owned Assets	\$ 2,120,807

CAPITAL RESERVE FUND

Sect.	Agency/Item	Amount
25	State Board for Technical and Comprehensive Education	
	Maintenance and Care of State-Owned Assets - Aiken Technical College	\$ 2,088,050
	Maintenance and Care of State-Owned Assets - Central Carolina Tech College	\$ 3,742,849
	Maintenance and Care of State-Owned Assets - Denmark Technical College	\$ 471,291
	Maintenance and Care of State-Owned Assets - Florence Darlington Tech College	\$ 4,281,769
	Maintenance and Care of State-Owned Assets- Greenville Technical College	\$ 11,121,820
	Maintenance and Care of State-Owned Assets - Horry-Georgetown Tech College	\$ 5,583,629
	Maintenance and Care of State-Owned Assets - Midlands Technical College	\$ 10,158,105
	Maintenance and Care of State-Owned Assets - Northeastern Technical College	\$ 1,324,051
	Maintenance and Care of State-Owned Assets - Orangeburg-Calhoun Tec College	\$ 2,482,200
	Maintenance and Care of State-Owned Assets - Piedmont Technical College	\$ 4,634,708
	Maintenance and Care of State-Owned Assets - Spartanburg Technical College	\$ 4,692,827
	Maintenance and Care of State-Owned Assets - Tech College Of The Lowcountry	\$ 2,181,040
	Maintenance and Care of State-Owned Assets - Tri-County Technical College	\$ 5,929,172
	Maintenance and Care of State-Owned Assets - Trident Technical College	\$ 12,708,991
	Maintenance and Care of State-Owned Assets - Williamsburg Technical College	\$ 778,793
	Maintenance and Care of State-Owned Assets - York Technical College	\$ 4,324,037
Capital Reserve Fund Total:		\$ 162,485,305

Non-Recurring Funds		
Sect.	Agency/Item	Amount
1	Department Of Education	
	Office of First Steps - Outcome and Accountability Data System	\$ 595,000
	Relocation Assistance	\$ 2,200,000
	Instructional Materials	\$ 40,000,000
	Bus Purchase	\$ 32,022,000
	Governor's School for Arts and Humanities - Deferred Maintenance	\$ 1,000,000
	Governor's School for Science and Math - Deferred Maintenance	\$ 1,000,000
5	Wil Lou Gray Opportunity School	
	Classroom Security Improvement	\$ 300,000
	Security Camera and Keyless Entry	\$ 200,000
7	John de la Howe School	
	L. S. Brice School Renovation	\$ 5,827,112
12	Higher Educaton Tuition Grants Commission	
	Student Information System Purchase	\$ 200,000
16	Coastal Carolina University	
	WATER Station	\$ 7,000,000
20A	University of South Carolina	
	USC Columbia School of Medicine Relocation	\$ 15,000,000
23	Medical University of South Carolina	
	Flood Mitigation	\$ 10,000,000
25	Board for Technical and Comprehensive Education	
	readySC Direct Training	\$ 10,250,000
	Equipment for High-Demand Job Skills Training	\$ 18,000,000
	Career and Technology Centers	\$ 50,000,000
26	Department of Archives and History	
	Historic Preservation and Community Development Grants	\$ 1,000,000
	Convert Micrographics Lab to Digital Lab and Office Space	\$ 500,000
	SCAAHC Green Book of SC Merchandise Development	\$ 50,000
28	Arts Commission	
	Cultural Arts and Theatre Center Grants	\$ 450,000
	Greenville Cultural and Arts Center	\$ 19,000,000
	Sumter Opera House	\$ 15,000,000
29	State Museum	
	Permanent Gallery Renovation - Phase 2	\$ 3,750,000
	Planetarium Technology Upgrade and Content Enhancements	\$ 350,000
32	Department of Vocational Rehabilitation	
	Credential Attainment - Skills Boss	\$ 453,750
	Demand Driven Training Service - HVAC and Welding	\$ 1,072,900

Non-Recurring Funds		
Sect.	Agency/Item	Amount
33	Department of Health and Human Services	
	Medical Contract Grants	\$ 3,000,000
	Medicaid Management Information System	\$ 7,409,009
34	Department of Health and Environmental Control	
	Able Site Cleanup	\$ 4,512,000
	Funding for Additional Newborn Screenings (Dylan's Law)	\$ 101,128
35	Department of Mental Health	
	Deferred Maintenance and Revitalization of Veterans Homes, Hospitals, and facilities agency wide.	\$ 4,000,000
	VA Nursing Home Furnishings	\$ 2,500,000
	Suicide Prevention - Ligature Resistant Fixtures	\$ 2,000,000
	Certification of State Match (Additional VA Nursing Homes)	\$ 37,888,352
36	Department of Disabilities and Special Needs	
	Transfer of 65 Legacy State Owned Facilities to Providers	\$ 487,500
	South Carolina Genomic Medicine Initiative	\$ 2,000,000
	Electrical Grid - Coastal Regional Center Campus	\$ 1,500,000
37	Department of Alcohol and Other Drug Abuse Services	
	Infrastructure Improvements / Substance Abuse Provider System	\$ 5,000,000
38	Department of Social Services	
	Technology Infrastructure	\$ 6,000,000
39	Commission for the Blind	
	Customize AWARE System and purchase AWARE Quality Assurance Module	\$ 300,000
	Complex Renovations and Improvements	\$ 5,101,685
43	Forestry Commission	
	Fire Support Aircraft	\$ 250,000
	Expedited Equipment Replacement	\$ 1,000,000
44	Department of Agriculture	
	State Hemp Farming Program	\$ 1,300,000
	Certified SC Grown Program	\$ 400,000
45	Clemson PSA	
	Research and Education Center Graduate Student Housing	\$ 4,000,000
	Pee Dee Research and Education Center Greenhouses	\$ 2,000,000
	Sandhill REC Research and Extension Building Repairs	\$ 990,000
47	Department of Natural Resources	
	Watercraft Registration Conversion (Year 2 of 2)	\$ 1,051,860
	Marine Resources Research Lab Shoreline Stabilization	\$ 585,500
	Barnwell Fish Hatchery Maintenance	\$ 800,000
	Research Vessel Replacement	\$ 1,207,000
	State Water Plan - Pee Dee Basin	\$ 1,500,000

Non-Recurring Funds		
Sect.	Agency/Item	Amount
49	Department of Parks, Recreation and Tourism	
	Welcome Center, Revitalization, and Maintenance	\$ 4,000,000
	State Park Deferred Maintenance and Repair	\$ 8,000,000
	International African American Museum	\$ 250,000
	PGA Championship 2021 Kiawah Island	\$ 360,000
	Venues at Arsenal Hill	\$ 8,350,000
	Parks Revitalization Grants	\$ 3,000,000
	Sports Marketing Grants	\$ 3,000,000
	Medal of Honor Museum	\$ 5,000,000
50	Department of Commerce	
	LocateSC	\$ 4,000,000
	PGA Championship 2021	\$ 360,000
53	Conservation Bank	
	Conservation Grant Funding	\$ 3,000,000
54	Rural Infrastructure Authority	
	Water and Sewer Regionalization Fund	\$ 4,300,000
60	Prosecution Coordination Commission	
	Agency Administrative & Legal Staff	\$ 6,000
	Agency Technology & IT Staff: Prosecution Data Collection System & Personnel / Technology Operations Manager / Website / Software, Service & Equipment	\$ 589,300
	Agency Office Renovation & Security: Construction & Installation	\$ 194,000
	Agency Office Renovation & Security: Furniture & Equipment	\$ 29,000
62	State Law Enforcement Division	
	Nevah Adams Search (SLED, DOT, Forestry, State Fire, DHEC, & DNR)	\$ 713,917
	New Personnel Equipment	\$ 2,386,925
	Technology Equipment/Software	\$ 3,000,000
	Forensic Equipment	\$ 952,000
63	Department of Public Safety	
	Local Law Enforcement Grants	\$ 2,000,000
64	Law Enforcement Training Council	
	Generator for Academy Main Building	\$ 2,750,000
65	Department of Corrections	
	Security and Safety Upgrades at Facilities	\$ 100,000,000
67	Department of Juvenile Justice	
	Safety and Security Upgrades to Facilities	\$ 5,000,000
81	Department of Labor, Licensing and Regulation	
	Local Fire Department Grants	\$ 280,000
	Emergency Response Task Force - US&R SC-TF1 & SC-HART Equipment	\$ 850,000
82	Department of Motor Vehicles	
	Phoenix III Modernization	\$ 2,000,000
	Motor Carrier System Upgrade - 15% Grant Match	\$ 268,300

Non-Recurring Funds		
Sect.	Agency/Item	Amount
84	Department of Transportation	
	Rest Areas - Renovations	\$ 10,000,000
87	Division of Aeronautics	
	Deferred Maintenance - Aircraft	\$ 1,000,000
	Exterior Roofing and Coating	\$ 300,000
88	State Ports Authority	
	Jasper Ocean Terminal Port Facility Infrastructure Fund	\$ 5,000,000
93	Department of Administration	
	SC Enterprise Information System - S4/Hana Migration	\$ 8,169,184
	State House Deferred Maintenance	\$ 2,641,131
98	State Treasurer's Office	
	Tuition Prepayment Program	\$ 10,000,000
100	Adjutant General's Office	
	Aiken Readiness Center	\$ 15,000,000
	Olympia Armory Sewer, Drill Hall Floor & Other Repairs	\$ 1,200,000
	SCEMD – Phased Replacement of HVAC Units (Phase 1 of 3)	\$ 162,950
	State Share Disaster Funding	\$ 13,544,230
101	Election Commission	
	Funding to Support New Paper Voting System Solution	\$ 200,000
	Completion of New Voting System Solution	\$ 1,500,000
109	Department of Revenue	
	Taxpayer Rebate	\$ 250,000,000
Non-Recurring Funds Total:		\$ 815,461,733

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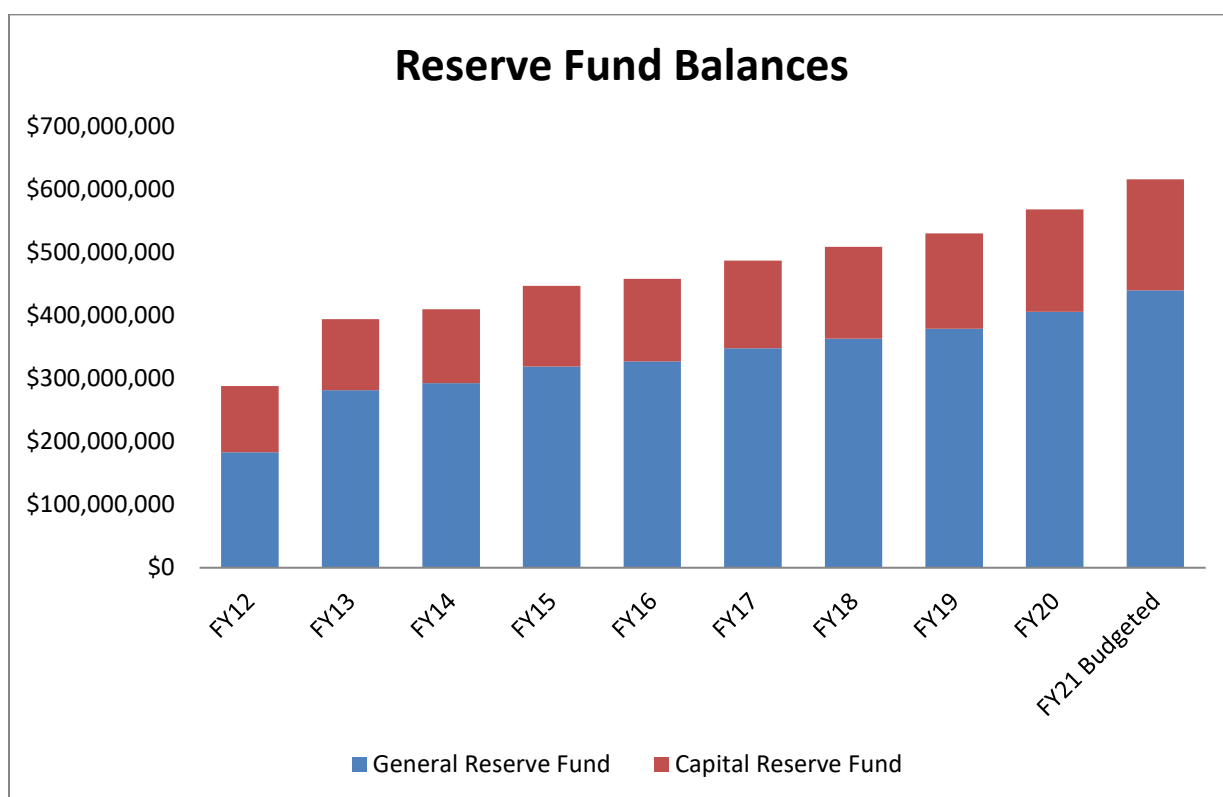


Reserve Funds & Debt

Reserve Funds

The General Reserve Fund is required to be 5 percent of the revenues of the most recently completed fiscal year. For FY 2018-19, 5 percent of revenues is \$440,237,611. The Executive Budget fully funds this amount for FY 2020-21.

The Capital Reserve Fund (CRF) is a recurring appropriation that must equal 2 percent of General Fund revenue. If a year-end deficit is forecast, the CRF is reduced to the extent necessary before mandating operating reductions. If no year-end deficit is projected, the CRF may be appropriated in separate legislation for capital improvements or nonrecurring projects. For FY 2020-21, \$176,095,044 is set aside for the Capital Reserve Fund in the Executive Budget.



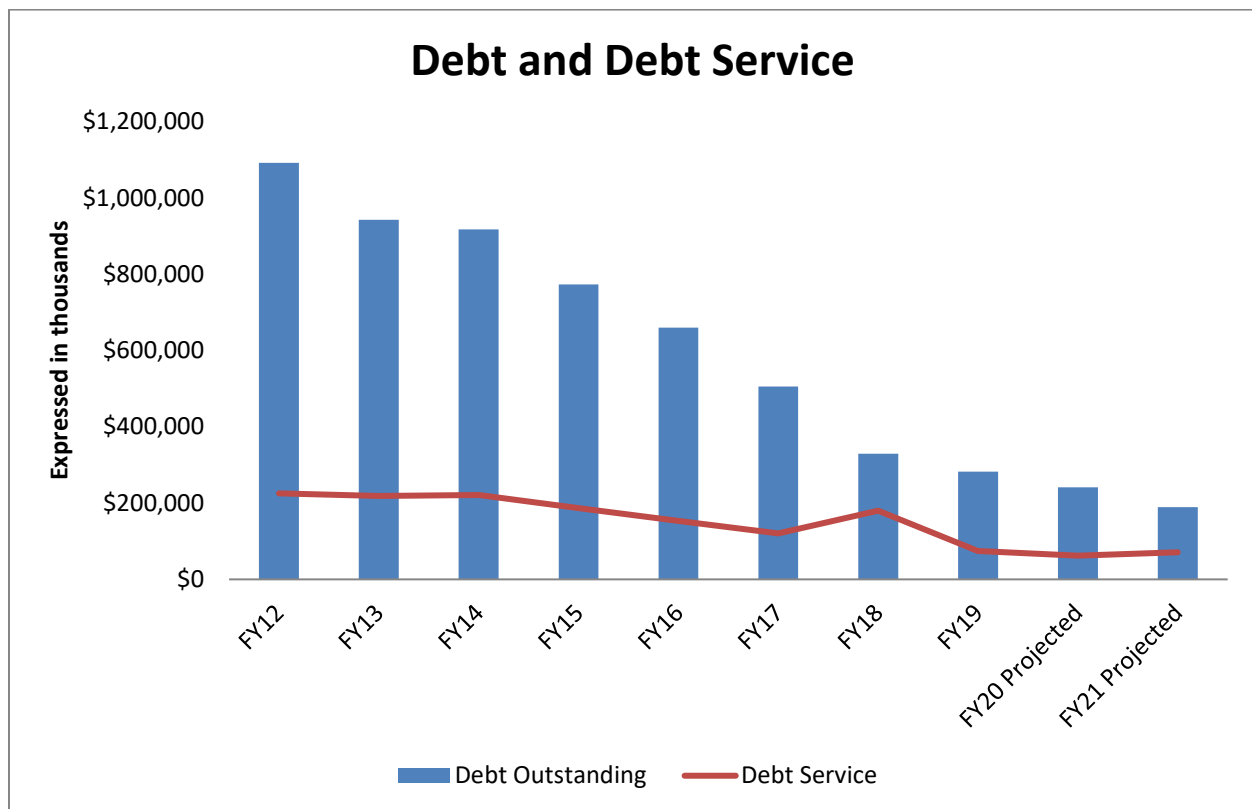
Debt and Debt Service

The State of South Carolina issues debt in the following categories:

- Capital Improvement Bonds
- State Highway Bonds (excluded from the chart below)
- State School Facilities Bonds
- Infrastructure Bank Bonds (excluded from the chart below)
- State Economic Development Bonds
- Research University Infrastructure Bonds
- Air Carrier Hub Terminal Facilities Bonds

The chart below displays debt that is serviced by the General Fund.

More information about debt can be found at: <https://treasurer.sc.gov/government/bond-debt-information/>



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Executive Budget Summary

Executive Budget Summary

APPROPRIATIONS OVERVIEW

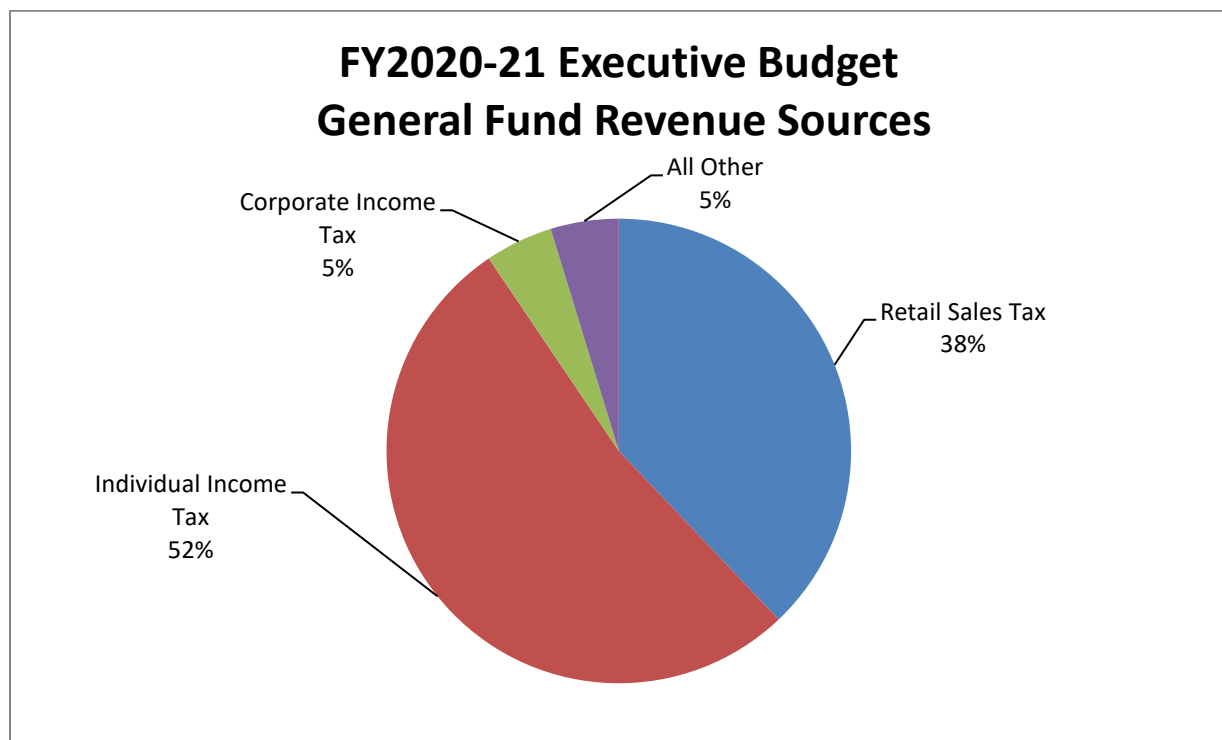
The Executive Budget recommendations for Fiscal Year 2020-21 total \$31 billion, of which \$9.4 billion is from General Funds:

	FY20 Budget	FY21 Exec. Budget	\$ Change	% Change
General Funds	\$8,737,012,313	\$9,420,481,249	\$683,468,936	7.82%
Federal Funds	\$8,856,439,244	\$9,277,211,154	\$420,771,910	4.75%
Other Funds	\$11,943,487,871	\$12,364,563,082	\$421,075,211	3.53%
Total	\$29,536,939,428	\$31,062,255,485	\$1,525,316,057	5.16%

REVENUE

Over 90% of South Carolina's General Fund revenue comes from income and retail sales taxes.

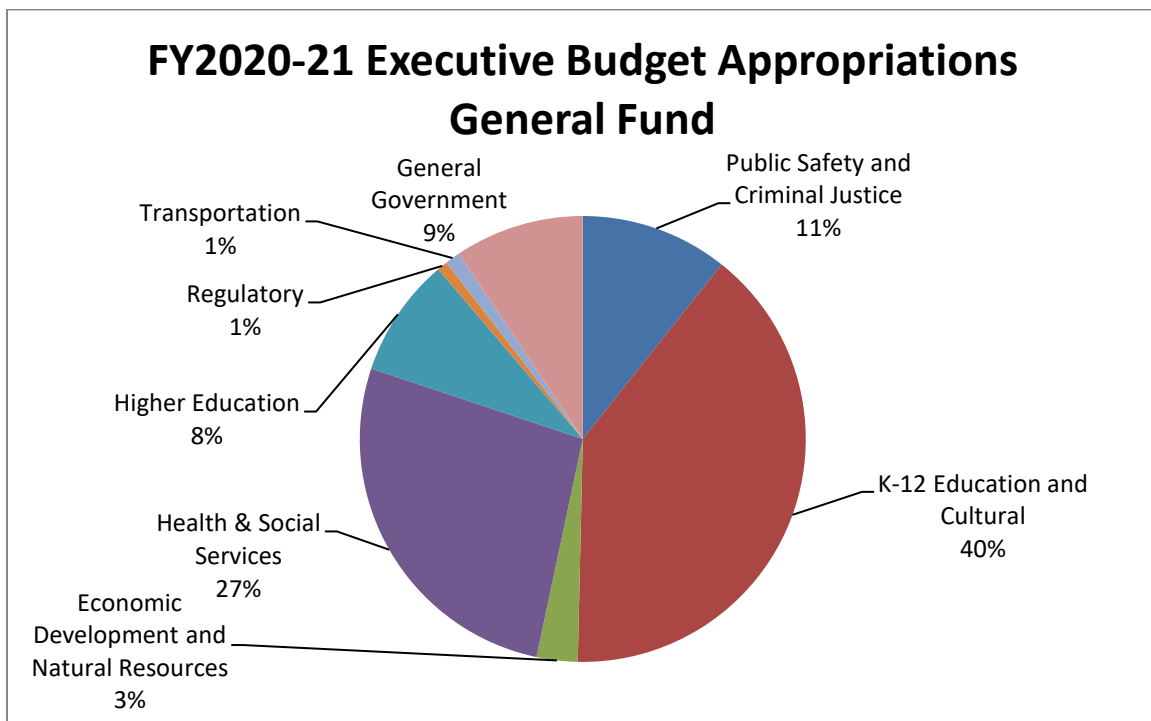
General Fund Revenue Sources	FY2019-20	%
Retail Sales Tax	\$3,572,229,000	37.92%
Individual Income Tax	\$4,957,531,385	52.63%
Corporate Income Tax	\$444,214,000	4.72%
All Other	\$446,506,864	4.74%
Total Regular & Misc Revenue	\$9,420,481,249	100.00%



AGENCY RECOMMENDATIONS

The Executive Budget recommends 48% of General Funds for K-12 and higher education, 27% for health and social rehabilitation agencies, 11% for public safety agencies, and 14% for all other agencies.

