

WAYS AND MEANS COMMITTEE BUDGET SUMMARY

FISCAL YEAR 2016-17
GENERAL APPROPRIATIONS BILL & CAPITAL RESERVE FUND

HOUSE BRIEFINGS



Available Recurring Dollars

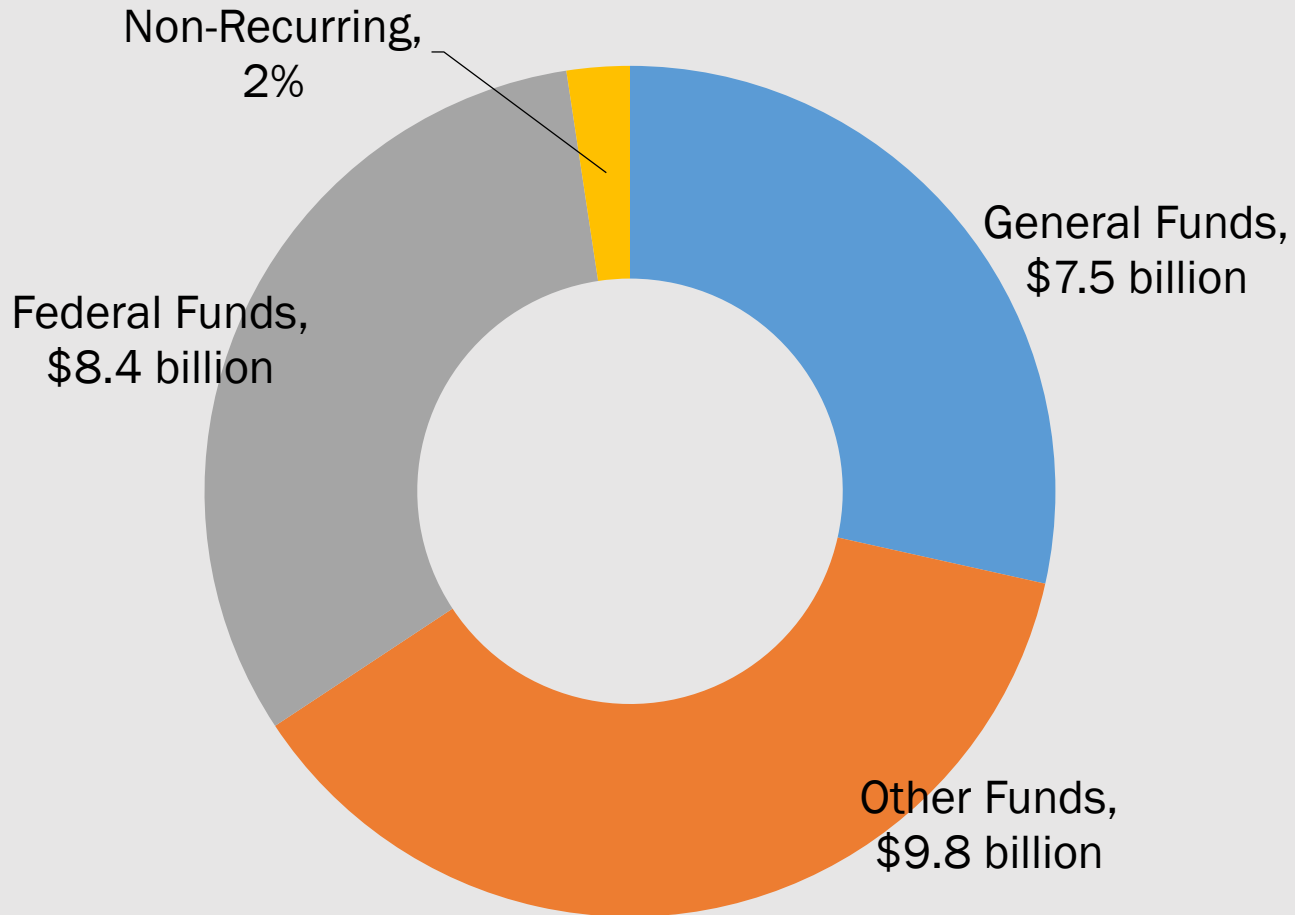
<u>Source</u>	
<i>FY 14-15 Growth Exceeding the BEA Estimate</i>	\$131 million
<i>FY 15-16 Recurring Funds spent on Non-Recurring Items</i>	\$204 million
<i>FY 15-16 Projected Growth for the current fiscal year</i>	\$52 million
<i>FY 16-17 “New Growth” for next year</i>	\$380 million
<i>Total</i>	\$767 million