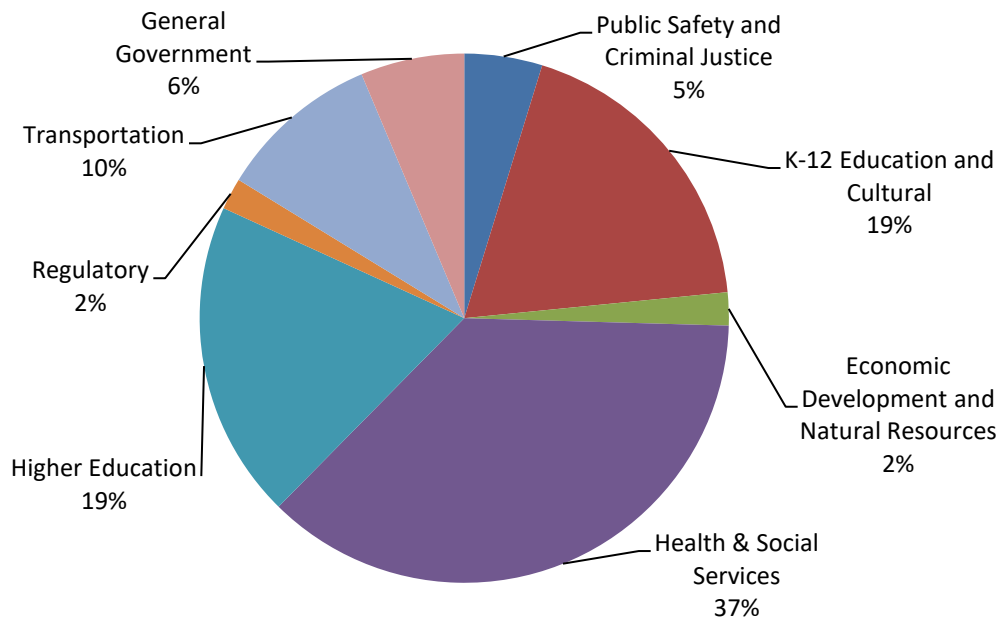
General Fund Appropriations	FY19-20	%
Public Safety and Criminal Justice	\$1,007,905,561	10.7%
K-12 Education and Cultural	\$3,736,347,789	39.7%
Economic Development and Natural Resources	\$280,301,025	3.0%
Health & Social Services	\$2,522,637,408	26.8%
Higher Education	\$815,509,575	8.7%
Regulatory	\$71,189,037	0.8%
Transportation	\$101,820,906	1.1%
General Government	\$884,769,948	9.4%
Total General Fund	\$9,420,481,249	100.0%



The Executive Budget recommends 38% of Total Funds for K-12 and higher education, 37% for health and social rehabilitation agencies, 5% for public safety agencies, 10% for transportation agencies, and 10% for all other agencies.

All Funding Sources	FY19-20	%
Public Safety and Criminal Justice	\$1,478,659,660	4.8%
K-12 Education and Cultural	\$5,799,833,163	18.7%
Economic Development and Natural Resources	\$626,643,554	2.0%
Health & Social Services	\$11,471,645,890	36.9%
Higher Education	\$6,039,851,780	19.4%
Regulatory	\$598,785,701	1.9%
Transportation	\$3,076,257,370	9.9%
General Government	\$1,970,578,367	6.3%
Total General Fund	\$31,062,255,485	100.0%

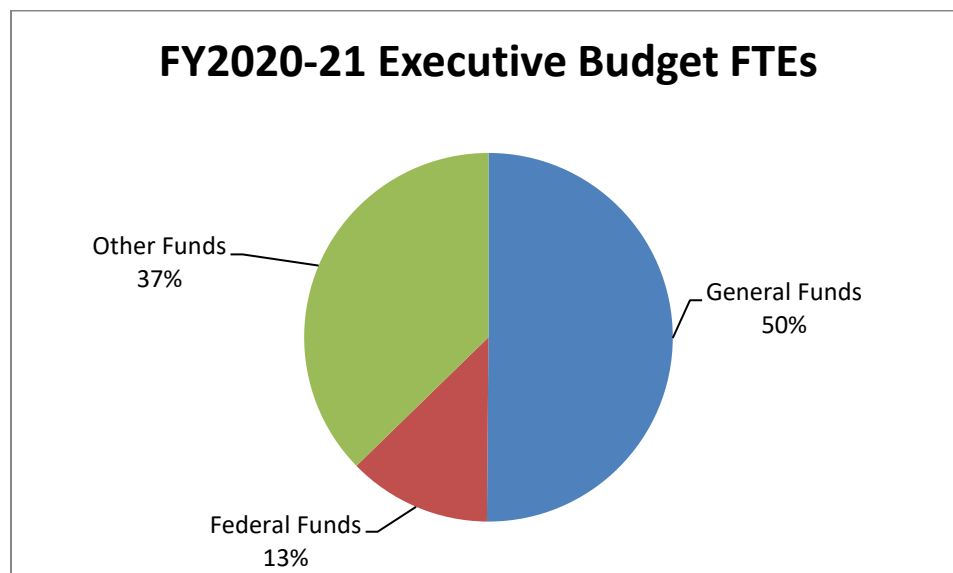
FY2020-21 Executive Budget Appropriations All Funding Sources



AUTHORIZED FTEs

The Executive Budget recommends a total of 72,252.97 authorized FTEs for Fiscal Year 2020-21 from all funding sources.

Source	FY20 Authorized	FY21 Executive Budget	# Chg	% Chg
General Funds	35,786.86	36,222.21	435.35	1.22%
Federal Funds	8,992.96	9,087.64	94.68	1.05%
Other Funds	26,751.50	26,943.12	191.62	0.72%
Total	71,531.32	72,252.97	721.65	1.01%



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Recapitulation

Appropriations by Agency		Recapitulation					GF Change in Appropriations	
		FY 2020-21 Executive Budget						
		General	Federal	Earmarked	Restricted	Grand Total	Dollars	Percentage
Public Safety & Criminal Justice								
57	Judicial Department	70,008,010	835,393	22,123,000		92,966,403	0	0.00%
58	Administrative Law Court	3,424,851		1,655,986		5,080,837	267,150	8.46%
59	Attorney General's Office	18,233,341	60,003,654	26,764,911		105,001,906	3,600,000	24.60%
60	Prosecution Coordination Commission	29,863,308	355,583	8,325,000		38,543,891	787,940	2.71%
61	Commission On Indigent Defense	32,616,862		1,472,600	12,824,272	46,913,734	716,701	2.25%
62	Governor's Off-State Law Enforcement Division	63,997,620	25,000,000	23,548,045		112,545,665	9,236,739	16.87%
63	Department Of Public Safety	103,442,561	26,363,242	40,260,544	5,696,886	175,763,233	4,736,778	4.80%
64	Law Enforcement Training Council	8,708,307	601,000	6,805,025		16,114,332	0	0.00%
65	Department Of Corrections	485,234,403	3,773,785	65,486,733	722,477	555,217,398	29,587,019	6.49%
66	Department Of Probation, Parole & Pardon Services	51,218,878	206,000	21,044,391		72,469,269	5,301,816	11.55%
67	Department Of Juvenile Justice	125,230,856	3,000,000	18,285,284	707,415	147,223,555	8,544,845	7.32%
100	Adjutant General's Office	15,926,564	88,166,912	6,725,961		110,819,437	5,110,000	47.24%
Public Safety & Criminal Justice Total		1,007,905,561	208,305,569	242,497,480	19,951,050	1,478,659,660	67,888,988	
K-12 Education & Cultural								
1	Department Of Education	3,668,813,467	979,200,886	49,120,509	962,920,200	5,660,055,062	334,419,353	10.03%
4	Education Oversight Committee				1,793,242	1,793,242	0	0.00%
5	Wil Lou Gray Opportunity School	6,712,764	240,000	950,321	35,000	7,938,085	100,000	1.51%
6	School For The Deaf And The Blind	18,016,449	1,739,000	11,570,455	200,000	31,525,904	2,500,000	16.11%
7	John De La Howe School	4,982,201	353,227	481,512	302,535	6,119,475	0	0.00%
8	Educational Television Commission	8,244,981	200,000	28,700,719	15,514,281	52,659,981	6,506,222	374.19%
26	Department Of Archives & History	4,164,823	897,583	1,294,158		6,356,564	1,188,000	39.91%
27	State Library	16,167,200	2,701,146	187,000	80,000	19,135,346	751,000	4.87%
28	Arts Commission	4,366,187	1,335,641	148,707		5,850,535	0	0.00%
29	State Museum Commission	3,942,954		3,100,000		7,042,954	0	0.00%
30	Confederate Relic Room and Military Museum Commission	936,763		419,252		1,356,015	0	0.00%
K-12 Education & Cultural Total		3,736,347,789	986,667,483	95,972,633	980,845,258	5,799,833,163	345,464,575	
Economic Development & Natural Resources								
43	Forestry Commission	23,754,592	4,763,560	11,678,713		40,196,865	1,750,000	7.95%
44	Department Of Agriculture	14,931,288	2,219,304	9,190,015		26,340,607	850,000	6.04%
45	Clemson University - Public Service Activities	50,065,743	20,025,000	23,395,568		93,486,311	3,343,450	7.16%
46	South Carolina State University - Public Service Activities	6,433,183	4,173,741			10,606,924	1,550,000	31.74%
47	Department Of Natural Resources	41,162,130	31,748,635	18,513,340	30,246,424	121,670,529	4,911,664	13.55%
48	Sea Grant Consortium	785,722	4,550,000	450,000		5,785,722	30,000	3.97%
49	Department Of Parks, Recreation & Tourism	51,270,001	2,505,110	65,202,042	4,342,000	123,319,153	263,560	0.52%
50	Department Of Commerce	56,792,576	19,760,015	32,246,500	22,415,000	131,214,091	4,120,000	7.82%
51	Jobs-Economic Development Authority		18,000	405,150		423,150	0	0.00%
52	Patriots Point Development Authority				13,836,012	13,836,012	0	0.00%
53	S.C. Conservation Bank	11,070,134		2,564,400		13,634,534	2,000,000	22.05%
54	Rural Infrastructure Bank	24,035,656	700,000		21,394,000	46,129,656	2,000,000	9.08%
Economic Development & Natural Resources Total		280,301,025	90,463,365	163,645,728	92,233,436	626,643,554	20,818,674	
Health & Social Services								
40	Department on Aging	19,624,978	27,349,923	4,870,197	1,184,100	53,029,198	778,706	4.13%
41	Department of Children's Advocacy	9,418,547	451,680	7,096,060	3,931,628	20,897,915	1,436,365	17.99%
32	Department Of Vocational Rehabilitation	17,058,843	122,342,107	35,340,201		174,741,151	0	0.00%
33	Department Of Health & Human Services	1,484,623,280	5,670,441,990	590,291,956	475,545,784	8,220,903,010	68,400,143	4.83%
34	Department Of Health & Environmental Control	147,532,543	286,140,200	195,589,511	25,310,221	654,572,475	2,417,023	1.67%
35	Department Of Mental Health	264,103,610	22,270,928	265,856,451		552,230,989	7,222,191	2.81%
36	Department Of Disabilities & Special Needs	284,511,917	340,000	559,294,926		844,146,843	12,572,665	4.62%
37	Department Of Alcohol & Other Drug Abuse Services	14,983,171	54,872,054	1,852,077	100,000	71,807,302	3,000,000	25.04%
38	Department Of Social Services	276,119,479	531,736,973	55,981,711	849,986	864,688,149	72,360,352	35.51%
39	Commission For The Blind	4,661,040	9,564,818	403,000		14,628,858	650,000	16.21%
Health & Social Services Total		2,522,637,408	6,725,510,673	1,716,576,090	506,921,719	11,471,645,890	168,837,445	
Higher Education								
3	Lottery Expenditure Account				476,800,000	476,800,000	0	0.00%
11	Commission On Higher Education	37,070,696	4,729,832	5,583,904	885,284	48,269,716	1,555,357	4.38%
12	Higher Education Tuition Grants Commission	29,311,054		225,000	6,025,000	35,561,054	1,407,957	5.05%
13	The Citadel	13,125,720	34,852,554	111,039,240		159,017,514	625,034	5.00%
14	Clemson University - Education & General	104,346,281	134,586,539	848,539,705	155,420,594	1,242,893,119	9,064,109	9.51%
15	University Of Charleston	32,355,232	19,500,000	194,062,766	29,000,000	274,917,998	1,540,725	5.00%
16	Coastal Carolina University	17,866,739	21,000,000	211,457,613		250,324,352	1,383,842	8.40%
17	Francis Marion University	19,447,745	12,988,495	52,668,968		85,105,208	926,083	5.00%
18	Lander University	10,479,056	7,240,741	60,287,553	7,999,626	86,006,976	499,003	5.00%
19	South Carolina State University	16,915,639	54,501,255	51,756,047		123,172,941	805,507	5.00%
20A	University Of South Carolina	165,768,277	178,603,631	930,529,343		1,274,901,251	9,798,489	6.28%
20B	USC - Aiken Campus	11,581,763	11,500,000	41,457,362		64,539,125	1,027,703	9.74%
20C	USC - Upstate	16,362,177	16,450,838	68,376,142		101,189,157	779,151	5.00%
20D	USC - Beaufort Campus	6,262,355	5,477,915	27,307,011		39,047,281	298,207	5.00%
20E	USC - Lancaster Campus	3,748,424	4,390,048	13,784,453		21,922,925	178,496	5.00%
20F	USC - Salkehatchie Campus	2,603,112	3,880,454	8,373,545		14,857,111	123,958	5.00%
20G	USC - Sumter Campus	4,114,234	2,706,397	10,419,706		17,240,337	195,916	5.00%
20H	USC - Union Campus	1,648,043	1,928,258	5,161,055		8,737,356	78,478	5.00%
21	Winthrop University	21,202,730	14,197,500	87,348,235	50,968,320	173,716,785	1,009,654	5.00%
23	Medical University Of South Carolina	94,430,274	177,455,169	504,477,614		776,363,057	8,175,299	9.48%
24	Area Health Education Consortium	12,317,584	844,700	2,808,927		15,971,211	1,165,000	10.45%
25	State Board For Technical & Comprehensive Education	194,552,440	52,614,581	502,130,285		749,297,306	28,000,000	16.81%
Higher Education Total		815,509,575	759,448,907	3,737,794,474	727,098,824	6,039,851,780	68,637,968	

Appropriations by Agency		Recapitulation					
		FY 2020-21 Executive Budget					GF Change in Appropriations
		General	Federal	Earmarked	Restricted	Grand Total	Dollars Percentage
Regulatory							
42	Housing Finance & Development Authority		181,935,861	20,427,605	17,200,000	219,563,466	0 0.00%
70	Human Affairs Commission	2,806,319	350,442	776,156		3,932,917	200,000 7.67%
71	Commission On Minority Affairs	1,717,245		261,814		1,979,059	200,000 13.18%
72	Public Service Commission			6,351,686		6,351,686	0 0.00%
73	Office Of Regulatory Staff		886,960	9,940,433	4,639,446	15,466,839	0 0.00%
74	Workers' Compensation Commission	2,578,439		5,607,845		8,186,284	0 0.00%
75	State Accident Fund			10,337,896		10,337,896	0 0.00%
76	Patients' Compensation Fund				0	0	0 0.00%
78	Department Of Insurance	4,529,109		11,275,754	2,355,000	18,159,863	0 0.00%
79	State Board Of Financial Institutions			5,961,181		5,961,181	0 0.00%
80	Department Of Consumer Affairs	1,689,148		2,193,246		3,882,394	0 0.00%
81	Department Of Labor, Licensing & Regulation	1,732,653	2,904,264	42,488,208		47,125,125	250,000 16.86%
83	Department Of Employment And Workforce	2,595,179	150,987,848	16,017,884		169,600,911	2,090,520 414.24%
109	Department Of Revenue	51,881,400		34,082,093	95,000	86,058,493	0 0.00%
110	State Ethics Commission	1,480,648		517,508		1,998,156	0 0.00%
111	Procurement Review Panel	178,897		2,534		181,431	0 0.00%
Regulatory Total		71,189,037	337,065,375	166,241,843	24,289,446	598,785,701	2,740,520
Transportation							
82	Department Of Motor Vehicles	93,848,386	1,700,000	18,947,596		114,495,982	2,500,000 2.74%
84	Department Of Transportation	5,849,270			2,621,581,310	2,627,430,580	5,792,000 10113.50%
85	Infrastructure Bank Board				106,046,270	106,046,270	0 0.00%
86	County Transportation Funds				216,682,421	216,682,421	0 0.00%
87	Division Of Aeronautics	2,123,250	3,478,867	6,000,000		11,602,117	0 0.00%
Transportation Total		101,820,906	5,178,867	24,947,596	2,944,310,001	3,076,257,370	8,292,000
General Government							
91A	Leg Dept - The Senate	15,149,409		300,000		15,449,409	0 0.00%
91B	Leg Dept - House Of Representatives	22,966,544				22,966,544	0 0.00%
91C	Leg Dept - Codification Of Laws & Legislative Council	4,585,492		300,000		4,885,492	0 0.00%
91D	Leg Dept - Legislative Services Agency	6,459,276				6,459,276	0 0.00%
91E	Leg Dept - Legislative Audit Council	2,105,478		400,000		2,505,478	0 0.00%
92A	Governor's Office - Executive Control Of State	3,122,331				3,122,331	0 0.00%
92C	Governor's Office - Mansion And Grounds	333,868		200,000		533,868	0 0.00%
93	Department of Administration	72,438,439	162,237,600	146,078,032	390,268	381,144,339	11,629,596 19.12%
94	Office Of Inspector General	869,028				869,028	34,138 4.09%
96	Secretary Of State's Office	1,246,839		2,469,255		3,716,094	0 0.00%
97	Comptroller General's Office	2,560,272		875,434		3,435,706	0 0.00%
98	State Treasurer's Office	2,162,016		8,071,061		10,233,077	50,000 2.37%
99	Retirement System Investment Commission				15,303,000	15,303,000	0 0.00%
101	Department of Veterans' Affairs	2,137,659		445,000	100,000	2,682,659	0 0.00%
102	Election Commission	6,627,413		1,640,700		8,268,113	0 0.00%
103	Revenue & Fiscal Affairs Office	5,214,709	2,333,315	6,069,274	45,000,000	58,617,298	0 0.00%
104	State Fiscal Accountability Authority	1,700,213		11,953,271	7,627,343	21,280,827	0 0.00%
105	SFAA - State Auditor's Office	5,038,858		2,579,639		7,618,497	285,270 6.00%
106	Statewide Employee Benefits	104,153,836				104,153,836	104,153,836 0.00%
107	Capital Reserve Fund	176,095,044				176,095,044	13,609,739 8.38%
108	Public Employee Benefit Authority	112,368,739			42,030,091	154,398,830	0 0.00%
112	Debt Service	71,390,721				71,390,721	(120,239,577) -62.75%
113	Aid To Subdivisions - State Treasurer	266,043,764				266,043,764	11,687,035 4.59%
114	Aid to Subdivisions - Department Of Revenue	0				0	(20,421,270) -100.00%
115	Tax Relief Trust Fund			629,405,136		629,405,136	0 0.00%
General Government Total		884,769,948	164,570,915	810,786,802	110,450,702	1,970,578,367	788,767
Grand Total		9,420,481,249	9,277,211,154	6,958,462,646	5,406,100,436	31,062,255,485	683,468,937 7.83%

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Governor's Recommended Appropriations



GOVERNOR'S RECOMMENDED APPROPRIATIONS

Public Safety and Criminal Justice

Administrative Law Court (Sec. 58)

- \$267,150 for retention

Attorney General's Office (Sec. 59)

- \$1,600,000 in recurring funding for the Department of Crime Victim Compensation Sexual Assault Claims Program
- \$1,283,975 in recurring funding for the Attorney General's Office
- \$716,025 in recruitment and retention

Prosecution Coordination (Sec. 60)

- \$376,000 for administrative and legal staff
- \$417,940 recurring and \$589,300 non-recurring for agency technology equipment and personnel
- \$223,000 for security and office renovation

Indigent Defense (Sec. 61)

- \$716,701 for workload parity and retention

State Law Enforcement Division (Sec. 62)

- \$250,000 in recurring funding for PTSD treatment
- \$4,609,233 in funding additional staff and \$2,386,925 non-recurring for equipment
- \$936,528 for agent step increases
- \$2,000,000 in recurring and \$3,100,000 in non-recurring for technology improvements
- \$500,000 in recurring funding for vehicles
- \$177,756 to fully fund the Illegal Immigration Unit
- \$952,000 for forensic equipment

Department of Public Safety (Sec. 63)

- \$5,000,000 for recruitment and retention
- \$2,044,589 in recurring funding for equipment

Law Enforcement Training Council (Sec. 64)

- \$2,750,000 for a generator for the Academy Main Building

Department of Corrections (Sec. 65)

- \$20,000,000 for recruitment and retention
- \$10,000,000 for security and safety upgrades
- \$5,000,000 recurring for medical supplies and equipment
- \$4,587,019 to expand the gang enforcement security team
-

Department of Probation, Parole and Pardon Services (Sec. 66)

- \$3,926,144 for recruitment and retention
- \$625,675 for vehicles
- \$750,000 for the Alston Wilkes Society

Department of Juvenile Justice (Sec. 67)

- \$4,119,810 for recruitment and retention
- \$4,425,035 recurring to support the Department of Juvenile Justice School District
- \$5,000,000 for safety and security upgrades to facilities

K-12 Education and Cultural

Department of Education (Sec. 1)

- \$213,450,030 to increase teacher salaries by \$3,000 at all education levels and years of experience
- \$31,100,784 to increase the Base Student Cost component of State Aid to Classrooms by \$10 from \$2,489 to \$2,499
- \$45,228,488 to add an additional EFA weight of 50 for students with multiple disabilities
- \$40,000,000 nonrecurring and \$30,247,200 nonrecurring EIA for instructional materials
- \$23,400,00 for the School Safety Program to provide School Resource Officers for all schools that do not currently have them and can least afford to hire them
- \$15,000,000 increase for school bus leasing
- \$32,022,000 nonrecurring for school bus purchases
- \$2,610,000 for the VirtualSC program to expand access to courses not offered in a student's local school
- \$142,448 for operating expenses associated with a centralized data system that will allow the Office of First Steps to monitor the service performance of its partners across the state as well as \$595,000 in one-time funds to procure the system through a competitive process
- \$2,440,303 recurring and \$2,200,000 nonrecurring to assist with the relocation of the State Department of Education
- \$247,300 for additional staff at the Office of School Facilities

- \$1,000,000 nonrecurring for deferred maintenance at the Governor's School for Arts and Humanities
- \$229,914 for operating expenses at the Governor's School for Arts and Humanities
- \$66,456 for a Production Manager at the Governor's School for Arts and Humanities
- \$42,880 for and Building and Grounds Specialist at the Governor's School for Arts and Humanities
- \$60,750 for teacher salary STEP increases at the Governor's School for Arts and Humanities
- \$1,000,000 nonrecurring for deferred maintenance at the Governor's School for Science and Mathematics
- \$166,820 for Music and Visual Arts Instructors at the Governor's School for Science and Mathematics
- \$233,180 for Student Success Coordinators for the Virtual Program at the Governor's School for Science and Mathematics
- \$52,702,948 recurring EIA funding to expand full day 4K statewide, split between both public and private providers
- \$7,000,000 recurring EIA funding for Department of Education Grants
- \$6,625,000 recurring EIA funding to increase the teacher supply reimbursement from \$275 per teacher to \$400
- \$5,532,200 recurring EIA funding to account for anticipated enrollment growth among the statewide charter school authorizers
- \$5,000,000 recurring EIA funding for industry certifications and credentials
- \$4,009,000 recurring EIA funding to cover the 1 percent employer contribution increase for SCRS
- \$3,000,000 recurring EIA funding for grants to early education providers in rural areas
- \$1,840,000 recurring EIA funding to increase the number of Teaching Fellows Scholarships from 200 to 215 and fund additional Teacher Cadet programs
- \$1,078,352 recurring EIA funding to increase teacher salaries by \$3,000 at all education levels and years of experience at the special schools
- \$1,000,000 recurring EIA funding for Save the Children
- \$812,655 recurring EIA funding for Computer Science Regional Specialists and associated fringe costs
- \$700,000 nonrecurring EIA funding for computer science certification and professional development
- \$250,000 recurring EIA funding for a teacher working conditions survey
- \$56,100 recurring EIA funding for access to the National Student Clearinghouse

Wil Lou Gray Opportunity School (Sec. 5)

- \$100,000 for a Licensed Professional Counselor Supervisor
- \$300,000 nonrecurring for classroom security improvements
- \$200,000 for a security camera and keyless entry system

School for the Deaf and Blind (Sec. 6)

- \$2,500,000 for increased operating expenses

John de la Howe School (Sec. 7)

- \$5,827,112 for renovation of the LS Brice School building

Educational Television Commission (Sec. 8)

- \$574,813 to support rural broadband
- \$205,000 for the South Carolina Emergency Information Network
- \$5,726,409 to replace a corresponding reduction in EIA funding

Department of Archives and History (Sec. 26)

- \$1,388,000 to support the SC Revolutionary War Sestercentennial Commission
- \$1,000,000 nonrecurring for Historic Preservation and Community Development Grants
- \$500,000 nonrecurring to convert the micrographics lab to a digital lab and office space
- \$50,000 nonrecurring to support development of merchandise for the SC African American Heritage Commission's Green Book

State Library (Sec. 27)

- \$260,000 for classified positions
- \$250,000 for increased costs associated with Discus
- \$110,000 for operating expenses
- \$131,000 to support the Talking Book Services program

Arts Commission (Sec. 28)

- \$19,000,000 nonrecurring for the Greenville Cultural and Arts Center
- \$15,000,000 nonrecurring for the Sumter Opera House
- \$450,000 for Cultural and Arts Theatre Center Grants

State Museum Commission (Sec. 29)

- \$3,750,000 for phase two of the permanent gallery renovations
- \$350,000 nonrecurring to upgrade planetarium technology and content

Economic Development and Natural Resources

Forestry Commission (Sec. 43)

- \$1,000,000 in recurring and \$1,000,000 in one-time funds to purchase firefighting equipment
- \$420,000 for four (4) positions at the Forestry Commission
- \$330,000 for three (3) positions, equipment, and software for the Information Technology and Security department
- \$250,000 in one-time funds to purchase two (2) fixed-wing aircrafts for fire support

Department of Agriculture (Sec. 44)

- \$850,000 to fund increasing operating overhead costs
- \$1,300,000 in one-time funds for the State Hemp Farming Program to purchase equipment and for industry development
- \$400,000 in one-time funds for additional marketing for the Certified SC Grown Program

Department of Natural Resources (Sec. 47)

- \$375,137 for law enforcement officers' rank promotion
- \$1,624,863 for twenty-five (25) new law enforcement officers
- \$258,471 for three (3) risk management and compliance analyst positions, including associated operating expenses
- \$54,269 for one (1) position to support the Flood Mitigation Program
- \$2,598,924 to relocate the agency's Headquarters
- \$1,051,860 in one-time funds for the Watercraft Registration Conversion
- \$585,500 in one-time funds for the Marine Resources Research Lab Shoreline Stabilization
- \$800,000 in one-time funds for maintenance at the Barnwell Fish Hatchery
- \$1,207,000 in one-time funds for the replacement of the Research Vessel
- \$1,500,000 in one-time funds for the Pee Dee Basin State Water Plan

Sea Grants Consortium (Sec. 48)

- \$30,000 to establish an undergraduate Resilience Research Scholars Program

Department of Parks, and Tourism (Sec. 49)

- \$3,563,560 to fund the Welcome Center's operational costs
- \$1,000,000 to increase advertising at South Carolina State Parks
- \$2,000,000 to increase funding for the Destination Specific Marketing Program
- \$200,000 for three (3) positions and operating funds for the Venues at Arsenal Hill and \$8,350,000 in one-time funding to renovate and restore the Lace House, Caldwell-Boylston House, Carriage House, and the Gardens
- \$4,000,000 in one-time funds for Welcome Center revitalization and maintenance
- \$8,000,000 in one-time funds for State Park deferred maintenance and repairs
- \$250,000 in one-time funds for the International African American Museum
- \$360,000 in one-time funds for the 2021 PGA Championship at Kiawah Island
- \$3,000,000 in one-time funds for Parks Revitalization Grants
- \$3,000,000 in one-time funds for Sports Marketing Grants
- \$5,000,000 in one-time funds for the Medal of Honor Museum

Department of Commerce (Sec. 50)

- \$3,700,000 for the Closing Fund Program
- \$250,000 for two (2) positions and operating funds for the Rural Initiative
- \$170,000 to establish the Procurement Technical Assistance Program
- \$4,000,000 in one-time funds for the Locate SC Program
- \$360,000 in one-time funds for the 2021 PGA Championship at Kiawah Island

South Carolina Conservation Bank (Sec. 53)

- \$2,000,000 in recurring and \$3,000,000 in one-time funds for the Conservation Bank Grant Fund

Rural Infrastructure Authority (Sec. 54)

- \$2,000,000 for the Rural Infrastructure Fund
- \$4,300,000 in one-time funds to establish the Water and Sewer Regionalization Fund

State Ports Authority (Sec. 88)

- \$5,000,000 in one-time allocations for the Jasper Ocean Terminal Port Facility Infrastructure Fund

Adjutant General's Office (Sec. 100)

- \$3,500,000 for Armory Revitalization
- \$110,000 for retention
- \$15,000,000 for the Aiken Readiness Center
- \$1,362,950 for Olympia Armory and SCEMD repairs
- \$13,544,230 for the state share of disaster funding

Health and Social Services

Vocational Rehabilitation (Sec. 32)

- \$1,526,650 for job skills training equipment

Department of Health and Human Services (Sec. 33)

- \$47,384,662 for annualization
- \$13,925,644 for community long term care
- \$7,852,502 for provider reimbursement rate increase
- \$7,409,009 for Medicaid Management Information System

Department of Health and Environmental Control (Sec. 34)

- \$997,000 for vaccine funding for disease control response
- \$635,594 for Sustaining the Resource Conservation and Recovery Act Program
- \$240,810 for partnerships to improve rural water and sewer infrastructure
- \$644,747 for additional Newborn Screenings required under Dylan's Law
- \$4,512,000 for Able Site Cleanup

Department of Mental Health (Sec. 35)

- \$3,500,000 for recruitment and retention
- \$750,000 for Out of Home Placements Program for high risk adolescents
- \$625,897 for the Sexually Violent Predator Program
- \$250,000 for long-term care
- \$400,000 for emergency department telepsychiatry
- \$750,000 for crisis stabilization units
- \$600,000 for school mental health
- \$300,000 for young adult intervention services
- \$325,000 to expand the Clinicians in Law Enforcement Program
- \$6,500,000 for deferred maintenance and revitalization of veteran's homes and hospitals
- \$8,605,645 for suicide prevention renovations

Department of Disabilities and Special Needs (Sec. 36)

- \$430,000 for HASCI waiver slots
- \$5,135,000 for rate increases for services impacting waiver costs
- \$500,000 for increased access to post-acute rehabilitation
- \$487,500 to transfer state owned facilities to local providers
- \$2,000,000 for the South Carolina Genomic Medicine Initiative
- \$1,500,000 to repair the electrical grid at the Coastal Regional Center Campus

Department of Alcohol and Other Drug Abuse Services (Sec. 37)

- \$3,000,000 for sustainability of addiction crisis efforts
- \$5,000,000 for infrastructure improvements for the substance abuse provider system

Department of Social Services (Sec. 38)

- \$69,070,746 for recruitment and retention
- \$2,753,118 recurring for information technology and \$6,000,000 for technology infrastructure
- \$536,488 for child support enforcement

Commission for the Blind (Sec. 39)

- \$350,000 for salary alignment
- \$150,000 for children's services
- \$150,000 for prevention of blindness
- \$300,000 to customize the AWARE system and purchase a quality assurance module
- \$5,101,685 for complex renovations and improvements

Department of Children's Advocacy (Sec. 41)

- \$1,300,000 for the Continuum of Care
- \$136,365 for the Guardians Ad Litem program

Human Affairs Commission (Sec. 70)

- \$109,358 for retention

Minority Affairs Commission (Sec. 71)

- \$176,800 for additional staff

Higher Education

Commission on Higher Education (Sec. 11)

- \$54,226,121 in lottery appropriations for need-based grants
- \$2,480,474 in lottery appropriations for full tuition for members of National Guard
- \$1,500,000 in recurring appropriations to support the statewide electronic library (PASCAL), previously funded through the lottery
- \$40,357 to align the President and Executive Director salary with that adopted by the Agency Head Salary Commission
- \$15,000 to fund the Governor's Professor of the Year Award

Higher Education Tuition Grants Commission (Sec. 12)

- \$1,128,792 increase to raise the maximum grant for students at independent colleges and universities by \$100 to \$3,600
- \$270,000 increase to support operating costs associated with a new student information system with an additional \$200,000 nonrecurring to purchase the system
- \$5,000 increase to employer contributions and \$4,165 increase to classified positions to cover increased costs of benefits and salary

The Citadel (Sec. 13)

- \$625,034 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$2,617,458 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

Clemson University (Sec. 14)

- \$4,764,109 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$1,300,000 increase for Health Innovation Extension Programming
- \$3,000,000 increase for the Clemson University Center for Advanced Manufacturing
- \$15,956,246 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of Charleston (Sec. 15)

- \$1,540,725 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$7,136,986 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

Coastal Carolina University (Sec. 16)

- \$824,145 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$5,699,867 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets
- \$559,697 recurring and \$7,000,000 nonrecurring for the WATER station

Francis Marion University (Sec. 17)

- \$926,083 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$3,963,701 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

Lander University (Sec. 18)

- \$499,003 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$2,943,980 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

South Carolina State University (Sec. 19)

- \$805,507 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$2,786,531 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of South Carolina (Sec. 20A)

- \$7,798,489 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$2,000,000 increase to expand Palmetto College for active duty military personnel
- \$21,332,761 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets
- \$15,000,000 nonrecurring for relocation of the School of Medicine

University of South Carolina – Aiken Campus (Sec. 20B)

- \$527,703 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$500,000 to implement new Cyber Education programs
- \$3,333,904 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of South Carolina – Upstate (Sec. 20C)

- \$779,151 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$6,126,776 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of South Carolina – Beaufort Campus (Sec. 20D)

- \$298,207 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$1,870,368 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of South Carolina – Lancaster Campus (Sec. 20E)

- \$178,496 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$1,557,583 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of South Carolina – Salkehatchie Campus (Sec. 20F)

- \$123,958 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$922,503 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of South Carolina – Sumter Campus (Sec. 20G)

- \$195,916 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$1,088,406 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

University of South Carolina – Union Campus (20H)

- \$78,478 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$1,130,674 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

Winthrop University (Sec. 21)

- \$1,009,654 increase for tuition mitigation, representing a 5 percent General Fund base increase
- \$5,393,422 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets

Medical University of South Carolina (Sec. 23)

- \$5,175,299 increase for tuition mitigation
- \$3,000,000 for statewide teaching partnerships
- \$2,120,807 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets
- \$10,000,000 nonrecurring for flood mitigation

Area Health Education Consortium (Sec. 24)

- \$545,000 to expand the Health Careers Program
- \$620,000 increase to the Rural Physicians Incentive Program

State Board for Technical and Comprehensive Education (Sec. 25)

- \$28,000,000 for instructional program support at the 16 technical colleges statewide
- \$10,250,000 nonrecurring for readySC Direct Training
- \$18,000,000 nonrecurring for equipment for high demand job skill training
- \$50,000,000 nonrecurring for Career and Technology Centers
- \$76,503,332 from the Capital Reserve Fund for Maintenance and Care of State-Owned Assets at the 16 technical colleges throughout the state

Clemson PSA (Sec. 45)

- \$1,127,250 to support the Statewide Comprehensive Extension Program
- \$1,448,400 for critical fruit and vegetable research
- \$767,800 for statewide forestry and wildlife extension
- \$4,000,000 nonrecurring for Research and Education Center Graduate Housing
- \$2,000,000 for the Pee Dee Research and Education Center Greenhouses
- \$990,000 nonrecurring for the Sandhill Research and Education Center Research and Extension Building Repairs

South Carolina State PSA (Sec. 46)

- \$1,550,000 for research and extension program development and implementation

Regulatory

Department of Labor, Licensing and Regulation (Sec. 81)

- \$250,000 for PTSD Treatment for firefighters
- \$280,000 in one-time funds for Local Fire Department Grants
- \$850,000 in one-time funds to purchase equipment for the Emergency Response Task Force

Transportation

Department of Motor Vehicles (Sec. 82)

- \$2,500,000 for the DMV's Career Pathing Plan
- \$2,000,000 in one-time funds for the Phoenix III modernization
- \$268,300 in one-time funds for the Motor Carrier System Upgrade

Department of Employment and Workforce (Sec. 83)

- \$690,520 for the Unemployment Insurance Supplemental Program
- \$1,400,000 for the Jobs for American's Graduates Program (JAG Program)

Department of Transportation (Sec. 84)

- \$5,792,000 for litter control on South Carolina roadways
- \$10,000,000 in one-time funds for Rest Area renovations

Division of Aeronautics (Sec. 87)

- \$1,000,000 in one-time funds for deferred maintenance of aircraft
- \$300,000 in one-time funds for roof repairs on facilities

General Government

Department of Administration (Sec. 93)

- \$1,512,000 and 6 FTEs to increase the services provided by the Division of State Human Resources
- \$2,517,596 recurring and \$8,169,184 in one-time funds for the required multi-year project to move the statewide accounting and human resources system known as SCEIS to a version supported by SAP
- \$7,000,000 for deferred maintenance for state owned buildings
- \$350,000 for a budget development system in the Executive Budget Office
- \$250,000 for pre-award funding for the Office of Disaster Recovery
- One-time funds of \$2,641,131 for State House deferred maintenance

Office of Inspector General (Sec. 94)

- \$34,138 for operational needs including information technology, employee benefits, and training

State Treasurer (Sec. 98)

- \$50,000 to fund administrative costs for Court Fines & Fees and Conviction Surcharges
- One-time funds of \$10,000,000 to address the liability in the Tuition Prepayment program

Election Commission (Sec. 102)

- One-time funds of \$1,700,000 to support the new paper voting system

State Auditor's Office (Sec. 105)

- \$132,000 for two Auditors to review organizations that receive grants from the State
- \$66,000 to fund an Auditor position
- \$22,270 for salary changes authorized by the Agency Head Salary Commission
- \$65,000 for auditing software

Statewide Employee Benefits (Sec. 106)

- \$33,000,000 to fund statewide recruitment and retention
- \$38,742,000 for the employer's share for the State Health Plan to include adult wellness visits
- \$32,411,836 for required 1% SCRS and PORS retirement increase

Capital Reserve Fund (Sec. 107)

- \$13,609,739 to meet statutory funding requirements

Department of Revenue (Sec. 109)

- \$250,000,000 in one-time funds for Taxpayer Rebate

Debt Service (Sec. 112)

- \$120,239,577 reduction to match FY2020-21 funding requirements

Aid to Subdivisions – State Treasurer (Sec. 113)

- \$11,687,035 to meet statutory funding requirements for the Local Government Fund

Aid to Subdivisions – Department of Revenue (Sec. 114)

- A reduction of \$20,421,270 per the Board of Economic Advisors

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Governor's Proviso Recommendations



GOVERNOR’S EXECUTIVE BUDGET PROVISO RECOMMENDATIONS

# / ACTION	TITLE / DESCRIPTION
1.3	EFA Formula/Base Student Cost Inflation Factor
Amend	<i>This proviso mandates the full implementation of the Education Finance Act and specifies the variables included in the Base Student Cost. This amendment raises the minimum teacher salary by \$3,000 at all education and experience levels and adds an additional weight for students with multiple disabilities.</i>
1.25	School District and Special Schools Flexibility
Amend	<i>This proviso allows school districts and special schools flexibility to use various revenue sources as they deem appropriate to achieve student outcomes within specified parameters. This amendment removes references to 90th and 180th day student counts and replaces them with the 135th day count.</i>
1.56	Full-Day 4K
Amend	<i>This proviso specifies funding levels for public and private 4K providers. This amendment expands the Full-Day 4K program statewide, increases per pupil funding to \$4,800 per student and transportation funding to \$587 per student, and directs the expenditure of any carryforward funds.</i>
1.63	South Carolina Community Development Block Grants for Education Pilot Program
Delete	<i>This proviso creates the Community Development Block Grants for Education Pilot Program at the EOC. This Executive Budget recommends deleting the proviso, as the funding source will no longer be available.</i>
1.68	CDEPP Unexpended Funds
Delete	<i>This proviso directs the purposes for which unexpended CDEPP funds may be used. The Executive Budget recommends deleting the proviso, with certain provisions being incorporated into proviso 1.56.</i>

1.69	Technology Technical Assistance
Delete	<i>This proviso allows the Department of Education to withhold up to \$350,000 of funds appropriated to the K-12 Technology Initiative to develop a statewide technology plan for schools and districts. The Executive Budget recommends deleting the proviso because the line item appropriation no longer exists and the K-12 Technology Committee governs the allocation of funds for technology.</i>
1.73	Military Child Care Centers
Amend	<i>This proviso allows First Steps to extend 4K provider eligibility to military child care settings to expand services. This amendment allows more facilities to be approved for the expansion by eliminating the requirement that they be approved in the prior fiscal year.</i>
1.74	First Steps 4K Underserved Communities
Delete	<i>This proviso allows 4K providers to apply for one-time supplemental funding to expand their programming to ten or more CERDEP eligible children and outlines the purposes for which the additional funding must be used. The Executive Budget recommends deleting the proviso, with certain provisions being incorporated into proviso 1.56.</i>
1.80	Safe Schools Initiative
Amend	<i>This proviso requires all schools to create Threat Assessment Teams and School Safety plans and submit them to the Department of Education and directs the Department and SLED to suggest recommended statutory changes and cost estimates to improve school safety. This amendment requires schools to maintain these teams in the current year.</i>
1.84	School Safety Program
Amend	<i>This proviso directs the state funding for school resources officers, providing funding to the poorest districts. This amendment would allow charter schools to apply for funding, allow funds to be used to purchase equipment other than vehicles, and remove the limitation on funding a maximum of four officers per district.</i>
1.86	School Districts Capital Improvements
Amend	<i>This proviso directs the nonrecurring funding made available to school districts for consolidation and shared facilities. This amendment grants carryforward authority to the Department of Education for these funds.</i>
1.87	Teacher Salaries/SE Average
Amend	<i>This proviso establishes the southeastern average teacher salary, requires year of experience increases by districts, and directs the statewide teacher pay increase. This amendment updates the Southeastern average teacher salary, updates fiscal year references, and mandates districts to increase their local salary schedules by \$3,000 for all levels of education and experience.</i>

1.88	School District Hold Harmless
Amend (Technical)	<i>This proviso holds harmless from the Fiscal Accountability Act any district that must use reserve funds to pay for teacher salary or step increases, if the Education Finance Act formula funding is not increased. This amendment is a fiscal year update.</i>
1.89	Educational Services for Children with Disabilities
Amend	<i>This proviso requires the Department of Education to work with other service providing agencies to report on whether children with disabilities are receiving the services they need and whether service or funding should be reformed. This amendment requires that district level data also be acquired and shared with the Revenue and Fiscal Affairs Office.</i>
1.90	Reserve Suspension
Delete	<i>This proviso suspends the cash reserve limitations of permanent statute for Dorchester County School District 2. The Executive Budget recommends deleting the proviso.</i>
1.91	Standards-Based Assessments Suspended
Amend	<i>This proviso suspends code sections requiring standardized testing for science in eighth grade and social studies in grades five and seven and directs the expenditure of savings from the assessment suspension. This amendment updates the fiscal year and removes language directing remaining funds to industry certifications/credentials.</i>
1.93	Master's Plus Thirty
Amend (Technical)	<i>This proviso requires the Department of Education to process the Master's Plus Thirty certificate classification in the same manner as the prior fiscal year. This amendment is a fiscal year update.</i>
1.94	Anti-bullying
Establish	<i>The Executive Budget recommends adding this new proviso requiring a school district to implement a policy that prohibits the unauthorized use of personal electronic communication devices by students during direct classroom instructional time by July 1, 2020 in order to receive increased funding for the base student cost.</i>
1A.7	Disbursements/Other Entities
Amend	<i>This proviso directs the disbursement of EIA partnership funds to various state agencies. This amendment replaces references to the Comptroller General with Executive Budget Office to align with actual practice.</i>
1A.9	Teacher Supplies
Amend	<i>This proviso directs the distribution of teacher supply funds. This amendment updates the fiscal year references and increases the teacher supply allocation from \$275 to \$400 per teacher.</i>