New Non-recurring Dollars

<u>Source</u>	
<i>Contingency Reserve Fund</i>	\$87 million
<i>BEA Certified Surplus</i>	\$240 million
<i>Litigation Recovery Account</i>	\$139 million
<i>Capital Reserve Fund</i>	\$131 million
<i>Total</i>	\$597 million

2016-17 Total Budget

\$26.2 billion



4 Budget Themes

**Addressing
Abbeville**

**Fixing Our
Roads**

**Flood
Recovery**

**Conservative
Budgeting**

Addressing Abbeville

- **\$218 million** to increase the Base Student Cost by \$130 to \$2,350 per pupil.
- **\$8.2 million** to expand the Rural Teacher Initiative addressing persistent recruitment and retention challenges in rural and underserved districts.
- **\$19.2 million** to reimburse school districts' expenses for bus driver pay to address bus driver shortages and reduce student ride times.
- **\$16.8 million** in Technology Technical Assistance to provide technology upgrades in the plaintiff districts in order to prepare for online testing and increase access.
- **\$3.1 million** to pay for efficiency studies in all plaintiff school districts.

Fixing Our Roads

- **\$185 million** for the CTCs for paving, rehabilitation, resurfacing, and/or reconstruction, and bridge repair of state-owned secondary roads.
- **\$49 million** to DOT for road repair costs associated with the 2015 flood.
- **\$65.68 million** from motor vehicle sales tax to leverage approximately **\$650 million** in bonds to finance bridge replacement, resurfacing and rehabilitation projects, and expansion and improvements to existing mainline interstates.

Total - \$300 million for Roads

- *Since FY 13-14 and including this budget, the General Assembly has spent \$1.148 billion of general fund dollars on roads and bridges.*

Flood Recovery

- **\$72 million** for the state's cost share of FEMA-eligible recovery work, which is 100% of the state and local FEMA Public Assistance match requirement.
- **\$40 million** for Beach Renourishment, which is 100% of the state's cost share for all public beaches.
- **\$40 million** for the SC Farm Aid Fund (H. 4717) to provide grants to farmers who suffered catastrophic loss due to the flood.

Conservative Budgeting

- **\$130 million** set aside for new Tax Relief. The total tax relief in this budget is over **\$700 million**.
- Paid for a .5% increase in employer contributions for employees in the SC Retirement System and the Police Officers Retirement System to begin to address the multibillion dollar pension liability.
- **\$28 million** to fully fund Constitutional Reserve Funds
 - *Total Reserve funds - \$487 million*
- **\$142 million** to change the practice of using one-time money to pay for recurring expenses.
- Required the treasurer to use excess debt service to pay down high-interest debt, reduce constrained debt capacity, or decrease the amount of debt issued.

Ways and Means Budget Plan

	Total Funds:	<u>\$1,300,000,000</u>
Tax Relief		\$130,000,000
Road Funding		\$300,000,000
Flood Costs and Recovery		\$140,000,000
Pension Rehabilitation & Employee Benefits		\$61,486,594
DHHS Annualizations		\$129,416,874
Abbeville/K-12 Education		\$258,341,876
Constitutional Reserve Funds		\$28,559,973
	Total:	\$1,047,485,317
Remaining funding for State Operations:		\$252,514,683

Statewide Items

■ Employee Benefits:

- **\$26 million** to cover 100% of the state employee health and dental insurance increases so employees will have no additional monthly premium cost.
- **\$16.2 million** to pay for a 1% pay increase for state employees.