1A.14	School District and Special Schools Flexibility
Amend	<i>This proviso allows school districts and special schools flexibility to use various revenue sources as they deem appropriate to achieve student outcomes within specified parameters. This amendment removes references to 90th and 180th day student counts and replaces them with the 135th day count.</i>
1A.29	Full-Day 4K
Amend	<i>This proviso specifies funding levels for public and private 4K providers. This amendment expands the Full-Day 4K program statewide, increases per pupil funding to \$4,800 per student and transportation funding to \$587 per student, and directs the expenditure of any carryforward funds.</i>
1A.36	Teacher Salaries/SE Average
Amend	<i>This proviso establishes the southeastern average teacher salary, requires year of experience increases by districts, and directs the statewide teacher pay increase. This amendment updates the Southeastern average teacher salary, updated fiscal year references, and mandates districts increase their local salary schedules by \$3,000 for all levels of education and experience.</i>
1A.49	South Carolina Public Charter School Funding
Amend	<i>This proviso establishes the per pupil EIA funding for charter schools authorized by the Public Charter School District or an Institution of Higher Education. This amendment updates the fiscal year and deletes the reporting requirement by the EOC, as the report will be completed.</i>
1A.55	4K Early Literacy Competencies Assessments
Amend	<i>This proviso directs implementation and funding of early learning assessments and professional development. This amendment conforms the proviso to the expansion of 4K statewide.</i>
1A.56	CDEPP Unexpended Funds
Delete	<i>This proviso directs the purposes for which unexpended CDEPP funds may be used. The Executive Budget recommends deleting the proviso, with certain provisions being incorporated into proviso 1A.29.</i>
1A.63	Value-Added Accountability
Delete	<i>This proviso directs the Department of Education to use the value-added system to calculate the magnitude of student progress at the school level for state and federal accountability. The Executive Budget recommends deletion of the proviso as the Department has the system under contract and its use is in permanent statute.</i>
1A.66	McCormick County Schools
Delete	<i>This proviso requires the Department of Revenue to redirect John de la Howe's EIA appropriations to McCormick County Schools. The Executive Budget recommends deleting this proviso, as John de la Howe will be operating again in this fiscal year.</i>
1A.67	Grants Committee
Amend	<i>This proviso directs the State Superintendent of Education to create a grants committee to invest in innovative programs and strategies to improve student outcomes. This amendment removes the requirement that projects funded in the prior year be given priority and adds the requirement that an independent evaluation be made of each grantee.</i>

1A.69	Digital Learning Plan
Amend	<i>This proviso directs the implementation of the second year of the digital learning pilot program for school makeup day administered by the EOC. This amendment directs the third year as the final year of the pilot program, requires the Department of Education to assign a staff member to assist implementation in preparation for their takeover of the program in the following year, and updates fiscal year references.</i>
1A.70	School Safety Program
Amend	<i>This proviso directs the state funding for school resources officers providing funding to the poorest districts. This amendment allows charter schools to apply for funding, permits funds to be used to purchase equipment other than vehicles, and remove the limitation on funding a maximum of four officers per district.</i>
1A.71	Teacher Recruitment Program
Amend (Technical)	<i>This proviso directs the funding and reporting requirements of the Teacher Recruitment Program. This amendment is a fiscal year update.</i>
1A.72	Bridge Program
Amend (Technical)	<i>This proviso directs \$1.4 million to SC State University for a Bridge program to recruit minority high school students into the teaching profession. This amendment is a fiscal year update.</i>
1A.73	Surplus
Establish	<i>The Executive Budget recommends adding this new proviso directing unobligated EIA cash to be expended on instructional materials.</i>
1A.74	First Steps County Partnerships
Establish	<i>The Executive Budget recommends adding this new proviso directing the Office of First Steps to allocate up to \$3 million to local county partnerships for the enhancement or expansion of evidence-based programs serving at-risk children from birth through age three in rural counties through a competitive process.</i>
1A.75	K-12 Computer Science Plan
Establish	<i>The Executive Budget recommends adding this new proviso directing the Department of Education to develop and the State Board of Education to approve a state K-12 Computer Science plan.</i>
3.1	Audit
Amend (Technical)	<i>This proviso requires the development of procedures to ensure that lottery proceeds are expended in accordance with law. The Executive Budget recommends updating the fiscal year.</i>
3.4	FY 2019-20 Lottery Funding
Delete	<i>This proviso directs the allocation of the FY 2019-20 lottery revenues.</i>
3.5	FY 2020-21 Lottery Funding
Establish	<i>This proviso directs the allocation of the FY 2020-21 lottery revenues.</i>

11.11	SmartState
Delete	<i>The Executive Budget recommends deleting this proviso prohibiting the Commission on Higher Education from expending any funding on marketing the SmartState program.</i>
11.18	Suspend Governor’s Professor of the Year Award
Delete	<i>The Executive Budget recommends deleting this proviso suspending the Governor’s Professor of the Year Award.</i>
11.20	Grant Authorization Adjustment
Establish	<i>The Executive Budget recommends adding this new proviso allowing the Commission on Higher Education to receive increased other funds authorization to expend grant awards received during the course of the year with proper documentation to the Executive Budget Office and reporting to the legislative appropriations committees.</i>
25.6	Florence Darlington Fund Repurpose
Delete	<i>The Executive Budget recommends deleting this proviso redirecting previously appropriated funds for Florence Darlington Technical College as it is no longer needed.</i>
25.7	Health Science Capital Project
Delete	<i>The Executive Budget recommends deleting this proviso allowing for the redirection of funds from the New River Workforce Development Center to the Health Science capital project as it is no longer needed.</i>
25.8	Tech Awareness and Education
Delete	<i>The Executive Budget recommends deleting this proviso authorizing the technical college board to expend \$500,000 to enhance awareness and perception of technical college education as it is no longer needed.</i>
25.9	Northeastern Tech Repurpose
Delete	<i>The Executive Budget recommends deleting this proviso redirecting previously appropriated funds for Northeastern Technical College as it is no longer needed.</i>
25.10	Career and Technology Education Centers
Establish	<i>The Executive Budget recommends adding a new proviso establishing a grants committee to make awards for creating and expanding career and technical education offerings in rural areas of the state. The proviso sets criteria to be considered in awarding grants and establishes reporting requirements.</i>
26.3	Historic Preservation and Community Development Grants
Establish	<i>The Executive Budget recommends adding this proviso creating a grants committee at the Department of Archives and History, setting criteria for grant awards, and requiring external evaluation of grantees.</i>
28.6	Cultural Arts and Theater Center Grants
Establish	<i>The Executive Budget recommends adding this proviso creating a grants committee at the Arts Commission, setting criteria for grant awards, and requiring external evaluation of grantees.</i>

33.20	Medicaid Accountability and Quality Improvement Initiative
Amend	<i>This proviso provides guidance on the distribution of the Department of Health and Human Services agency appropriations for public health initiatives, safety net providers, FQHC's, Free Clinics, and local alcohol and drug abuse authorities created under Act 301 of 1973. This amendment removes requirement to pass funding thorough to local hospitals.</i>
33.23	BabyNet Compliance
Amend (Technical)	<i>This proviso requires the Department of Health and Human Services to report to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on the status of the department's efforts to bring the BabyNet program into compliance with federal requirements. This amendment will update the fiscal year language of the proviso.</i>
33.24	Personal Emergency Response System
Delete	<i>The proviso requires the department to develop one or more Requests for Proposals, to provide for Personal Emergency Response Systems (PERS) to be issued to Medicaid recipients pursuant to the department's Medicaid Home and Community-based waiver. Proviso also gives guidance regarding required system capability and service. The Executive Budget recommends the deletion of this proviso in accordance with the governor's vetoes in the FY 2019-20 Appropriations Bill.</i>
33.26	Medical Contract Grants
Establish	<i>The Executive Budget recommends adding this proviso creating a grants committee at the Department of Health and Human Services, setting criteria for grant awards, and requiring external evaluation of grantees.</i>
34.50	Ocean Water Quality Outfall Initiative
Delete	<i>This proviso directs funds appropriated for the Beach Renourishment Fund be made available as state matching funds for Horry County Ocean Water Quality Outfall Initiatives. All funds associated with this proviso have been dispersed.</i>
34.52	Hazardous Waste Fund County Account
Delete	<i>This proviso requires funds in each county's Hazardous Waste Fund County Account to be released by the State Treasurer, upon the written request of a majority of the county's legislative delegation representing the economically depressed area of the county, and shall be used for infrastructure within the economically depressed area of that county. The Executive Budget recommends the deletion of this proviso in accordance with the governor's vetoes in the FY 2019-20 Appropriations Bill.</i>
34.56	Reimbursement of Expenditures
Establish	<i>The Executive Budget recommends adding this proviso authorizing the Department of Health and Environmental Control to use funds received in the current year as reimbursement of expenses incurred in the current or prior fiscal year.</i>
34.57	Able Contracting Site Cleanup
Establish	<i>The Executive Budget recommends adding this proviso requiring the Department of Health and Environmental Control to use funds appropriated for the Solid Waste Management Program to remove material at Able Contracting Inc. Any funds remaining may be used by the department to undertake cost recovery efforts from any potentially responsible parties.</i>

35.3	Alzheimer's Funding	
Delete	<i>The proviso requires the Department of Mental Health to expend funds for Community Mental Health Center on contractual services for Alzheimer's patient respite care and diagnostic services. The Executive Budget recommends deleting this proviso and establishes a new proviso at the Department on Aging.</i>	
36.14	Beaufort DSN Facility	
Amend (Technical)	<i>This proviso authorizes the Department of Disabilities and Special Needs to retain the full amount of proceeds from the sale of the local Disabilities and Special Needs Board of Beaufort County property and use the proceeds to purchase a new property for the local Disabilities and Special Needs Board in Beaufort County that more appropriately meets the needs of the individuals served. This amendment will update the fiscal year language of the proviso.</i>	
38.1	Fee Retention	
Amend	<i>This proviso permits the Department of Social Services to use overpayments from child support collections above \$800,000 to support the collection efforts. The amendment permits the agency to keep the full amount of overpayments and to use them to fund data security and child support operations.</i>	
38.14	Family Foster Care Payments	
Amend	<i>This proviso dictates payments to foster families for the care of foster children. This amendment increases the payments for ages 0-5 from \$500 to \$601; ages 6-12 from \$523 to \$702; and ages 13 and over from \$589 to \$742.</i>	
38.17	Child Support Enforcement System	
Delete	<i>This proviso outlines how the Department of Social Services reports on funds appropriated for the development of the Child Support Enforcement System. The Executive Budget recommends deleting this proviso as the system has been implemented.</i>	
38.29	Foster Care Child Placements	
Delete	<i>This proviso gives specific direction to the Department of Social Services regarding measures they are to implement in the foster care placement process. The Executive Budget recommends the deletion of this proviso in accordance with the governor's vetoes in the FY 2019-20 Appropriations Bill.</i>	
38.30	Comprehensive Child Welfare Information System	
Delete	<i>This proviso directs the Department of Social Services to use a portion of the recurring funds appropriated to the department to issue a request for proposal for a vendor to implement a comprehensive case management data and analysis system. The requirements of the proviso have been met and the Executive Budget recommends the deletion of this proviso pursuant to a recommendation by the Department.</i>	

40.9	Alzheimer's Funding	
Establish	<i>The Executive Budget recommends adding this proviso directing the Department on Aging to use \$778,706 for contractual services to provide respite care and diagnostic services to those who qualify as determined by the Alzheimer's Disease and Related Disorders Association.</i>	
41.2	Guardian Ad Litem Program	
Amend	<i>This proviso requires both the program and the funds appropriated to the Department of Children's Advocacy Guardian ad Litem Program be administered separately from other programs and must be expended for the exclusive use of the Guardian ad Litem Program. The Department of Revenue is also directed to reduce the rate of interest paid on eligible refunds by two percentage points. The revenue resulting from this reduction will be used for operations of the Guardian ad Litem program. The amendment grants the Department of Children's Advocacy greater flexibility in expending this revenue in support of the Guardian Ad Litem program.</i>	
47.14	Waterfowl Impoundments Projects	
Establish	<i>The Executive Budget recommends adding this proviso authorizing the Department of Natural Resources to enter into agreements with qualified not-for-profit entities that possess specialized knowledge and skills necessary to plan, develop, construct, improve and/or maintain waterfowl impoundments owned or managed by the department.</i>	
48.2	Retention of Accrued Leave	
Establish	<i>The Executive Budget recommends adding this proviso allowing employees of the Sea Grants Consortium being converted to full-time equivalent positions from temporary grant positions in FY 2020-21 to retain their accrued leave.</i>	
49.18	State Park Employee Housing	
Establish	<i>The Executive Budget recommends adding this proviso allowing employees of the Department of Parks, Recreation and Tourism's State Park Service to make deductions from their compensation for rental payments if their residential housing is located within a South Carolina State Park.</i>	
49.19	Local Parks Revitalization Grants	
Establish	<i>The Executive Budget recommends adding this proviso creating a grants committee at the Department of Parks, Recreation and Tourism, setting criteria for grant awards, and requiring external evaluation of grantees.</i>	
49.20	Sports Marketing Grants	
Establish	<i>The Executive Budget recommends adding this proviso creating a grants committee at the Department of Parks, Recreation and Tourism, setting criteria for grant awards, and requiring external evaluation of grantees.</i>	
52.2	Clamagore Reef	
Delete	<i>This proviso directs Patriots Point to utilize the \$1,000,000 appropriated in Act No. 286 of 2014 by Proviso 118.16, Item (9) for the Medal of Honor Museum for the USS Clamagore Veteran Memorial Reef. The Executive Budget recommends deleting this proviso as it is no longer needed.</i>	

53.1	Conservation Grant Funding Carryforward Authority
Establish	<i>The Executive Budget recommends adding this proviso authorizing the Conservation Bank to carry forward Conservation Bank Trust funds into the next fiscal year for the same purpose.</i>
60.13	Exemption for Pass Through Funding
Establish	<i>The Executive Budget recommends adding this proviso exempting pass through funding at the Prosecution Coordination Commission from being included in any budget reduction calculations.</i>
61.11	Capital Case Contract Attorneys
Amend	<i>This proviso outlines payments for capital attorneys. The amendment permits the Commission on Indigent Defense to use funding for capital attorneys to pay for support services for the capital attorneys.</i>
62.23	First Responder PTSD Treatment
Establish	<i>The Executive Budget recommends adding this proviso directing SLED to distribute funds to the SLED Assistance Program to reimburse law enforcement officers who incur mental injury as a result of a critical incident during the scope of employment.</i>
63.8	SC Law Enforcement Officers Hall of Fame Donations
Establish	<i>The Executive Budget recommends adding this proviso permitting the Department of Public Safety to carry forward all donations made to the Law Enforcement Officers Hall of Fame for use for the same purpose.</i>
63.9	Local Law Enforcement Grants
Establish	<i>The Executive Budget recommends adding this proviso creating a grants committee at the Department of Public Safety, setting criteria for grant awards, and requiring external evaluation of grantees.</i>
67.12	Local District Effort
Delete	<i>This proviso requires the home school districts to transfer funds to the Department of Juvenile Justice for every child in the Department's care. The Executive Budget recommends deleting this proviso as requested by the Department.</i>
78.4	Insurance Fraud
Establish	<i>The Executive Budget recommends adding this proviso authorizing the Department of Insurance to retain and use up to \$5,000,000 of fees collected to combat and prosecute insurance fraud cases.</i>
81.13	First Responder PTSD Treatment
Establish	<i>The Executive Budget recommends adding this proviso directing the Department of Labor, Licensing and Regulation to distribute funds to the South Carolina Firefighter Assistance Support Team (FAST) to reimburse firefighters and emergency medical technicians who incur mental injury as a result of a critical incident during the scope of employment.</i>

81.14	Local Fire Department Grants
Establish	<i>The Executive Budget recommends adding this proviso creating a grants committee at the Department of Labor, Licensing and Regulation, setting criteria for grant awards, and requiring external evaluation of grantees.</i>
82.2	Cost Recovery Fee/Sale of Photos or Digitized Images
Amend	<i>This proviso allows the Department of Motor Vehicles to collect and retain fees for various deliverables and prohibits the sale of driver's license or personal identification card images to private parties. The Executive Budget recommends amending this proviso to allow the agency to collect and retain fees for Freedom of Information Act requests.</i>
82.3	DPPA Compliance Audit
Amend	<i>This proviso allows the Department of Motor Vehicles to charge fees to defray the costs associated with auditing and enforcing compliance of laws pertaining to personal information for customers receiving information disseminated by the department. The Executive Budget recommends amending to remove language related to the Comptroller General's Office.</i>
82.7	Phoenix III Migration Pilot
Delete	<i>This proviso allows the Department of Motor Vehicles to utilize the remainder of earmarked funds for the Phoenix project in FY 2019-20. The Executive Budget recommends deleting this proviso as it is no longer needed.</i>
82.8	Real ID
Amend	<i>This proviso grants the Department of Motor Vehicles the flexibility to spend any remaining cash, except funds designated for the Phoenix project, on Real ID implementation in FY 2019-20. The Executive Budget recommends amending to update the fiscal year reference and to remove language exempting the Phoenix III funds.</i>
82.10	Minor Identification Card Fees
Amend	<i>This proviso allows the Department of Motor Vehicles to waive the \$5 fee for individuals under the age of 17, if issuance is through an established partnership with a state or federal agency. The Executive Budget recommends amending to allow the fee to be waived for individuals of all ages.</i>
82.11	Temporary License Plate Revenue Direction
Establish	<i>The Executive Budget recommends adding this proviso allowing the Department of Motor Vehicles to retain and use the revenue collected from trackable temporary license plates.</i>
83.5	UI Tax System Modernization
Amend	<i>This proviso allows the Department of Employment and Workforce to dispose of unused property which has federal equity and, in compliance with the Reed Act, use the funds for the Unemployment Insurance program. This amendment decreases the amount of funds authorized (resulting from disposition of property) to be used for the Unemployment Insurance program's tax system modernization as requested by the agency.</i>

83.6	Employment Training Outcomes Data Sharing
Amend	<i>This proviso requires the integration of data for the improvement of employment assessment outcomes by various providers and allows the Department of Employment and Workforce to charge for providing employment related data to state agency recipients. The Executive Budget recommends removing language exempting the Department of Commerce from being charged for data sharing, which conforms the language to federal law.</i>
84.15	Compensatory Payment
Establish	<i>The Executive Budget recommends adding this proviso to allow the Department of Transportation to exempt employees to be paid for actual hours worked in lieu of accruing compensatory time during a state of emergency declared by the Governor.</i>
84.16	Non-Federal Aid Highway fund
Establish	<i>The Executive Budget recommends adding this proviso clarifying the language on the use of funds from Act 176, so that funds may be used to repair and maintain the existing highway system, consistent with the language of the Infrastructure Maintenance Trust Fund established in Act 40 of 2017.</i>
88.1	Charleston Cooper River Bridge Project
Amend (Technical)	<i>This proviso directs the State Ports Authority to pay the State Transportation Infrastructure Bank \$1 million to continue the Charleston Cooper River Bridge Project. The Executive Budget recommends updating the fiscal year reference.</i>
88.5	Jasper Ocean Terminal Permitting
Amend	<i>This proviso directs that any funds appropriated to the State Ports Authority for the Jasper Ocean Terminal shall be utilized for activities approved and directed by the joint venture governing board and associated with advancing the project during the upcoming fiscal year. In FY 2019-20, the proviso also directed the State Ports Authority to utilize not more than \$5,000,000 for the purchase of real property at the Sherwood Plantation. The Executive Budget recommends the deletion of language related to the purchase of real property at the Sherwood Plantation and to update any date references.</i>
91.23	Technology Panel
Amend	<i>This proviso directs the K-12 Technology Panel Initiative partnership to submit an annual report detailing the expenditure of K-12 Technology funds. The Executive Budget recommends amending this proviso to update the fiscal year reference.</i>
93.2	State House Operation & Maintenance Account
Amend	<i>This proviso directs the Department of Administration to maintain a separate account for funds appropriated for State House Maintenance and Operations and Renovations. The Executive Budget recommends amending this proviso to update the account reference to “Capitol Complex and Mansion” as requested by the Department.</i>
96.1	UCC Filing Fees
Amend	<i>This proviso allows the Secretary of State to retain up to \$180,000 of UCC filing fees for administration of the UCC program. This amendment increases the amount the agency is allowed to retain to \$250,000.</i>

96.4	Charity Fine Revenue
Establish	<i>The Executive Budget recommends adding this proviso to increase the amount of charity fines the Secretary of State is authorized to retain from \$200,000 to \$300,000.</i>
100.13	National or State Guard State Active Duty
Amend	<i>This proviso requires \$500,000 from the general fund to be set aside to cover costs incurred by the Adjutant General in the event the SC National Guard or State Guard is activated during a declared emergency. This amendment increases the amount set aside to \$1,000,000.</i>
100.20	Retention of Accrued Leave for Firefighters Transitioning from Grant to FTE
Establish	<i>The Executive Budget recommends adding this proviso allowing employees of the Adjutant General to be converted to full-time equivalent positions from temporary grant positions in FY 2020-21 to retain their accrued leave.</i>
102.12	Match for Additional HAVA Funds
Amend	<i>This proviso authorizes the State Election Commission to utilize funds appropriated for primary and general elections and voting system refurbishments to provide the state match should Help America Vote Act federal funds become available. This amendment deletes the reference to voting system refurbishment as a new voting system has been implemented.</i>
102.13	Third Party Consultant
Delete	<i>This proviso directs the State Election Commission to expend funds to contract for a third-party consultant to advise the Richland County Election Commission on the conduct of elections. The Executive Budget recommends deleting this proviso.</i>
103.3	SC Health & Human Services Data Warehouse
Amend	<i>This proviso establishes the data warehouse within the Revenue and Fiscal Affairs Office to enhance health and human services agencies by coordination and integration of client information. This amendment adds language related to the Department of Health and Environmental Control's electronic health records system to the list of exemptions, as requested by the Department.</i>
103.6	NG911 Strategic Plan
Delete	<i>This proviso directs the Revenue and Fiscal Affairs Office to expend \$150,000 to develop a statewide NG911 strategic plan. The Executive Budget recommends deleting this proviso as the strategic plan has been developed.</i>
108.3	Health Plan Tobacco User Differential
Amend	<i>This proviso authorizes PEBA to charge a tobacco surcharge to health plan members who utilize tobacco products. The proviso is amended to authorize PEBA to charge a surcharge on e-cigarette users in addition to tobacco users.</i>
108.6	State Health Plan
Amend	<i>This proviso establishes the employer and subscriber premiums for the State Health Plan. This amendment updates the date references to ensure employer and subscriber premiums remain the same for Plan Year 2020 as in Plan Year 2020.</i>

108.12	South Carolina Retirement Systems	
Establish	<i>The Executive Budget recommends adding this proviso to close the South Carolina Retirement System to new enrollees effective December 31, 2020 and directs all new enrollees to join the State Optional Retirement Plan.</i>	
109.12	Food Manufacturing Equipment	
Delete	<i>This proviso requires the exemption of sales and use taxes on clothing and equipment used in food preparation as defined by the North American Industry Classification system. The Executive Budget recommends the deletion of this proviso.</i>	
109.13	Collection of Business License Taxes	
Amend	<i>This proviso prohibits counties from using third parties to assess, collect, and process business license taxes for telecommunication providers and insurers. This amendment adds the Municipal Association of South Carolina to the list of entities prohibited from use by counties and removes language related to the creation and composition of a study committee.</i>	
109.14	Cigarette Stamps	
Delete	<i>This proviso provides an extension to taxpayers filing a report stating the number of unstamped packages of cigarettes. The Executive Budget recommends deleting this proviso as the extension date has passed.</i>	
109.15	Individual Income Tax	
Establish	<i>The Executive Budget recommends adding this proviso directing the Department of Revenue to reduce individual income tax rates by .2% each year for 5 years beginning in tax year 2020. The proviso includes a minimum threshold of 5% general fund growth annually before a reduction may be implemented.</i>	
109.16	Workforce and Senior Affordable Housing Act	
Establish	<i>The Executive Budget recommends adding this proviso to provide a state tax credit for qualified housing projects placed into service after January 1, 2021.</i>	
110.1	Ethics Commission Website Changes	
Delete	<i>This proviso requires the Ethics Commission to obtain approval of the General Assembly prior to making changes to the agency's Reporting System. The Executive Budget recommends deleting this proviso.</i>	
110.3	Lobbyists and Lobbyist Principal Registration Fee	
Establish	<i>The Executive Budget recommends adding a new proviso to authorize the Ethics Commission to increase the lobbyist and lobbyist principal registration fee from \$100 to \$200.</i>	
112.1	Excess Debt Service	
Amend	<i>This proviso provides guidance to the State Treasurer's Office on the use of excess debt service funds. This amendment deletes references to one-time nonrecurring appropriations made from excess debt service funds in the prior fiscal year.</i>	

113.2	Quarterly Distributions
Amend (Technical)	<i>This proviso provides guidance on the quarterly distribution of funds to local governments. This amendment updates the fiscal year reference.</i>
113.5	Local Government Fund
Delete	<i>This proviso suspends provisions of the Code of Laws that pertained to the Local Government Fund. The Executive Budget recommends deleting this proviso as changes to the Local Government Fund have been codified in permanent law.</i>
113.7	Political Subdivision Flexibility
Delete	<i>This proviso allows political subdivisions to reduce support of state-mandated programs by percentage reductions to the Local Government Fund. The Executive Budget recommends deleting this proviso as changes to the Local Government Fund have been codified in permanent law.</i>
117.2	Appropriations from Funds
Amend (Technical)	<i>This proviso states that funds appropriated in the Act are for the current fiscal year. This amendment updates the fiscal year reference.</i>
117.3	Fiscal Year Definitions
Amend (Technical)	<i>This proviso defines “current fiscal year.” This amendment updates the fiscal year reference.</i>
117.53	Employee Bonuses
Amend	<i>This proviso authorizes state agencies and institutions to expend state, federal, and other sources of revenue to provide employee lump sum bonuses, not to exceed three thousand dollars per year, based on objective guidelines established by the Department of Administration. This amendment removes the prohibition of bonuses for employees earning more than \$100,000 annually, as requested by the Department.</i>
117.69	Printed Report Requirements
Amend (Technical)	<i>This proviso provides reporting guidance to higher education institutions. This amendment updates the fiscal year reference.</i>
117.106	Charleston & Dorchester County Sound Barriers
Delete	<i>This proviso allows Charleston and Dorchester Counties to construct sound barriers with the Department of Transportation’s easements along Interstate 26. The Executive Budget recommends deleting this proviso.</i>
117.109	Employee Compensation
Amend	<i>This proviso provides guidance on the distribution of funds appropriated for Employee Pay Increases. The Executive Budget recommends amending this proviso to direct agency heads to develop a compensation plan, with the assistance of the Department of Administration, to provide an average 2% pay increase for state employees.</i>

117.117	Retail Facilities Revitalization Act Repeal Suspension
Amend (Technical)	<i>This proviso suspends the repeal of Chapter 34 of Title 6 of the 1976 Code related to property and income tax credits for rehabilitation expenses incurred during renovation of former retail or service facilities. This amendment updates the fiscal year reference.</i>
117.119	BabyNet
Amend (Technical)	<i>This proviso requires the Executive Budget Office to conduct an inventory of all BabyNet-related spending, which shall be submitted to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. This amendment updates the fiscal year reference.</i>
117.120	South Carolina Telemedicine Network
Amend	<i>This proviso requires the development of a telemedicine network that complies with federal regulations and requires the Department of Health and Human Services to report compliance to House Ways and Means and Senate Finance Committees. This amendment deletes the reporting requirement.</i>
117.121	Distribution Facility
Delete	<i>This proviso classifies the State Ports Authority as a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials. The Executive Budget recommends deleting this proviso as this classification has been codified by Act 37 of 2019.</i>
117.124	SCRS & PORS Trust Fund
Amend	<i>This proviso directs the use of funds appropriated to the Public Employee Benefit Authority for credit given to participating employers of the South Carolina Retirement System and Police Officers Retirement System. This amendment updates the fiscal year reference.</i>
117.129	Statewide Administrative Services
Amend (Technical)	<i>This proviso authorizes the Department of Administration to provide consolidated administrative services to state agencies. This amendment updates the fiscal year reference.</i>
117.131	State Flag Study Committee
Delete	<i>This proviso establishes the South Carolina State Flag Study Committee to propose an official, uniform design for the state flag. The Executive Budget recommends deleting this proviso as the committee's work will be completed in this fiscal year.</i>
117.137	Georgetown County Boat Ramps
Delete	<i>This proviso directs the Department of Transportation to transfer the remaining balance from Proviso 118.17(B)(43)(f) in Act 101 of 2013 to the Department of Natural Resources to be credited in the Georgetown County Water Recreation Fund. The Executive Budget recommends deleting this proviso as the transfer and credit have been completed.</i>

117.138	CDBG-DR Flexibility
Delete	<i>This proviso directs the Department of Commerce to transfer the remaining funds appropriated for Non-CDBG Disaster Recovery to the Department of Administration. The Executive Budget recommends deleting this proviso as the transfer has been completed.</i>
117.140	Higher Education Tuition Mitigation
Amend	<i>This proviso establishes the Part IA appropriation increases by institution of higher education intended for tuition mitigation, requires the institutions to certify to CHE that they have not raised tuition or mandatory fees, and requires that any institution not certifying compliance must remit their General Fund increase. This amendment conforms the proviso the new Part IA increases and removes the language allowing institutions to increase tuition and fees to pay for employer contribution pension increases.</i>
117.142	Voting System Funds Transfer
Delete	<i>This proviso directs the State Election Commission to transfer funds previously appropriated for the purchase or refurbishment of voting machines to the Department of Administration to purchase a new statewide voting system. The Executive Budget recommends deleting this proviso as the transfer has been completed.</i>
117.146	Intrastate Motor Carrier Fee Collections
Amend (Technical)	<i>This proviso requires the Department of Motor Vehicles to consult with the Department of Revenue and other key entities regarding the collection of road use fees. This amendment updates the fiscal year reference.</i>
117.149	Early Childhood Education Study Committee
Delete	<i>This proviso establishes the Early Childhood Education Study Committee to study the creation of a cabinet-level agency that would organize all early childhood services. The Executive Budget recommends deleting this proviso as the committee's findings have been completed.</i>
117.150	Educational Fee Waivers for In-State Students
Establish	<i>The Executive Budget recommends adding this new proviso allowing institutions of higher education to offer up to an additional four percent of student's fee waivers, limited exclusively to in-state undergraduate students with family incomes under two hundred percent of federal poverty guidelines.</i>
117.151	Chief Resilience Officer
Establish	<i>The Executive Budget recommends adding this proviso establishing the state Chief Resilience Officer and Office of Resilience to coordinate strategic resilience planning to maximize federal assistance on critical policy and projects.</i>
118.1	Year End Cutoff
Amend (Technical)	<i>This proviso sets the year end cutoff dates for processing payments. This amendment updates the fiscal year reference.</i>

118.9	Tax Relief Reserve Fund
Amend (Technical)	<i>This proviso establishes the Tax Relief Reserve Fund to provide tax relief to businesses and individuals. This amendment updates this fiscal year reference.</i>
118.11	Tobacco Settlement
Amend	<i>This proviso directs the use of payments from the Tobacco Master Settlement Agreement. This amendment removes the authorization granted to the Attorney General to expend funds on information technology and infrastructure upgrades during FY 2019-20.</i>
118.14	Taxpayer Rebate
Amend	<i>This proviso provides each taxpayer a \$50 rebate for tax year 2018. The Executive Budget recommends amending this proviso to provide a pro-rata taxpayer rebate to each individual income tax return for tax year 2019.</i>
118.15	Nonrecurring Revenue
Delete	<i>This proviso appropriates nonrecurring revenue sources for FY 2019-20. The Executive Budget recommends deleting this proviso as funds have been appropriated.</i>
118.16	Farm Aid
Delete	<i>This proviso establishes the South Carolina Farm Aid Fund to provide grants to persons that experienced a loss due to Hurricanes Michael and Florence. The Executive Budget recommends deleting this proviso as federal funds were provided for this purpose.</i>
118.17	Nonrecurring Revenue
Amend	<i>The Executive Budget recommends adding this proviso to appropriate nonrecurring revenue sources for FY 2020-21.</i>

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Summary Control Document

Updated	01/09/20					Governor's Executive Budget					

Updated	01/09/20					Governor's Executive Budget						
					SUMMARY CONTROL DOCUMENT FY 2020-21 Appropriation Bill							

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			SUMMARY CONTROL DOCUMENT										
			FY 2020-21 Appropriation Bill										
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					FY 2020-21 Agency	Part 1A	Nonrecurring	FY 2019-20 Capital Reserve					
						Recurring Funds	Proviso	Fund	Total	Federal Funds	Other Funds	Total Funds	
Line					Beginning Base				State Funds				Line
474													474
475						78,478	-	1,130,674	1,209,152			1,209,152	475
476						1,648,043			2,778,717	1,928,258	5,161,055	9,868,030	476
477													477
478	H470	21	Winthrop		20,193,076				20,193,076	51,197,500	101,316,555	172,707,131	478
479			State Funds Adjustments:										479
480			5% Tuition Mitigation Funding			1,009,654			1,009,654			1,009,654	480
481			Maintenance and Care of State-Owned Assets					5,393,422					481
482													482
483			Federal Funds Adjustments:										483
484			Authorization Transfer of Federal to Other Authorization for Direct Lending							(37,000,000)		(37,000,000)	484
485													485
486			Other Funds Adjustments:										486
487			Authorization Transfer of Federal to Other Authorization for Direct Lending								37,000,000	37,000,000	487
488													488
489													489
490													490
491			SUBTOTAL INCREMENTAL ADJUSTMENTS			1,009,654	-	5,393,422	1,009,654	(37,000,000)	37,000,000	1,009,654	491
492			SUBTOTAL WINTHROP			21,202,730			21,202,730	14,197,500	138,316,555	173,716,785	492
493													493
494	H510	23	Medical University of South Carolina - MUSC		86,254,975				86,254,975	167,455,169	481,560,056	735,270,200	494
495			State Funds Adjustments:										495
496			Tuiton Mitigation			5,175,299			5,175,299			5,175,299	496
497			Statewide Teaching Partnerships			3,000,000			3,000,000			3,000,000	497
498			Maintenance and Care of State-Owned Assets					2,120,807	2,120,807			2,120,807	498
499			Flood Mitigation				10,000,000		10,000,000			10,000,000	499
500													500
501			Federal Funds Adjustments:										501
502			Authorization Increase							10,000,000		10,000,000	502
503													503
504			Other Funds Adjustments:										504
505			Authorization Increase								22,917,558	22,917,558	505
506													506
507			SUBTOTAL INCREMENTAL ADJUSTMENTS			8,175,299	10,000,000	2,120,807	20,296,106	10,000,000	22,917,558	53,213,664	507
508			SUBTOTAL MUSC			94,430,274			106,551,081	177,455,169	504,477,614	788,483,864	508
509													509
510	H530	24	Area Health Education Consortium (AHEC)		11,152,584				11,152,584	844,700	2,808,927	14,806,211	510
511			State Funds Adjustments:										511
512			SC AHEC Health Careers Program			545,000			545,000			545,000	512
513			Rural Physicians Incentive Program			620,000			620,000			620,000	513
514									-				514
515			Federal Funds Adjustments:										515
516													516
517													517
518			Other Funds Adjustments:										518
519													519
520													520
521			SUBTOTAL INCREMENTAL ADJUSTMENTS			1,165,000	-	-	1,165,000			1,165,000	521
522			SUBTOTAL CONSORTIUM OF COMMUNITY TEACHING HOSPITALS			12,317,584			12,317,584	844,700	2,808,927	15,971,211	522
523									-				523
524			SUBTOTAL INCREMENTAL ADJUSTMENTS			37,674,654	32,000,000	85,981,973	-				524
525			SUBTOTAL HIGHER EDUCATION INSTITUTIONS			554,575,385			667,163,936	702,104,494	3,473,243,825	4,842,512,255	525
526													526
527	H590	25	Board for Technical and Comprehensive Education		166,552,440				166,552,440	52,614,581	502,130,285	721,297,306	527
528			State Funds Adjustments:										528
529			Instructional Programs - Technical Colleges			28,000,000			28,000,000			28,000,000	529
530			readySC Direct Training				10,250,000		10,250,000			10,250,000	530
531			Equipment for High-Demand Job Skills Training				18,000,000		18,000,000			18,000,000	531
532			Career and Technology Centers				50,000,000		50,000,000			50,000,000	532

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					FY 2020-21 Agency	Part 1A Recurring Funds	Nonrecurring Proviso	FY 2019-20 Capital Reserve Fund					
Line					Beginning Base				Total State Funds	Federal Funds	Other Funds	Total Funds	Line
593				State Funds Adjustments:									593
594				Cultural Arts and Theatre Center Grants			450,000		450,000			450,000	594
595				Greenville Cultural and Arts Center			19,000,000		19,000,000			19,000,000	595
596				Sumter Opera House			15,000,000		15,000,000			15,000,000	596
597													597
598													598
599				Federal Funds Adjustments:									599
600													600
601													601
602				Other Funds Adjustments:									602
603													603
604													604
605				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	34,450,000	-	34,450,000			34,450,000	605
606				SUBTOTAL ARTS COMMISSION		4,366,187			38,816,187	1,335,641	148,707	40,300,535	606
607													607
608	H950	29		State Museum (State Museum Commission)	3,942,954				3,942,954		3,100,000	7,042,954	608
609				State Funds Adjustments:									609
610				Permanent Gallery Renovation - Phase 2			3,750,000		3,750,000			3,750,000	610
611				Planetarium Technology Upgrade and Content Enhancements			350,000		350,000			350,000	611
612													612
613				Federal Funds Adjustments:									613
614													614
615													615
616				Other Funds Adjustments:									616
617													617
618													618
619				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	4,100,000	-	4,100,000			4,100,000	619
620				SUBTOTAL STATE MUSEUM		3,942,954			8,042,954		3,100,000	11,142,954	620
621													621
622	H960	30		Confederate Relic Room and Military Museum Commission	936,763				936,763		419,252	1,356,015	622
623				State Funds Adjustments:									623
624													624
625													625
626				Other Funds Adjustments:									626
627													627
628													628
629				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-				629
630				SUBTOTAL CONFEDERATE RELIC ROOM AND MILITARY MUSEUM COMMISSION		936,763			936,763		419,252	1,356,015	630
631													631
632	H730	32		Vocational Rehabilitation	17,058,843				17,058,843	122,342,107	35,340,201	174,741,151	632
633				State Funds Adjustments:									633
634				Credential Attainment - Skills Boss			453,750		453,750			453,750	634
635				Demand Driven Training Service - HVAC and Welding			1,072,900		1,072,900			1,072,900	635
636									-				636
637				Federal Funds Adjustments:									637
638													638
639													639
640				Other Funds Adjustments:									640
641													641
642													642
643				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	1,526,650	-	1,526,650			1,526,650	643
644				SUBTOTAL VOCATIONAL REHABILITATION		17,058,843			18,585,493	122,342,107	35,340,201	176,267,801	644
645													645
646	J020	33		Department of Health & Human Services	1,416,223,137				1,416,223,137	5,339,173,028	990,481,944	7,745,878,109	646
647				State Funds Adjustments:									647
648				Maintenance of Effort Annualization			47,384,662		47,384,662			47,384,662	648
649				Community Long Term Care (CLTC) Census			13,925,644		13,925,644			13,925,644	649
650				Provider Reimbursement Rate			7,852,502		7,852,502			7,852,502	650
651				DDSN Appropriation Transfer			(762,665)		(762,665)			(762,665)	651

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				FY 2020-21 Agency Beginning Base	Part 1A Recurring Funds	Nonrecurring Proviso	FY 2019-20 Capital Reserve Fund	Total State Funds	Federal Funds	Other Funds	Total Funds
Line											Line
712			SUBTOTAL DEPARTMENT OF MENTAL HEALTH		264,103,610			311,270,668	22,270,928	265,856,451	599,398,047
713											713
714	J160	36	Department of Disabilities & Special Needs	271,939,252				271,939,252	340,000	532,522,017	804,801,269
715			State Funds Adjustments:								715
716			Residential Service Rate Increase		2,900,000			2,900,000			2,900,000
717			Respite Service Rate Increase		2,090,000			2,090,000			2,090,000
718			Early Intervention Services for Three to Six Year Old Children		755,000			755,000			755,000
719			HASCI Waiver Slots		430,000			430,000			430,000
720			State Plan Rate Increase for Services Impacting DDSN Waiver Costs		5,135,000			5,135,000			5,135,000
721			Increase Access to Post-Acute Rehabilitation		500,000			500,000			500,000
722			Appropriation Transfer from DHHS		762,665			762,665			762,665
723			Transfer of 65 Legacy State Owned Facilities to Providers			487,500		487,500			487,500
724			South Carolina Genomic Medicine Initiative			2,000,000		2,000,000			2,000,000
725			Coastal Regional Center Campus - Electrical Grid			1,500,000		1,500,000			1,500,000
726											726
727											727
728			Federal Funds Adjustments:								728
729											729
730											730
731			Other Funds Adjustments:								731
732			Residential Service Rate Increase							7,100,000	7,100,000
733			Respite Service Rate Increase							5,083,733	5,083,733
734			Early Intervention Services for Three to Six Year Old Children							1,018,035	1,018,035
735			HASCI Waiver Slots							1,046,141	1,046,141
736			State Plan Rate Increase for Services Impacting DDSN Waiver Costs							12,525,000	12,525,000
737											737
738			SUBTOTAL INCREMENTAL ADJUSTMENTS		12,572,665	3,987,500	-	16,560,165		26,772,909	43,333,074
739			SUBTOTAL DEPT. OF DISABILITIES & SPECIAL NEEDS		284,511,917			288,499,417	340,000	559,294,926	848,134,343
740											740
741	J200	37	Department of Alcohol & Other Drug Abuse Services	11,983,171				11,983,171	54,872,054	1,074,397	67,929,622
742			State Funds Adjustments:								742
743			Sustainability of Addiction Crisis Efforts		3,000,000			3,000,000			3,000,000
744			Infrastructure Improvements / Substance Abuse Provider System			5,000,000		5,000,000			5,000,000
745											745
746			Federal Funds Adjustments:								746
747											747
748											748
749			Other Funds Adjustments:								749
750			Authorization Increase							877,680	877,680
751											751
752			SUBTOTAL INCREMENTAL ADJUSTMENTS		3,000,000	5,000,000	-	8,000,000		877,680	8,877,680
753			SUBTOTAL DEPT. OF ALCOHOL & OTHER DRUG ABUSE		14,983,171			19,983,171	54,872,054	1,952,077	76,807,302
754											754
755	L040	38	Department of Social Services	203,759,127				203,759,127	508,278,168	56,346,297	768,383,592
756			State Funds Adjustments:								756
757			Caring for South Carolina's Children		69,070,746			69,070,746			69,070,746
758			Information Technology		2,753,118			2,753,118			2,753,118
759			Child Support Enforcement		536,488			536,488			536,488
760			Technology Infrastructure			6,000,000		6,000,000			6,000,000
761								-			761
762			Federal Funds Adjustments:								762
763			Caring for South Carolina's Children						20,868,276	485,400	21,353,676
764			Information Technology						1,549,110		1,549,110
765			Child Support Enforcement						1,041,419		1,041,419
766											766
767			Other Funds Adjustments:								767
768											768
769			SUBTOTAL INCREMENTAL ADJUSTMENTS		72,360,352	6,000,000	-	78,360,352	23,458,805	485,400	102,304,557
770			SUBTOTAL DEPARTMENT OF SOCIAL SERVICES		276,119,479			282,119,479	531,736,973	56,831,697	870,688,149