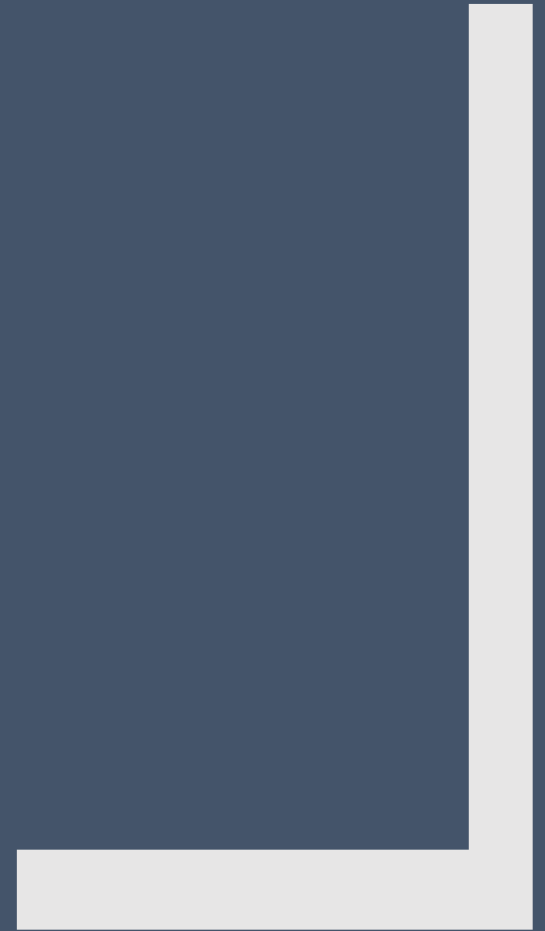
■ Local Government Fund:

- **\$12.5 million** of recurring dollars to make the LGF 100% recurring money. Total funding will remain at \$212.5 million.

■ Statewide IT Disaster Recovery Plan:

- **\$9.6 million** to DOA to implement Disaster Recovery Plan for all state agencies.

SUBCOMMITTEE BUDGET AREAS



K-12 Education

- A 2% pay increase for teachers on top of the STEP increase and an increase in the state salary schedule to 23 years.
- **\$20 million** for new buses to work towards a 15-year replacement cycle
 - 51% of buses are 15 years old+
- **\$10 million** for the Education and Economic Development Act (EEDA) to fund 213 new career specialists.
- **\$3.5 million** to reduce school districts' costs providing transportation services to students who would otherwise have to walk in hazardous conditions.
- **\$1.1 million** for the Virtual SC program, which serves over 40,000 students to include 18 new teachers for online courses.
- **\$18 million** for Instructional Materials and **\$29.3 million** for the K-12 Technology Initiative in the Lottery.

K-12 Education

- **\$3 million** in the Lottery for College and Career Readiness to provide districts in need with instructional leadership and standards based on curriculum support.
- **\$13 million** for SC Public Charter Schools student growth.
- **\$2.5 million** in technical assistance funds to provide support to the department for schools and districts performing below expectations.
- **\$1 million** for Full Day 4K Instructional Cost increases for public and private providers.
- **\$3 million** for Mobile Device Access and Management to fund high-speed mobile internet service for students that do not have such internet services at home and are participating in a course of study that requires such access.

Higher Education

■ Scholarships:

- Fully funded Life, HOPE and Palmetto Fellows Scholarships through the Lottery.
- Increased tuition grants by \$100 per student, which makes the maximum grant \$3,100. Tuition grants provide need-based assistance to students attending eligible independent non-profit in-state colleges.
- **\$5 million** for Workforce Scholarships to provide grants for tuition, fees, transportation, or textbook expenses to SC residents enrolled in a career education program at a technical school or professional certification program.

■ Colleges and Universities:

- **\$20.2 million** in recurring increases for colleges and universities.
- Forgives S.C. State's \$12 million state loan over three years, provided it reaches certain benchmarks of progress.

Higher Education

- Technical Colleges:

- **\$13.5 million** for the successful ReadySC job training program, which provides customized training for new and expanding business and industry.
- **\$77.4 million** for capital facility needs and **\$8 million** in system-wide recurring increases to address the looming workforce crisis and the demand for highly skilled workers trained in STEM and other high-demand fields.
- **\$20 million** for up-to-date equipment for training in STEM, manufacturing, and healthcare industries that students will see in the modern workplace.

Healthcare

■ Health and Human Services - Medicaid Budget:

- **\$129 million** in the first of a two-year effort to address annualized funding from reserves that have been used to cover the Medicaid Maintenance of Effort, which still requires the agency to spend about \$79 million its from reserves.
- Continued funding for the Healthy Outcomes Proviso, serving nearly 14,000 high-utilizers of emergency rooms and/or inpatient services through coordination with all Medicaid-designated hospitals, 70 primary care safety net providers, and 3 behavioral health clinics state-wide.