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				FY 2020-21 Agency	Part 1A	Nonrecurring	FY 2019-20 Capital Reserve		Federal	Other	Total
				Beginning Base	Recurring Funds	Proviso	Fund	Total	Federal Funds	Other Funds	Total Funds
Line											Line
889			State Funds Adjustments:								889
890			Targeted Research and Extension Program Development and Implementation		1,550,000			1,550,000			1,550,000
891											891
892			Federal Funds Adjustments:								892
893											893
894											894
895			SUBTOTAL INCREMENTAL ADJUSTMENTS		1,550,000	-	-	1,550,000			1,550,000
896			SUBTOTAL SC STATE-PSA		6,433,183			6,433,183	4,173,741		10,606,924
897											897
898	P240	47	Department of Natural Resources	36,250,466				36,250,466	31,248,135	47,685,205	115,183,806
899			State Funds Adjustments:								899
900			Law Enforcement Officer Step Increases & Overtime Funding		375,137			375,137			375,137
901			Law Enforcement Class - 25 Additional Officers		1,624,863			1,624,863			1,624,863
902			Compliance Office Staffing & Operations		258,471			258,471			258,471
903			Flood Mitigation Outreach - NFIP Facilitator		54,269			54,269			54,269
904			Headquarters Relocation		2,598,924			2,598,924			2,598,924
905			Watercraft Registration Conversion (Year 2 of 2)			1,051,860		1,051,860			1,051,860
906			Marine Resources Research Lab Shoreline Stabilization			585,500		585,500			585,500
907			Barnwell Fish Hatchery Maintenance			800,000		800,000			800,000
908			Research Vessel Replacement			1,207,000		1,207,000			1,207,000
909			State Water Plan - Pee Dee Basin			1,500,000		1,500,000			1,500,000
910											910
911											911
912											912
913			Federal Funds Adjustments:								913
914			FEMA NFIP Flood Mitigation Assistance						500,500		500,500
915											915
916			Other Funds Adjustments:							278,559	278,559
917			Heritage Trust Cultural Resources Management							475,000	475,000
918			Wild Turkey Research, Tagging & Harvest Reporting							321,000	321,000
919			Water Recreation Resource Projects								
920											920
921											921
922			SUBTOTAL INCREMENTAL ADJUSTMENTS		4,911,664	5,144,360	-	10,056,024	500,500	1,074,559	11,631,083
923			SUBTOTAL DEPT. OF NATURAL RESOURCES		41,162,130			46,306,490	31,748,635	48,759,764	126,814,889
924											924
925	P260	48	Sea Grant Consortium	755,722				755,722	4,550,000	450,000	5,755,722
926			State Funds Adjustments:								926
927			Undergraduate Resilience Research Scholars Program		30,000			30,000			30,000
928											928
929			Federal Funds Adjustments:								929
930											930
931											931
932			Other Funds Adjustments:								932
933											933
934											934
935			SUBTOTAL INCREMENTAL ADJUSTMENTS		30,000	-	-	30,000			30,000
936			SUBTOTAL SEA GRANT CONSORTIUM		785,722			785,722	4,550,000	450,000	5,785,722
937											937
938	P280	49	Department of Parks, Recreation & Tourism	51,006,441				51,006,441	2,505,110	63,418,042	116,929,593
939			State Funds Adjustments:								939
940			Sports Marketing Grant Program		(6,500,000)			(6,500,000)			(6,500,000)
941			Welcome Center Facilities		3,563,560			3,563,560			3,563,560
942			Advertising		1,000,000			1,000,000			1,000,000
943			Destination Specific Tourism Marketing		2,000,000			2,000,000			2,000,000
944			Venues at Arsenal Hill		200,000	8,350,000		8,550,000			8,550,000
945			Welcome Center, Revitalization, and Maintenance			4,000,000		4,000,000			4,000,000
946			State Park Deferred Maintenance and Repair			8,000,000		8,000,000			8,000,000
947			International African American Museum			250,000		250,000			250,000
948			PGA Championship 2021 Kiawah Island			360,000		360,000			360,000

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								FY 2019-20 Capital Reserve Fund					
				FY 2020-21 Agency		Part 1A Recurring Funds	Nonrecurring Proviso		Total State Funds	Federal Funds	Other Funds	Total Funds	
Line				Beginning Base									Line
1068			SUBTOTAL ATTORNEY GENERAL			18,233,341			18,233,341	60,003,654	26,764,911	105,001,906	1068
1069													1069
1070	E210	60	Prosecution Coordination Commission	29,075,368					29,075,368	355,583	8,325,000	37,755,951	1070
1071			State Funds Adjustments:										1071
1072			Administrative & Legal Staff (2 FTEs)			370,000	6,000		376,000			376,000	1072
1073			Technology & IT Staff (2 FTEs)			417,940	589,300		1,007,240			1,007,240	1073
1074			Office Renovation & Security				223,000		223,000			223,000	1074
1075													1075
1076													1076
1077			Federal Funds Adjustments:										1077
1078													1078
1079													1079
1080			Other Funds Adjustments:										1080
1081													1081
1082													1082
1083			SUBTOTAL INCREMENTAL ADJUSTMENTS			787,940	818,300	-	1,606,240			1,606,240	1083
1084			SUBTOTAL PROSECUTION COORDINATION COMMISSION			29,863,308			30,681,608	355,583	8,325,000	39,362,191	1084
1085													1085
1086	E230	61	Commission on Indigent Defense	31,900,161					31,900,161		14,296,872	46,197,033	1086
1087			State Funds Adjustments:										1087
1088			Salary Equalization for the Circuit Public Defender Administrative Assistants			216,701			216,701			216,701	1088
1089			Criminal Justice System Workload Parity			500,000			500,000			500,000	1089
1090													1090
1091													1091
1092			Other Funds Adjustments:										1092
1093													1093
1094													1094
1095			SUBTOTAL INCREMENTAL ADJUSTMENTS			716,701	-	-	716,701			716,701	1095
1096			SUBTOTAL COMMISSION ON INDIGENT DEFENSE			32,616,862			32,616,862		14,296,872	46,913,734	1096
1097													1097
1098	D100	62	Governor's Office-SLED	54,760,881					54,760,881	25,000,000	23,548,045	103,308,926	1098
1099			State Funds Adjustments:										1099
1100			PTSD Treatment			250,000			250,000			250,000	1100
1101			Agency Personnel			4,609,233			4,609,233			4,609,233	1101
1102			Law Enforcement Rank Change			936,528			936,528			936,528	1102
1103			Technology Equipment/Software			2,000,000			2,000,000			2,000,000	1103
1104			Vehicles			500,000			500,000			500,000	1104
1105			Transfer Illegal Immigration Unit from DPS			763,222			763,222			763,222	1105
1106			Immigration Officers Position Funding			177,756			177,756			177,756	1106
1107			Sumter Incident (SLED, DOT, Forestry, State Fire, DHEC, & DNR)				713,917		713,917			713,917	1107
1108			New Personnel Equipment				2,386,925		2,386,925			2,386,925	1108
1109			Technology Equipment/Software				3,000,000		3,000,000			3,000,000	1109
1110			Forensic Equipment				952,000		952,000			952,000	1110
1111													1111
1112			Federal Funds Adjustments:										1112
1113													1113
1114			Other Funds Adjustments:										1114
1115			Earmarked Authorization (NR)										1115
1116													1116
1117			SUBTOTAL INCREMENTAL ADJUSTMENTS			9,236,739	7,052,842	-	16,289,581			16,289,581	1117
1118			SUBTOTAL SLED			63,997,620			71,050,462	25,000,000	23,548,045	119,598,507	1118
1119													1119
1120	K050	63	Department of Public Safety	98,705,783					98,705,783	24,611,366	45,957,430	169,274,579	1120
1121			State Funds Adjustments:										1121
1122			Transfer Illegal Immigration Unit to SLED			(763,222)			(763,222)			(763,222)	1122
1123			Local Law Enforcement Grants			(2,000,000)	2,000,000		-				1123
1124			Recruitment and Retention			5,000,000			5,000,000			5,000,000	1124
1125			Agency Vehicle Rotation			1,493,168			1,493,168			1,493,168	1125
1126			Radio Rotation			783,434			783,434			783,434	1126
1127			Highway Patrol Radar Rotation			223,398			223,398			223,398	1127

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				FY 2020-21 Agency Beginning Base	Part 1A Recurring Funds	Nonrecurring Proviso	FY 2019-20 Capital Reserve Fund	Total State Funds	Federal Funds	Other Funds	Total Funds	Line
Line				Beginning Base								Line
1194												1194
1195	N120	67	Department of Juvenile Justice	116,686,011				116,686,011	3,000,000	18,992,699	138,678,710	1195
1196			State Funds Adjustments:									1196
1197			Recruitment and Retention of Juvenile Correction Officers and Community Specialists		4,119,810			4,119,810			4,119,810	1197
1198			DJJ School District		4,425,035			4,425,035			4,425,035	1198
1199			Safety and Security Upgrades			5,000,000		5,000,000			5,000,000	1199
1200								-				1200
1201												1201
1202			Federal Funds Adjustments:									1202
1203												1203
1204												1204
1205			Other Funds Adjustments:									1205
1206												1206
1207												1207
1208			SUBTOTAL INCREMENTAL ADJUSTMENTS		8,544,845	5,000,000	-	13,544,845			13,544,845	1208
1209			SUBTOTAL DEPT. OF JUVENILE JUSTICE		125,230,856			130,230,856	3,000,000	18,992,699	152,223,555	1209
1210												1210
1211	L360	70	Human Affairs Commission	2,606,319				2,606,319	336,225	750,000	3,692,544	1211
1212			State Funds Adjustments:									1212
1213			Recruitment and Retention		200,000			200,000			200,000	1213
1214								-				1214
1215												1215
1216			Federal Funds Adjustments:									1216
1217			Recruitment and Retention						14,217		14,217	1217
1218												1218
1219			Other Funds Adjustments:									1219
1220			Recruitment and Retention							26,156	26,156	1220
1221												1221
1222			SUBTOTAL INCREMENTAL ADJUSTMENTS		200,000	-	-	200,000	14,217	26,156	240,373	1222
1223			SUBTOTAL HUMAN AFFAIRS COMMISSION		2,806,319			2,806,319	350,442	776,156	3,932,917	1223
1224												1224
1225	L460	71	Commission On Minority Affairs	1,517,245				1,517,245		261,814	1,779,059	1225
1226			State Funds Adjustments:									1226
1227			Recruitment and Retention		200,000			200,000			200,000	1227
1228												1228
1229												1229
1230			Other Funds Adjustments:									1230
1231												1231
1232												1232
1233			SUBTOTAL INCREMENTAL ADJUSTMENTS		200,000	-	-	200,000			200,000	1233
1234			SUBTOTAL COMMISSION ON MINORITY AFFAIRS		1,717,245			1,717,245		261,814	1,979,059	1234
1235												1235
1236	R040	72	Public Service Commission							5,688,938	5,688,938	1236
1237			Other Funds Adjustments:									1237
1238			Administration - Personal Services & Employer Contributions							132,914	132,914	1238
1239			Administration - Other Operating							529,834	529,834	1239
1240												1240
1241												1241
1242			SUBTOTAL INCREMENTAL ADJUSTMENTS							662,748	662,748	1242
1243			SUBTOTAL PUBLIC SERVICE COMMISSION		-			-		6,351,686	6,351,686	1243
1244												1244
1245	R060	73	Office of Regulatory Staff						886,960	14,579,879	15,466,839	1245
1246			Federal Funds Adjustments:									1246
1247												1247
1248												1248
1249			Other Funds Adjustments:									1249
1250												1250
1251												1251
1252			SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-				1252

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					FY 2020-21 Agency	Part 1A Recurring Funds	Nonrecurring Proviso	FY 2019-20 Capital Reserve Fund					
Line					Beginning Base				Total State Funds	Federal Funds	Other Funds	Total Funds	Line
1253				SUBTOTAL OFFICE OF REGULATORY STAFF		-			-	886,960	14,579,879	15,466,839	1253
1254													1254
1255	R080	74		Workers Compensation Commission	2,578,439				2,578,439		5,607,845	8,186,284	1255
1256				State Funds Adjustments:									1256
1257													1257
1258													1258
1259				Other Funds Adjustments:									1259
1260													1260
1261													1261
1262				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-				1262
1263				SUBTOTAL WORKERS COMP COMMISSION		2,578,439			2,578,439		5,607,845	8,186,284	1263
1264													1264
1265	R120	75		State Accident Fund							8,856,775	8,856,775	1265
1266				Other Funds Adjustments:									1266
1267				Authorization Increase							1,481,121	1,481,121	1267
1268													1268
1269				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-		1,481,121	1,481,121	1269
1270				SUBTOTAL STATE ACCIDENT FUND		-			-		10,337,896	10,337,896	1270
1271													1271
1272	R200	78		Department of Insurance	4,529,109				4,529,109		13,630,754	18,159,863	1272
1273				State Funds Adjustments:									1273
1274													1274
1275									-				1275
1276				Other Funds Adjustments:									1276
1277													1277
1278													1278
1279				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-				1279
1280				SUBTOTAL DEPARTMENT OF INSURANCE		4,529,109			4,529,109		13,630,754	18,159,863	1280
1281													1281
1282	R230	79		Board of Financial Institutions							5,633,361	5,633,361	1282
1283				Other Funds Adjustments:									1283
1284				Personal Services - Banking Division							90,000	90,000	1284
1285				Personal Services - Consumer Finance Division							33,238	33,238	1285
1286				Health Insurance and Retirement Rate Increase							204,582	204,582	1286
1287													1287
1288				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-		327,820	327,820	1288
1289				SUBTOTAL BOARD OF FINANCIAL INSTITUTIONS		-			-		5,961,181	5,961,181	1289
1290													1290
1291	R280	80		Department of Consumer Affairs	1,689,148				1,689,148		2,059,666	3,748,814	1291
1292				State Funds Adjustments:									1292
1293									-				1293
1294													1294
1295				Other Funds Adjustments:									1295
1296				Employee Retention							35,000	35,000	1296
1297				Operating Expenses							13,000	13,000	1297
1298				Other Funds Cost of Living, Retirement, Health and Dental Increases							85,580	85,580	1298
1299													1299
1300				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-		133,580	133,580	1300
1301				SUBTOTAL DEPT. OF CONSUMER AFFAIRS		1,689,148			1,689,148		2,193,246	3,882,394	1301
1302													1302
1303	R360	81		Department of Labor, Licensing, & Regulation	1,482,653				1,482,653	2,904,264	36,797,608	41,184,525	1303
1304				State Funds Adjustments:									1304
1305				PTSD Treatment - FAST Program		250,000			250,000			250,000	1305
1306				Local Fire Department Grants			280,000		280,000			280,000	1306
1307				Emergency Response Task Force - US&R SC-TF1 & SC-HART Equipment			850,000		850,000			850,000	1307
1308													1308
1309				Federal Funds Adjustments:									1309
1310													1310
1311													1311

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					FY 2020-21 Agency	Part 1A	Nonrecurring	FY 2019-20 Capital Reserve					
						Recurring Funds	Proviso	Fund	Total	Federal Funds	Other Funds	Total Funds	
Line					Beginning Base				State Funds				Line
1312			Other Funds Adjustments:										1312
1313			Employer Contributions-Other Funds								2,180,000	2,180,000	1313
1314			State Fire Marshal: V-SAFE								2,500,000	2,500,000	1314
1315			Employee Salary-2% General Increase								510,600	510,600	1315
1316			IT Security Request								500,000	500,000	1316
1317													1317
1318			SUBTOTAL INCREMENTAL ADJUSTMENTS			250,000	1,130,000	-	1,380,000		5,690,600	7,070,600	1318
1319			SUBTOTAL DEPT. OF LABOR, LICENSING & REGULATION			1,732,653			2,862,653	2,904,264	42,488,208	48,255,125	1319
1320													1320
1321	R400	82	Department of Motor Vehicles		91,348,386				91,348,386	1,700,000	14,747,596	107,795,982	1321
1322			State Funds Adjustments:										1322
1323			Recruitment and Retention			2,500,000			2,500,000			2,500,000	1323
1324			Phoenix III Modernization				2,000,000		2,000,000			2,000,000	1324
1325			Motor Carrier System Upgrade - 15% Grant Match				268,300		268,300			268,300	1325
1326													1326
1327			Federal Funds Adjustments:										1327
1328													1328
1329													1329
1330			Other Funds Adjustments:										1330
1331			Real ID								4,200,000	4,200,000	1331
1332													1332
1333			SUBTOTAL INCREMENTAL ADJUSTMENTS			2,500,000	2,268,300	-	4,768,300		4,200,000	8,968,300	1333
1334			SUBTOTAL DEPT. OF MOTOR VEHICLES			93,848,386			96,116,686	1,700,000	18,947,596	116,764,282	1334
1335													1335
1336	R600	83	Department of Employment & Workforce		504,659				504,659	150,987,848	16,017,884	167,510,391	1336
1337			State Funds Adjustments:										1337
1338			Unemployment Insurance Supplemental Program Funding			690,520			690,520			690,520	1338
1339			Jobs for America's Graduates (JAG Program)			1,400,000			1,400,000			1,400,000	1339
1340													1340
1341													1341
1342			Federal Funds Adjustments:										1342
1343													1343
1344			Other Funds Adjustments:										1344
1345													1345
1346			SUBTOTAL INCREMENTAL ADJUSTMENTS			2,090,520	-	-	2,090,520			2,090,520	1346
1347			SUBTOTAL DEPT. OF EMPLOYMENT & WORKFORCE			2,595,179			2,595,179	150,987,848	16,017,884	169,600,911	1347
1348													1348
1349	U120	84	Department of Transportation		57,270				57,270		2,595,096,860	2,595,154,130	1349
1350			State Funds Adjustments:										1350
1351			Litter Control			5,792,000			5,792,000			5,792,000	1351
1352			Rest Areas - Renovations				10,000,000		10,000,000			10,000,000	1352
1353													1353
1354			Other Funds Adjustments:										1354
1355			Infrastructure Maintenance Trust Fund								130,286,217	130,286,217	1355
1356			Engineering & Construction - Highway Fund								(109,660,931)	(109,660,931)	1356
1357			Port Access Road - Port Fund								17,569,872	17,569,872	1357
1358			Non-Federal Aid Fund								(5,707,451)	(5,707,451)	1358
1359			Mark Clark Expressway								5,000,000	5,000,000	1359
1360			Tolls								(1,003,257)	(1,003,257)	1360
1361			Volvo Interchange/Berkeley County - Volvo Fund								(10,000,000)	(10,000,000)	1361
1362													1362
1363			SUBTOTAL INCREMENTAL ADJUSTMENTS			5,792,000	10,000,000	-	15,792,000		26,484,450	42,276,450	1363
1364			SUBTOTAL DEPARTMENT OF TRANSPORTATION			5,849,270			15,849,270		2,621,581,310	2,637,430,580	1364
1365													1365
1366	U150	85	Infrastructure Bank Board								130,975,870	130,975,870	1366
1367			Other Funds Adjustments:										1367
1368			Adjustment to Estimated Expenditures								(24,929,600)	(24,929,600)	1368
1369													1369
1370			SUBTOTAL INCREMENTAL ADJUSTMENTS			-	-	-	-		(24,929,600)	(24,929,600)	1370

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					FY 2020-21 Agency	Part 1A	Nonrecurring	FY 2019-20 Capital Reserve Fund					
					Beginning Base	Recurring Funds	Proviso		Total State Funds	Federal Funds	Other Funds	Total Funds	
Line													Line
1430				SUBTOTAL INCREMENTAL ADJUSTMENTS			-	-	-				1430
1431				SUBTOTAL LEGISLATIVE SERVICES			6,459,276		6,459,276			6,459,276	1431
1432													1432
1433	A200	91E		Legislative Audit Council	2,105,478				2,105,478		400,000	2,505,478	1433
1434				State Funds Adjustments:									1434
1435													1435
1436													1436
1437				Other Funds Adjustments:									1437
1438													1438
1439				SUBTOTAL INCREMENTAL ADJUSTMENTS			-	-	-				1439
1440				SUBTOTAL LEG AUDIT COUNCIL			2,105,478		2,105,478		400,000	2,505,478	1440
1441													1441
1442	D050	92A		Governor's Office-Executive Control of the State	3,122,331				3,122,331			3,122,331	1442
1443				State Funds Adjustments:									1443
1444									-				1444
1445													1445
1446				SUBTOTAL INCREMENTAL ADJUSTMENTS			-	-	-				1446
1447				SUBTOTAL EXECUTIVE CONTROL OF STATE			3,122,331		3,122,331			3,122,331	1447
1448													1448
1449	D200	92C		Governor's Office-Mansion & Grounds	333,868				333,868		200,000	533,868	1449
1450				State Funds Adjustments:									1450
1451									-				1451
1452				Other Funds Adjustments:									1452
1453													1453
1454				SUBTOTAL INCREMENTAL ADJUSTMENTS			-	-	-				1454
1455				SUBTOTAL MANSION & GROUNDS			333,868		333,868		200,000	533,868	1455
1456													1456
1457	D500	93		Department of Administration	60,808,843				60,808,843	162,237,600	146,468,300	369,514,743	1457
1458				State Funds Adjustments:									1458
1459				Division of State Human Resources			1,512,000		1,512,000			1,512,000	1459
1460				SC Enterprise Information System - S4/Hana Migration			2,517,596	8,169,184	10,686,780			10,686,780	1460
1461				Facilities Management-Permanent Improvements			7,000,000		7,000,000			7,000,000	1461
1462				Budget Development System			350,000		350,000			350,000	1462
1463				SC DRO Pre-award funding			250,000		250,000			250,000	1463
1464				State House Deferred Maintenance				2,641,131	2,641,131			2,641,131	1464
1465													1465
1466				Federal Funds Adjustments:									1466
1467													1467
1468													1468
1469				Other Funds Adjustments:									1469
1470													1470
1471				SUBTOTAL INCREMENTAL ADJUSTMENTS			11,629,596	10,810,315	-	22,439,911		22,439,911	1471
1472				SUBTOTAL DEPARTMENT OF ADMINISTRATION			72,438,439		83,248,754	162,237,600	146,468,300	391,954,654	1472
1473													1473
1474	D250	94		Inspector General	834,890				834,890			834,890	1474
1475				State Funds Adjustments:									1475
1476				Agency Operating			34,138		34,138			34,138	1476
1477													1477
1478													1478
1479				Other Funds Adjustments:									1479
1480													1480
1481				SUBTOTAL INCREMENTAL ADJUSTMENTS			34,138	-	-	34,138		34,138	1481
1482				SUBTOTAL INSPECTOR GENERAL			869,028		869,028			869,028	1482
1483													1483
1484	E080	96		Secretary of State	1,246,839				1,246,839		2,284,255	3,531,094	1484
1485				State Funds Adjustments:									1485
1486									-				1486
1487													1487
1488				Other Funds Adjustments:									1488

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					FY 2020-21 Agency Beginning Base	Part 1A Recurring Funds	Nonrecurring Proviso	FY 2019-20 Capital Reserve Fund		Federal Funds	Other Funds	Total Funds	Line
Line									Total State Funds				
1489				Authorization Increase							145,000	145,000	1489
1490				Retirement, Health and Pay Allocation							40,000	40,000	1490
1491													1491
1492				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-		185,000	185,000	1492
1493				SUBTOTAL SECRETARY OF STATE		1,246,839			1,246,839		2,469,255	3,716,094	1493
1494													1494
1495	E120	97		Comptroller General	2,560,272				2,560,272		875,434	3,435,706	1495
1496				State Funds Adjustments:					-				1496
1497													1497
1498													1498
1499				Other Funds Adjustments:									1499
1500													1500
1501				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-				1501
1502				SUBTOTAL COMPTROLLER GENERAL		2,560,272			2,560,272		875,434	3,435,706	1502
1503													1503
1504	E160	98		State Treasurer	2,112,016				2,112,016		7,891,061	10,003,077	1504
1505				State Funds Adjustments:									1505
1506				Cost Recovery of Court Fines & Fees and Conviction Surcharges		50,000			50,000			50,000	1506
1507				Tuition Prepayment Program			10,000,000		10,000,000			10,000,000	1507
1508													1508
1509				Other Funds Adjustments:									1509
1510				Retirement, Health and Pay Allocation							180,000	180,000	1510
1511													1511
1512													1512
1513													1513
1514				SUBTOTAL INCREMENTAL ADJUSTMENTS		50,000	10,000,000	-	10,050,000		180,000	10,230,000	1514
1515				SUBTOTAL STATE TREASURER		2,162,016			12,162,016		8,071,061	20,233,077	1515
1516													1516
1517	E190	99		Retirement Systems Investment Commission							15,303,000	15,303,000	1517
1518				Other Funds Adjustments:									1518
1519													1519
1520													1520
1521				SUBTOTAL INCREMENTAL ADJUSTMENTS		-	-	-	-				1521
1522				SUBTOTAL RETIREMENT SYSTEMS INVESTMENT COMMISSION		-			-		15,303,000	15,303,000	1522
1523													1523
1524	E240	100		Adjutant General	10,816,564				10,816,564	74,318,912	6,646,961	91,782,437	1524
1525				State Funds Adjustments:									1525
1526				Armory Revitalization		5,000,000			5,000,000			5,000,000	1526
1527				SCEMD – Personal Services Increase		110,000			110,000			110,000	1527
1528				Aiken Readiness Center			15,000,000		15,000,000			15,000,000	1528
1529				Olympia Armory Sewer, Drill Hall Floor & Other Repairs			1,200,000		1,200,000			1,200,000	1529
1530				SCEMD – HVAC Replacement (Phase 1 of 3)			162,950		162,950			162,950	1530
1531				State Share Disaster Funding			13,544,230		13,544,230			13,544,230	1531
1532									-				1532
1533				Federal Funds Adjustments:									1533
1534				Increase in Armory Revitalization Funding						3,500,000		3,500,000	1534
1535				Authorization Increase						10,000,000		10,000,000	1535
1536				SCEMD – Additional Funding for Classified Positions						348,000		348,000	1536
1537													1537
1538				Other Funds Adjustments:									1538
1539				SCEMD – Additional Funding for Classified Positions							79,000	79,000	1539
1540													1540
1541				SUBTOTAL INCREMENTAL ADJUSTMENTS		5,110,000	29,907,180	-	35,017,180	13,848,000	79,000	48,944,180	1541
1542				SUBTOTAL ADJUTANT GENERAL		15,926,564			45,833,744	88,166,912	6,725,961	140,726,617	1542
1543													1543
1544	E260	101		Veterans' Affairs	2,137,659				2,137,659		545,000	2,682,659	1544
1545				State Funds Adjustments:									1545
1546									-				1546
1547									-				1547

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Appendices

Appendices

- January 10, 2020 letter from Frank Rainwater, Executive Director, South Carolina Revenue and Fiscal Affairs Office, certifying that the FY 2020-21 Executive Budget is balanced.
- November 19, 2019 letter from Frank Rainwater, Executive Director, South Carolina Revenue and Fiscal Affairs Office, regarding estimated costs of increasing base student costs by \$10 increments.
- December 9, 2019 letter from Frank Rainwater, Executive Director, South Carolina Revenue and Fiscal Affairs Office, assessing the prospective revenue impact of reducing all of the individual income tax rates over five years by a total of 1 percent each beginning in tax year 2020.
- November 13, 2019 letter from Frank Rainwater, Executive Director, South Carolina Revenue and Fiscal Affairs Office, assessing the prospective revenue impact of a full deduction of military retirement income in tax year 2020.
- November 14, 2019 letter from Frank Rainwater, Executive Director, South Carolina Revenue and Fiscal Affairs Office, assessing the prospective revenue impact of allowing a complete deduction of police officers, peace officers, and firefighters' retirement income from individual income tax beginning in tax year 2020.



EDWARD B. GRIMBALL, Chairman
HOWELL CLYBORNE, JR.
EMERSON F. GOWER, JR.

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

FRANK A. RAINWATER
Executive Director

January 10, 2020

The Honorable Henry McMaster
Governor, State of South Carolina
The State House
Columbia, South Carolina 29201

Dear Governor McMaster:

Pursuant to Proviso 117.65 and based upon the information provided by the Executive Budget Office, this letter is to certify that the proposed FY 2020-21 Executive Budget is in balance as follows:

General Fund Revenue	<u>\$9,420,481,249</u>
Appropriation of General Fund Expenditures (Part IA)	<u>\$9,420,481,249</u>
Balance	<u>\$0</u>

Sincerely,

A handwritten signature in black ink, appearing to read "Frank A. Rainwater", is written over a horizontal line.

Frank A. Rainwater
Executive Director

FAR/ahp



EDWARD B. GRIMBALL, Chairman
HOWELL CLYBORNE, JR.
EMERSON F. GOWER, JR.

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

FRANK A. RAINWATER
Executive Director

November 19, 2019

Mr. Kevin Etheridge
Budget and Research Director, Executive Budget Office
South Carolina Department of Administration
1205 Pendleton Street, Suite 529
Columbia, SC 29201

Dear Mr. Etheridge:

This letter is in response to your request for assistance in calculating the General Fund expenditure associated with increasing the Base Student Cost by a \$10 increment. Based upon the currently available data for FY 2020-21, the cost to maintain the Base Student Cost at \$2,489 is \$21,656,971. For each \$10 increment thereafter, the total General Fund expenditure increase, including both the Education Finance Act increase and associated fringe, is projected to be \$9,443,813. Please see the table below for the estimated General Fund expenditure to increase the Base Student Cost by \$10 increments.

FY 2020-21 Estimates		
Base Student Cost	Base Student Cost Increase	Total Estimated General Fund Expenditure Increase
\$2,489	\$0	\$21,656,971
\$2,499	\$10	\$31,100,784
\$2,509	\$20	\$40,544,597
\$2,519	\$30	\$49,988,410
\$2,529	\$40	\$59,432,223
\$2,539	\$50	\$68,876,036

Based upon the latest data available, we estimate a total average daily membership (ADM) of 761,476 and weighted pupil units (WPU) of 1,043,178 for FY 2020-21. Please see the table below for the estimated ADMs and WPU by district entity. We have assumed that EFA payments for students in residential treatment facilities will remain the same as in the most recently completed fiscal year.

Mr. Kevin Etheridge
November 19, 2019
Page 2

FY 2020-21 Estimates		
District Entity	Average Daily Membership	Weighted Pupil Units
Regular school districts	722,760	993,663
S.C. Public Charter School District	25,231	31,437
Charter Institute at Erskine	12,353	16,205
Special school districts	1,132	1,873
Total	761,476	1,043,178

Please note that the final 45-day ADM counts for FY 2019-20 are not yet available. Once these are released, we will review the data and make adjustments to these estimates if necessary.

If we may be of further assistance, please advise.

Sincerely,



Frank A. Rainwater
Executive Director

FAR/lpw

cc: Mr. Brian Gaines, Director, Executive Budget Office
Mr. Jake Scoggins, Budget Analyst, Executive Budget Office



EDWARD B. GRIMBALL, Chairman
HOWELL CLYBORNE, JR.
EMERSON F. GOWER, JR.

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

FRANK A. RAINWATER
Executive Director

December 9, 2019

The Honorable Henry McMaster
Governor, State of South Carolina
First Floor, State House
Columbia, South Carolina 29201

Dear Governor McMaster:

This is in response to a request by staff for the estimated revenue impact of reducing all of the individual income tax rates over five years by a total of 1 percent each beginning in tax year 2020. These estimates reflect the November 8, 2019, forecast by the Board of Economic Advisors and are based on our long-range expectations for personal income growth.

We estimate the impact on individual income tax revenue from lowering the individual income tax rates by 0.2 percent each year for five years based upon individual income tax return data for 2018. By tax year 2024, the last year of the proposed rate reduction, the tax rates will be lowered by 1 percent to 0 percent, 2 percent, 3 percent, 4 percent, 5 percent, and 6 percent, respectively. The projected individual income tax reduction by tax year is included in the attached detailed tables by taxable income range.

We anticipate that taxpayers who file estimated tax payments will begin reducing their quarterly declarations in response to the tax reduction. As such, 5.25 percent of the total tax year impact is recognized in the prior fiscal year for the first two calendar quarters of reduced estimated tax payments, and the remaining impact is reflected in the next fiscal year through the remaining reduced payments and higher refunds. The projected General Fund impact on a fiscal year basis is provided in the table below based upon these assumptions. The fiscal year estimates in later years most likely will vary from the estimates provided below if withholdings tables are adjusted to reflect the overall decrease in tax liability or taxpayer behavior changes further in response to the tax reduction.

The Honorable Henry McMaster

December 9, 2019

Page 2

Fiscal Year	General Fund Individual Income Tax Revenue	Annual Additional General Fund Individual Income Tax Revenue
FY 2019-20	(\$7,978,000)	(\$7,978,000)
FY 2020-21	(\$160,668,000)	(\$152,690,000)
FY 2021-22	(\$327,205,000)	(\$166,537,000)
FY 2022-23	(\$508,464,000)	(\$181,259,000)
FY 2023-24	(\$705,584,000)	(\$197,120,000)
FY 2024-25	(\$859,687,000)	(\$154,103,000)

Please be advised, this estimate affects the current fiscal year, and the FY 2019-20 reduction currently is not reflected in the FY 2020-21 revenue base. As such, the General Fund revenue impact on the budget for FY 2020-21 will be the cumulative total reduction of \$160,668,000. Once this proposal is fully implemented, General Fund individual income tax revenue will be reduced by a total of \$859,687,000 in FY 2024-25.

If we may be of any further assistance, please advise.

Sincerely,



Frank A. Rainwater
Executive Director

FAR/lhj

Enclosures: 5

cc: Mr. Kevin Etheridge, Executive Budget Office

ESTIMATED TAX YEAR 2020 INDIVIDUAL INCOME TAX IMPACT

Proposal: Reduce all rates by 0.20% to 0%, 2.80%, 3.80%, 4.80%, 5.80%, and 6.80% with brackets unchanged.

With these brackets and rates, 100.0% of returns have a lower or unchanged liability and the General Fund impact is (\$ 151,965,000).

Estimated Taxable Income Range	Current Tax Structure					Estimate of Tax Year Impact		
	Projected # of Returns 2020	Cumulative # of Returns	Cumulative % of Returns	Projected Average Taxable Income 2020	Average Tax Liability 2020	Proposed Average Tax Liability 2020	Average Tax Increase/ (Decrease) 2020	Total Dollar Increase/ (Decrease) 2020
col 1	col 2 (/a)	col 3	col 4	col 5 (/b)	col 6	col 7	col 8	col 9
0	881,334	881,334	35.70%	\$0	\$0	\$0	\$0	\$0
1-5,000	233,433	1,114,768	45.15%	\$2,409	\$0	\$0	\$0	(\$184,790)
5,000-10,000	172,798	1,287,565	52.15%	\$7,884	\$162	\$152	(\$10)	(\$1,663,740)
10,000-20,000	273,155	1,560,721	63.22%	\$15,627	\$572	\$547	(\$26)	(\$6,860,267)
20,000-30,000	202,125	1,762,845	71.41%	\$26,263	\$1,317	\$1,270	(\$47)	(\$9,375,732)
30,000-40,000	149,938	1,912,784	77.48%	\$36,887	\$2,060	\$1,993	(\$68)	(\$10,141,075)
40,000-50,000	111,834	2,024,617	82.01%	\$47,511	\$2,804	\$2,715	(\$89)	(\$9,940,039)
50,000-60,000	84,664	2,109,281	85.44%	\$58,164	\$3,550	\$3,439	(\$111)	(\$9,328,882)
60,000-70,000	66,451	2,175,732	88.13%	\$68,789	\$4,293	\$4,162	(\$132)	(\$8,734,233)
70,000-80,000	52,898	2,228,630	90.27%	\$79,380	\$5,035	\$4,882	(\$153)	(\$8,073,279)
80,000-90,000	41,720	2,270,351	91.96%	\$89,999	\$5,778	\$5,604	(\$174)	(\$7,253,393)
90,000-100,000	32,445	2,302,796	93.28%	\$100,632	\$6,522	\$6,327	(\$196)	(\$6,330,867)
100,000-125,000	55,721	2,358,517	95.53%	\$118,223	\$7,754	\$7,523	(\$231)	(\$12,832,921)
125,000-150,000	32,456	2,390,973	96.85%	\$144,856	\$9,618	\$9,334	(\$284)	(\$9,203,499)
150,000-175,000	20,449	2,411,421	97.68%	\$171,500	\$11,483	\$11,146	(\$337)	(\$6,888,367)
175,000-200,000	13,208	2,424,629	98.21%	\$198,227	\$13,354	\$12,964	(\$391)	(\$5,155,248)
200,000-250,000	15,437	2,440,066	98.84%	\$235,897	\$15,991	\$15,525	(\$466)	(\$7,188,349)
250,000-300,000	8,650	2,448,717	99.19%	\$289,324	\$19,731	\$19,158	(\$573)	(\$4,952,307)
300,000-400,000	8,517	2,457,233	99.53%	\$364,033	\$24,960	\$24,238	(\$722)	(\$6,148,288)
400,000-500,000	4,019	2,461,252	99.69%	\$472,353	\$32,543	\$31,604	(\$939)	(\$3,771,967)
500,000- \$1M	5,494	2,466,745	99.92%	\$706,912	\$48,962	\$47,554	(\$1,408)	(\$7,733,187)
\$1 M +	2,043	2,468,788	100.00%	\$2,501,050	\$174,552	\$169,556	(\$4,996)	(\$10,204,721)
Total	2,468,788			\$32,651	\$1,764	\$1,705	(\$59)	(\$151,965,000)

2020 Current Tax Brackets

0.00% \$0 to 3,070
3.00% \$3,070 to 6,140
4.00% \$6,140 to 9,210
5.00% \$9,210 to 12,280
6.00% \$12,280 to 15,350
7.00% Over \$15,350

Proposed Tax Brackets

0.00% \$0 to 3,070
2.80% \$3,070 to 6,140
3.80% \$6,140 to 9,210
4.80% \$9,210 to 12,280
5.80% \$12,280 to 15,350
6.80% Over \$15,350

Columns may not add to totals due to rounding

/a 2018 Base Year Grown by 1.8% per year.

/b 2018 Base Year Taxable Income Grown by 5.25% for '19, 4.5% thereafter.

ESTIMATED TAX YEAR 2021 INDIVIDUAL INCOME TAX IMPACT

Proposal: Reduce all rates by 0.40% to 0%, 2.60%, 3.60%, 4.60%, 5.60%, and 6.60% with brackets unchanged.

With these brackets and rates, 100.0% of returns have a lower or unchanged liability and the General Fund impact is (\$ 317,732,000).

Estimated Taxable Income Range	Current Tax Structure					Estimate of Tax Year Impact		
	Projected # of Returns 2021	Cumulative # of Returns	Cumulative % of Returns	Projected Average Taxable Income 2021	Average Tax Liability 2021	Proposed Average Tax Liability 2021	Average Tax Increase/ (Decrease) 2021	Total Dollar Increase/ (Decrease) 2021
col 1	col 2 (/a)	col 3	col 4	col 5 (/b)	col 6	col 7	col 8	col 9
0	897,199	897,199	35.70%	\$0	\$0	\$0	\$0	\$0
1-5,000	237,635	1,134,833	45.15%	\$2,473	\$0	\$0	\$0	(\$393,193)
5,000-10,000	175,908	1,310,741	52.15%	\$8,093	\$167	\$147	(\$20)	(\$3,492,291)
10,000-20,000	278,072	1,588,813	63.22%	\$16,042	\$591	\$539	(\$52)	(\$14,361,787)
20,000-30,000	205,763	1,794,576	71.41%	\$26,960	\$1,355	\$1,260	(\$96)	(\$19,612,913)
30,000-40,000	152,637	1,947,214	77.48%	\$37,866	\$2,119	\$1,980	(\$139)	(\$21,207,928)
40,000-50,000	113,847	2,061,061	82.01%	\$48,771	\$2,882	\$2,699	(\$183)	(\$20,784,438)
50,000-60,000	86,187	2,147,248	85.44%	\$59,707	\$3,647	\$3,421	(\$227)	(\$19,504,749)
60,000-70,000	67,647	2,214,895	88.13%	\$70,614	\$4,411	\$4,141	(\$270)	(\$18,260,343)
70,000-80,000	53,850	2,268,746	90.27%	\$81,485	\$5,172	\$4,858	(\$314)	(\$16,877,768)
80,000-90,000	42,471	2,311,217	91.96%	\$92,386	\$5,935	\$5,578	(\$358)	(\$15,163,231)
90,000-100,000	33,029	2,344,246	93.28%	\$103,301	\$6,699	\$6,298	(\$401)	(\$13,234,343)
100,000-125,000	56,724	2,400,970	95.53%	\$121,359	\$7,963	\$7,490	(\$473)	(\$26,825,667)
125,000-150,000	33,040	2,434,010	96.85%	\$148,698	\$9,877	\$9,294	(\$583)	(\$19,238,143)
150,000-175,000	20,817	2,454,827	97.68%	\$176,049	\$11,791	\$11,100	(\$692)	(\$14,398,472)
175,000-200,000	13,446	2,468,273	98.21%	\$203,484	\$13,712	\$12,910	(\$802)	(\$10,775,620)
200,000-250,000	15,715	2,483,988	98.84%	\$242,154	\$16,419	\$15,463	(\$957)	(\$15,024,997)
250,000-300,000	8,806	2,492,793	99.19%	\$296,998	\$20,258	\$19,082	(\$1,176)	(\$10,351,076)
300,000-400,000	8,670	2,501,463	99.53%	\$373,688	\$25,626	\$24,144	(\$1,483)	(\$12,850,664)
400,000-500,000	4,091	2,505,554	99.69%	\$484,881	\$33,410	\$31,483	(\$1,928)	(\$7,883,762)
500,000- \$1M	5,592	2,511,147	99.92%	\$725,661	\$50,264	\$47,374	(\$2,891)	(\$16,162,841)
\$1 M +	2,079	2,513,226	100.00%	\$2,567,384	\$179,185	\$168,928	(\$10,258)	(\$21,328,046)
Total	2,513,226			\$33,517	\$1,814	\$1,693	(\$122)	(\$317,732,000)

2021 Current Tax Brackets

0.00% \$0 to 3,130
3.00% \$3,130 to 6,260
4.00% \$6,260 to 9,390
5.00% \$9,390 to 12,520
6.00% \$12,520 to 15,650
7.00% Over \$15,650

Proposed Tax Brackets

0.00% \$0 to 3,130
2.60% \$3,130 to 6,260
3.60% \$6,260 to 9,390
4.60% \$9,390 to 12,520
5.60% \$12,520 to 15,650
6.60% Over \$15,650

Columns may not add to totals due to rounding

/a 2018 Base Year Grown by 1.8% per year.

/b 2018 Base Year Taxable Income Grown by 5.25% for '19, 4.5% thereafter.

ESTIMATED TAX YEAR 2022 INDIVIDUAL INCOME TAX IMPACT

Proposal: Reduce all rates by 0.60% to 0%, 2.40%, 3.40%, 4.40%, 5.40%, and 6.40% with brackets unchanged.

With these brackets and rates, 100.0% of returns have a lower or unchanged liability and the General Fund impact is (\$ 498,161,000).

Estimated Taxable Income Range	Current Tax Structure					Estimate of Tax Year Impact		
	Projected # of Returns 2022	Cumulative # of Returns	Cumulative % of Returns	Projected Average Taxable Income 2022	Average Tax Liability 2022	Proposed Average Tax Liability 2022	Average Tax Increase/ (Decrease) 2022	Total Dollar Increase/ (Decrease) 2022
col 1	col 2 (/a)	col 3	col 4	col 5 (/b)	col 6	col 7	col 8	col 9
0	913,348	913,348	35.70%	\$0	\$0	\$0	\$0	\$0
1-5,000	241,912	1,155,260	45.15%	\$2,538	\$0	\$0	\$0	(\$622,807)
5,000-10,000	179,074	1,334,335	52.15%	\$8,308	\$172	\$142	(\$31)	(\$5,488,150)
10,000-20,000	283,077	1,617,412	63.22%	\$16,467	\$609	\$529	(\$80)	(\$22,534,208)
20,000-30,000	209,467	1,826,879	71.41%	\$27,675	\$1,393	\$1,246	(\$147)	(\$30,759,599)
30,000-40,000	155,385	1,982,264	77.48%	\$38,870	\$2,177	\$1,963	(\$215)	(\$33,255,561)
40,000-50,000	115,896	2,098,160	82.01%	\$50,065	\$2,961	\$2,679	(\$282)	(\$32,588,657)
50,000-60,000	87,739	2,185,899	85.44%	\$61,290	\$3,746	\$3,398	(\$349)	(\$30,580,545)
60,000-70,000	68,865	2,254,763	88.13%	\$72,487	\$4,530	\$4,114	(\$416)	(\$28,628,466)
70,000-80,000	54,820	2,309,583	90.27%	\$83,646	\$5,311	\$4,829	(\$483)	(\$26,460,183)
80,000-90,000	43,236	2,352,819	91.96%	\$94,836	\$6,095	\$5,545	(\$550)	(\$23,771,741)
90,000-100,000	33,624	2,386,443	93.28%	\$106,041	\$6,879	\$6,262	(\$618)	(\$20,747,459)
100,000-125,000	57,745	2,444,188	95.53%	\$124,578	\$8,176	\$7,448	(\$729)	(\$42,053,742)
125,000-150,000	33,635	2,477,822	96.85%	\$152,642	\$10,141	\$9,244	(\$897)	(\$30,158,417)
150,000-175,000	21,192	2,499,014	97.68%	\$180,718	\$12,106	\$11,041	(\$1,066)	(\$22,571,260)
175,000-200,000	13,688	2,512,701	98.21%	\$208,881	\$14,078	\$12,844	(\$1,235)	(\$16,891,853)
200,000-250,000	15,998	2,528,699	98.84%	\$248,576	\$16,856	\$15,384	(\$1,473)	(\$23,552,932)
250,000-300,000	8,964	2,537,664	99.19%	\$304,875	\$20,797	\$18,987	(\$1,811)	(\$16,226,012)
300,000-400,000	8,826	2,546,490	99.53%	\$383,599	\$26,308	\$24,026	(\$2,283)	(\$20,144,106)
400,000-500,000	4,165	2,550,654	99.69%	\$497,741	\$34,298	\$31,331	(\$2,968)	(\$12,358,121)
500,000- \$1M	5,693	2,556,347	99.92%	\$744,908	\$51,600	\$47,149	(\$4,451)	(\$25,335,698)
\$1 M +	2,117	2,558,464	100.00%	\$2,635,478	\$183,939	\$168,146	(\$15,794)	(\$33,431,877)
Total	2,558,464			\$34,406	\$1,864	\$1,677	(\$187)	(\$498,161,000)

2022 Current Tax Brackets

0.00% \$0 to 3,200
3.00% \$3,200 to 6,400
4.00% \$6,400 to 9,600
5.00% \$9,600 to 12,800
6.00% \$12,800 to 16,000
7.00% Over \$16,000

Proposed Tax Brackets

0.00% \$0 to 3,200
2.40% \$3,200 to 6,400
3.40% \$6,400 to 9,600
4.40% \$9,600 to 12,800
5.40% \$12,800 to 16,000
6.40% Over \$16,000

Columns may not add to totals due to rounding

/a 2018 Base Year Grown by 1.8% per year.

/b 2018 Base Year Taxable Income Grown by 5.25% for '19, 4.5% thereafter.

ESTIMATED TAX YEAR 2023 INDIVIDUAL INCOME TAX IMPACT

Proposal: Reduce all rates by 0.80% to 0%, 2.20%, 3.20%, 4.20%, 5.20%, and 6.20% with brackets unchanged.

With these brackets and rates, 100.0% of returns have a lower or unchanged liability and the General Fund impact is (\$ 694,406,000).

Estimated Taxable Income Range	Current Tax Structure					Estimate of Tax Year Impact		
	Projected # of Returns 2023	Cumulative # of Returns	Cumulative % of Returns	Projected Average Taxable Income 2023	Average Tax Liability 2023	Proposed Average Tax Liability 2023	Average Tax Increase/ (Decrease) 2023	Total Dollar Increase/ (Decrease) 2023
col 1	col 2 (/a)	col 3	col 4	col 5 (/b)	col 6	col 7	col 8	col 9
0	929,788	929,788	35.70%	\$0	\$0	\$0	\$0	\$0
1-5,000	246,267	1,176,055	45.15%	\$2,606	\$0	\$0	\$0	(\$884,578)
5,000-10,000	182,298	1,358,353	52.15%	\$8,528	\$178	\$136	(\$43)	(\$7,683,096)
10,000-20,000	288,173	1,646,526	63.22%	\$16,904	\$629	\$520	(\$110)	(\$31,455,004)
20,000-30,000	213,237	1,859,763	71.41%	\$28,409	\$1,434	\$1,233	(\$202)	(\$42,900,805)
30,000-40,000	158,182	2,017,944	77.48%	\$39,901	\$2,239	\$1,946	(\$294)	(\$46,367,557)
40,000-50,000	117,982	2,135,927	82.01%	\$51,393	\$3,043	\$2,658	(\$386)	(\$45,430,338)
50,000-60,000	89,318	2,225,245	85.44%	\$62,916	\$3,850	\$3,373	(\$478)	(\$42,626,666)
60,000-70,000	70,105	2,295,349	88.13%	\$74,409	\$4,654	\$4,085	(\$570)	(\$39,902,946)
70,000-80,000	55,806	2,351,156	90.27%	\$85,865	\$5,456	\$4,795	(\$661)	(\$36,878,959)
80,000-90,000	44,014	2,395,170	91.96%	\$97,351	\$6,260	\$5,508	(\$753)	(\$33,130,717)
90,000-100,000	34,229	2,429,399	93.28%	\$108,854	\$7,066	\$6,221	(\$845)	(\$28,914,937)
100,000-125,000	58,784	2,488,183	95.53%	\$127,882	\$8,398	\$7,401	(\$997)	(\$58,606,578)
125,000-150,000	34,240	2,522,423	96.85%	\$156,690	\$10,414	\$9,187	(\$1,228)	(\$42,027,540)
150,000-175,000	21,573	2,543,996	97.68%	\$185,511	\$12,432	\$10,974	(\$1,459)	(\$31,453,581)
175,000-200,000	13,934	2,557,930	98.21%	\$214,422	\$14,455	\$12,766	(\$1,690)	(\$23,538,754)
200,000-250,000	16,286	2,574,216	98.84%	\$255,169	\$17,308	\$15,292	(\$2,016)	(\$32,820,326)
250,000-300,000	9,126	2,583,342	99.19%	\$312,961	\$21,353	\$18,875	(\$2,478)	(\$22,610,059)
300,000-400,000	8,985	2,592,326	99.53%	\$393,773	\$27,010	\$23,886	(\$3,125)	(\$28,069,242)
400,000-500,000	4,240	2,596,566	99.69%	\$510,942	\$35,212	\$31,150	(\$4,062)	(\$17,219,826)
500,000- \$1M	5,796	2,602,362	99.92%	\$764,664	\$52,972	\$46,881	(\$6,092)	(\$35,302,226)
\$1 M +	2,155	2,604,517	100.00%	\$2,705,378	\$188,822	\$167,205	(\$21,617)	(\$46,582,177)
Total	2,604,517			\$35,319	\$1,918	\$1,662	(\$256)	(\$694,406,000)

2023 Current Tax Brackets

0.00% \$0 to 3,260
3.00% \$3,260 to 6,520
4.00% \$6,520 to 9,780
5.00% \$9,780 to 13,040
6.00% \$13,040 to 16,300
7.00% Over \$16,300

Proposed Tax Brackets

0.00% \$0 to 3,260
2.20% \$3,260 to 6,520
3.20% \$6,520 to 9,780
4.20% \$9,780 to 13,040
5.20% \$13,040 to 16,300
6.20% Over \$16,300

Columns may not add to totals due to rounding

/a 2018 Base Year Grown by 1.8% per year.

/b 2018 Base Year Taxable Income Grown by 5.25% for '19, 4.5% thereafter.

ESTIMATED TAX YEAR 2024 INDIVIDUAL INCOME TAX IMPACT

Proposal: Reduce all rates by 1.00% to 0%, 2.00%, 3.00%, 4.00%, 5.00%, and 6.00% with brackets unchanged.

With these brackets and rates, 100.0% of returns have a lower or unchanged liability and the General Fund impact is (\$ 907,321,000).

Estimated Taxable Income Range	Current Tax Structure					Estimate of Tax Year Impact		
	Projected # of Returns 2024	Cumulative # of Returns	Cumulative % of Returns	Projected Average Taxable Income 2024	Average Tax Liability 2024	Proposed Average Tax Liability 2024	Average Tax Increase/ (Decrease) 2024	Total Dollar Increase/ (Decrease) 2024
col 1	col 2 (/a)	col 3	col 4	col 5 (/b)	col 6	col 7	col 8	col 9
0	946,525	946,525	35.70%	\$0	\$0	\$0	\$0	\$0
1-5,000	250,699	1,197,224	45.15%	\$2,675	\$0	\$0	\$0	(\$1,169,631)
5,000-10,000	185,579	1,382,803	52.15%	\$8,754	\$184	\$129	(\$55)	(\$10,066,597)
10,000-20,000	293,360	1,676,163	63.22%	\$17,353	\$649	\$508	(\$141)	(\$41,136,397)
20,000-30,000	217,075	1,893,238	71.41%	\$29,162	\$1,475	\$1,217	(\$259)	(\$56,074,915)
30,000-40,000	161,029	2,054,267	77.48%	\$40,959	\$2,301	\$1,925	(\$377)	(\$60,594,133)
40,000-50,000	120,106	2,174,373	82.01%	\$52,756	\$3,127	\$2,633	(\$495)	(\$59,363,153)
50,000-60,000	90,926	2,265,299	85.44%	\$64,584	\$3,955	\$3,342	(\$613)	(\$55,696,052)
60,000-70,000	71,366	2,336,666	88.13%	\$76,383	\$4,781	\$4,050	(\$731)	(\$52,134,972)
70,000-80,000	56,811	2,393,476	90.27%	\$88,142	\$5,604	\$4,756	(\$849)	(\$48,182,493)
80,000-90,000	44,806	2,438,283	91.96%	\$99,933	\$6,429	\$5,463	(\$967)	(\$43,284,376)
90,000-100,000	34,845	2,473,128	93.28%	\$111,741	\$7,256	\$6,172	(\$1,085)	(\$37,775,874)
100,000-125,000	59,843	2,532,970	95.53%	\$131,273	\$8,623	\$7,344	(\$1,280)	(\$76,564,694)
125,000-150,000	34,856	2,567,827	96.85%	\$160,846	\$10,693	\$9,118	(\$1,576)	(\$54,904,213)
150,000-175,000	21,961	2,589,788	97.68%	\$190,431	\$12,764	\$10,893	(\$1,872)	(\$41,089,856)
175,000-200,000	14,185	2,603,973	98.21%	\$220,109	\$14,841	\$12,674	(\$2,168)	(\$30,749,833)
200,000-250,000	16,579	2,620,552	98.84%	\$261,937	\$17,770	\$15,183	(\$2,587)	(\$42,874,281)
250,000-300,000	9,290	2,629,842	99.19%	\$321,261	\$21,922	\$18,743	(\$3,180)	(\$29,535,919)
300,000-400,000	9,146	2,638,988	99.53%	\$404,217	\$27,729	\$23,720	(\$4,009)	(\$36,666,953)
400,000-500,000	4,316	2,643,304	99.69%	\$524,494	\$36,148	\$30,937	(\$5,212)	(\$22,494,109)
500,000- \$1M	5,900	2,649,204	99.92%	\$784,945	\$54,380	\$46,564	(\$7,817)	(\$46,114,504)
\$1 M +	2,194	2,651,398	100.00%	\$2,777,131	\$193,833	\$166,095	(\$27,739)	(\$60,848,331)
Total	2,651,398			\$36,256	\$1,972	\$1,643	(\$329)	(\$907,321,000)

2024 Current Tax Brackets

0.00% \$0 to 3,330
3.00% \$3,330 to 6,660
4.00% \$6,660 to 9,990
5.00% \$9,990 to 13,320
6.00% \$13,320 to 16,650
7.00% Over \$16,650

Proposed Tax Brackets

0.00% \$0 to 3,330
2.00% \$3,330 to 6,660
3.00% \$6,660 to 9,990
4.00% \$9,990 to 13,320
5.00% \$13,320 to 16,650
6.00% Over \$16,650

Columns may not add to totals due to rounding

/a 2018 Base Year Grown by 1.8% per year.

/b 2018 Base Year Taxable Income Grown by 5.25% for '19, 4.5% thereafter.



EDWARD B. GRIMBALL, Chairman
HOWELL CLYBORNE, JR.
EMERSON F. GOWER, JR.

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

FRANK A. RAINWATER
Executive Director

November 13, 2019

The Honorable Henry McMaster
Governor, State of South Carolina
First Floor, State House
Columbia, SC 29201

Dear Governor McMaster:

This letter is in response to a request by staff for the estimated revenue impact of a full deduction of military retirement income in tax year 2020. This proposal allows an individual taxpayer under age 65 who has military retirement income to deduct an equal amount of South Carolina earned income from taxable income. This proposal allows further that a taxpayer 65 and older who has military retirement income may deduct any military retirement income that is included in South Carolina taxable income.

Presently, Act 272 of 2016 provides an individual income tax deduction of up to \$17,500 of earned income for taxpayers under age 65 that receive military retirement income for tax year 2020. The deduction is equal to the amount of military retirement income, not to exceed \$17,500. When a taxpayer reaches age 65, the taxpayer may deduct up to \$30,000 of military retirement income. The military retirement deductions were phased-in beginning in tax year 2016 over a five-year period through tax year 2020. The estimated revenue impact in FY 2020-21 for these deductions totals \$19,563,645. The BEA revenue forecast for that fiscal year will reflect this reduction in General Fund individual income tax revenue.

The first row of the table below reports the estimated revenue impact of implementing Act 272 of 2016 and a full deduction of all military retirement income for taxpayers under age 65 in tax year 2020. We estimate that the individual income tax revenue impact of a fully implemented military retirement income deduction in FY 2020-21 will total \$17,935,130 for the estimated 19,625 taxpayers under age 65. The BEA has included a \$10,042,255 reduction in the individual income tax revenue forecast to implement Act 272 of 2016 through FY 2020-21. Therefore, the proposed complete deduction of the remaining military retirement for taxpayers under age 65 will reduce individual income tax revenue by an additional \$7,892,875 in FY 2020-21.

The second row of the table below reports the estimated revenue impact of implementing Act 272 of 2016 and a full deduction of all military retirement income for taxpayers age 65 and older in tax year 2020. We estimate that the individual income tax revenue impact of the fully implemented military retirement income deduction in FY 2020-21 will total \$10,810,130 for the estimated 18,906 eligible taxpayers. For these taxpayers age 65 and older, the BEA has included a \$9,521,390 reduction in the individual income tax revenue forecast to implement Act 272 of 2016 through FY 2020-21. Therefore, the proposed complete deduction of the remaining military retirement for taxpayers age 65 and older will reduce individual income tax revenue by an additional \$1,288,740 in FY 2020-21.

Combining the revenue impacts of the retirement income tax deduction for all military retirees results in an estimated total reduction in General Fund individual income tax revenue of \$28,745,260 in FY 2020-21 for the estimated 38,531 taxpayers. Of this total, the BEA has included a \$19,563,645 reduction in the individual income tax revenue forecast to implement Act 272 of 2016 through FY 2020-21. Therefore, the proposed complete deduction of all remaining military retirement income beginning in tax year 2020 will reduce General Fund individual income tax revenue by an additional \$9,181,615 in FY 2020-21.

**Estimated Number and Tax Revenue Reduction for
Military Retirees FY 2020-21**

Age of Military Retirees	Total Estimated Number of Active Duty Military Retirees	Total Tax Revenue Reduction from Full Deduction	Total Revenue Reduction from Act 272 of 2016	Additional Revenue Reduction from Full Military Retirement Deduction
Under Age 65	19,625	(\$17,935,130)	(\$10,042,255)	(\$7,892,875)
Age 65 and Older	18,906	(\$10,810,130)	(\$9,521,390)	(\$1,288,740)
Total	38,531	(\$28,745,260)	(\$19,563,645)	(\$9,181,615)

If we may be of further assistance, please advise.

Sincerely,



Frank A. Rainwater
Executive Director

FAR/gos

cc: Mr. Kevin Etheridge, Executive Budget Office



**SOUTH CAROLINA
REVENUE AND FISCAL AFFAIRS OFFICE**

EDWARD B. GRIMBALL, Chairman
HOWELL CLYBORNE, JR.
EMERSON F. GOWER, JR.

FRANK A. RAINWATER
Executive Director

November 14, 2019

The Honorable Henry McMaster
Governor, State of South Carolina
First Floor, State House
Columbia, SC 29201

Dear Governor McMaster:

This letter is in response to a request by staff for the estimated revenue impact of allowing a comprehensive deduction of police officers, peace officers, and firefighters' retirement income from individual income tax beginning in tax year 2020.

This analysis is based on data from the South Carolina Police Officers Retirement System (PORS). Membership in PORS includes police officers, peace officers, firefighters, coroners, magistrates, and probate judges. Police officers and firefighters must earn at least \$2,000 per year and devote at least 1,600 hours per year to this work. This revenue estimate includes all members of PORS, because the Public Employee Benefit Authority (PEBA) is unable to differentiate retirees by their previous occupations. Therefore, the estimated revenue impact may be over inclusive to your original request. In addition, this revenue estimate includes otherwise eligible police officers, peace officers, and firefighters' retirement income earned in other states and retirement income of South Carolina retirees who do not participate in PORS.

We estimate that this proposal would reduce General Fund individual income tax revenue by \$9,351,000 in FY 2020-21.

The following is a detailed revenue impact analysis of the proposed protective services retirement income deduction. Since current statutes allow various amounts of retirement income deductions by taxpayers depending on their age, we use PORS data to segregate these taxpayers into two categories: age 65 and older and under age 65. Currently, taxpayers age 65 and older may deduct income of up to \$15,000 per year, while taxpayers under age 65 may deduct retirement income of up to \$3,000 per year.

The latest available year of PORS data is for FY 2017-18. From this data, we estimate the number of retirees and their retirement benefits for tax year 2020, or FY 2020-21, by applying a growth rate of approximately 5.3% per year to the FY 2017-18 data, as advised by the PORS consulting actuary. We estimate the number of additional retirees not covered by PORS by calculating the percentage of protective service providers in South Carolina for ages 18 to 60 from Census Bureau data and applying that percentage to the South Carolina population aged 60 and over. This adds approximately 12.4 percent more retirees and retirement benefits to the analysis above the number of retirees and retirement benefits reported by PORS.

PORS data is adjusted further for retirement benefits paid to disabled retirees because income from a total and permanent disability is deductible under current statutes in South Carolina. To account for this already exempt retirement income, we reduce the amount of estimated retirement benefits by 6.1 percent. This reduction is derived from PORS data indicating that approximately 15.3 percent of all retirement benefits in FY 2016-17 were disbursed to disabled retirees. Additionally, PORS' actuarial consultant estimates that 40 percent of disabled retirees would be classified as totally and permanently disabled. The product of these two estimates results in a 6.1 percent reduction in total retirement benefits.

The enclosed tables report the revenue impact by retirees under age 65, age 65 and older, and in total. For example, we expect that 11,000 protective service retirees under age 65 in FY 2020-21 will have \$263,812,000 in retirement income. This represents approximately \$23,993 in average annual retirement income. Current law allows these retirees to deduct up to \$3,000 of retirement income. We estimate that the remaining \$230,812,000 in taxable retirement benefits at an average tax rate of 3.5 percent would generate \$8,078,000 in individual income tax in FY 2020-21.

For eligible protective services retirees age 65 and older, we expect that 10,800 retirees in FY 2020-21 will have \$205,022,000 in retirement income. This represents approximately \$18,990 in average annual retirement income. Current law allows these retirees to deduct up to \$15,000 of retirement income. We estimate that the remaining \$43,022,000 in taxable retirement benefits at an average tax rate of 2.96 percent would generate \$1,273,000 in individual income tax in FY 2020-21.

Combining the revenue impacts of the proposed protective services retirement income deduction for both age groups results in an estimated reduction in General Fund individual income tax revenue of \$9,351,000 in FY 2020-21.

The Honorable Henry McMaster
November 14, 2019
Page 3

If we may be of further assistance, please advise.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank A. Rainwater". The signature is fluid and cursive, with the first name "Frank" and last name "Rainwater" clearly distinguishable.

Frank A. Rainwater
Executive Director

FAR/gos

Enclosure: 1

cc: Mr. Kevin Etheridge, Executive Budget Office

Estimated Number of Retirees Under Age 65 Eligible for the Proposed Retirement Deduction

Estimated Protective Services Retirement Benefit Payments	Estimated Number of Retirees	Estimated Annual Protective Services Retirement Benefits	Estimated Average Protective Services Retirement Benefit	Estimated Annual Protective Services Retirement Benefits Deducted Under Current Law, Maximum \$3,000	Estimated Remaining Protective Services Retirement Income	Estimated Tax on Remaining Protective Service Retirement Income
FY 2015-16	9,746	\$216,630,000	\$22,229	\$29,236,616	\$187,393,384	\$6,558,768
FY 2016-17	9,887	\$222,518,000	\$22,506	\$29,660,525	\$192,857,475	\$6,750,012
FY 2017-18	9,912	\$226,792,000	\$22,880	\$29,737,000	\$197,055,000	\$6,897,000
FY 2018-19e	10,260	\$240,582,000	\$23,446	\$30,780,000	\$209,802,000	\$7,343,000
FY 2019-20e	10,620	\$252,188,000	\$23,742	\$31,860,000	\$220,328,000	\$7,711,000
FY 2020-21e	11,000	\$263,812,000	\$23,993	\$33,000,000	\$230,812,000	\$8,078,000

Estimated Number of Retirees Age 65 and Older Eligible for the Proposed Retirement Deduction

Estimated Protective Services Retirement Benefit Payments	Estimated Number of Retirees	Estimated Annual Protective Services Retirement Benefits	Estimated Average Protective Services Retirement Benefit	Estimated Annual Protective Services Retirement Benefits Deducted Under Current Law, Maximum \$3,000	Estimated Remaining Protective Services Retirement Income	Estimated Tax on Remaining Protective Service Retirement Income
FY 2015-16	8,622	\$150,833,719	\$17,495	\$129,322,757	\$21,510,963	\$636,724
FY 2016-17	9,117	\$161,993,685	\$17,769	\$136,749,054	\$25,244,631	\$747,241
FY 2017-18	9,730	\$176,252,451	\$18,109	\$145,950,000	\$30,302,451	\$897,000
FY 2018-19e	10,080	\$186,970,000	\$18,557	\$151,200,000	\$35,770,000	\$1,059,000
FY 2019-20e	10,430	\$195,989,000	\$18,792	\$156,450,000	\$39,539,000	\$1,170,000
FY 2020-21e	10,800	\$205,022,000	\$18,990	\$162,000,000	\$43,022,000	\$1,273,000

Estimated Total Number of Retirees Eligible for the Proposed Retirement Deduction

Estimated Protective Services Retirement Benefit Payments	Estimated Number of Retirees	Estimated Annual Protective Services Retirement Benefits	Estimated Average Protective Services Retirement Benefit	Estimated Annual Protective Services Retirement Benefits Deducted Under Current Law, Maximum \$3,000	Estimated Remaining Protective Services Retirement Income	Estimated Tax on Remaining Protective Service Retirement Income
FY 2015-16	18,367	367,463,719	\$20,007	158,559,373	208,904,347	7,195,493
FY 2016-17	19,003	384,511,685	\$20,234	166,409,579	218,102,106	7,497,253
FY 2017-18	19,642	403,044,451	\$20,519	175,687,000	227,357,451	7,794,000
FY 2018-19e	20,340	427,552,000	\$21,020	181,980,000	245,572,000	8,402,000
FY 2019-20e	21,050	448,177,000	\$21,291	188,310,000	259,867,000	8,881,000
FY 2020-21e	21,800	468,834,000	\$21,506	195,000,000	273,834,000	9,351,000

Source: Police Officers Retirement System Actuarial Valuation Report, various years. US Census Bureau Annual Estimates of the Resident Population for Selected Age Groups for South Carolina, July 1, 2016. All calculations and estimates are by RFA staff.