■ Health and Human Services - Rural Health Initiative & Telemedicine:

- **\$6 million** to partner with the USC School of Medicine to develop a strategic plan for addressing medically underserved communities in the rural areas of the state.
- Aimed at supporting and developing medical education in rural areas through rural residency placements and infrastructure improvements.
- **\$10 million** through HOP and **\$2 million** in recurring for Telemedicine.

Healthcare

■ Other Health Agencies:

- DSS - **\$15 million** for increased recruitment and retention of new caseworkers, development of the Child Support System, increased rates for foster and kinship care, and funding for Criminal Domestic Violence shelters statewide.
- DHEC - **\$13 million** for fully funding the Dam Safety Inspection program, monthly water quality monitoring, replacement of the health records data center, electronic medical record compliance, continued TB control and an EMS Stroke Act coordinator position.
- DMH - **\$11 million** for the Sexually Violent Predator Program, state nursing homes, forensic, inpatient and school-based services, and crisis stabilization units.
- DDSN - **\$10 million** to decrease the agency's waiting lists for services, transition clients to community-based services, provide respite beds and crisis intervention beds, and additional funds for enhanced research through the Greenwood Genetic Center, including blood testing for autism.
- DAODAS - **\$1.75 million** in recurring funds to implement prescription drug treatment recommendations from the Governor's Prescription Drug Abuse Prevention Council, and **\$3 million** in non-recurring for part one of a three year plan to improve behavioral health facilities.

Economic Dev. & Natural Resources

- Department of Commerce:

- **\$17 million** for the Deal Closing Fund to build on recent successes in recruiting new jobs and industry and return the fund to levels funded in recent years.
- **\$5.4 million** for Locate SC to continue to develop depleted suitable inventory for potential business relocation prospects.
- **\$500,000** for the Office of Innovation to support the state's high-tech and high-growth industry outlined in the SC Innovation Plan.

- Rural Infrastructure Authority - **\$1.5 million** increase for the water/sewer quality loan fund to provide basic infrastructure and economic development opportunities to more areas.

- Department of Agriculture - **\$1 million** for consumer protection equipment and **\$500,000** to expand Agriculture's "Certified SC" program.

Economic Dev. & Natural Resources

- Clemson PSA:
 - **\$2 million** to enhance and improve Agriculture and Natural Resources Programs and Facilities.
 - **\$750,000** for Animal and Infectious Disease Prevention personnel and operations.

- Forestry Commission - **\$320,000** for additional firefighters and **\$1 million** for firefighting equipment.

- Department of Revenue:
 - **\$3 million** for the final phase of the new tax processing system.
 - **\$1 million** for a year extension of the Identity Theft and Consumer Protection Services offered to citizens in the aftermath of the security breach.

Law Enforcement

- Prosecution Coordination Commission - **\$7.8 million** for new prosecutors to reduce and equalize caseloads across all 16 circuits and **\$6.2 million** for 83 additional public defenders through the Commission of Indigent Defense.
- SLED - **\$3.1 million** to complete vehicle rotation and **\$10 million** non-recurring for a forensic building expansion.
- Attorney General - **\$1 million** for retention funding and **\$900,000** for internet crimes against children and violent/sex crimes prosecution.
- Department of Corrections - **\$3.4 million** recurring for phase II of III for the departments mental health remediation requirements and **\$8 million** for correctional officer hiring rate adjustment and retention plan.
- Probation, Pardon and Parole Services - **\$6.4 million** to stabilize funding due to decreased revenues from successful sentencing reform.
- Department of Natural Resources - **\$261,000** to complete law enforcement vehicle rotation.

Transportation, Reg. & Cultural

■ Department of Transportation:

- **\$185 million** for the County Transportation Committees to be used for paving, rehabilitation, resurfacing, and/or reconstruction, and bridge repair, replacement, or reconstruction of state-owned secondary roads
- **\$37.3 million** for road repair costs associated with the 2015 flood event (plus **11.7 million** through EMD for FEMA eligible costs for a total of **\$49 million**).
- **\$65.68 million** from Motor Vehicle Sales Tax revenue to be transferred to the Transportation Infrastructure Bank to be used to leverage bonds to finance bridge replacement, resurfacing, and rehabilitation projects, and expansion and improvements to existing mainline interstates

■ State Ports Authority - **\$1.5 million** for Jasper Ocean Terminal permitting.

■ Aeronautics Commission - **\$1 million** for Aviation Grants matching funds.

■ Department of Employment and Workforce - **\$1.8 million** for the Certified Work-Ready Communities Program.

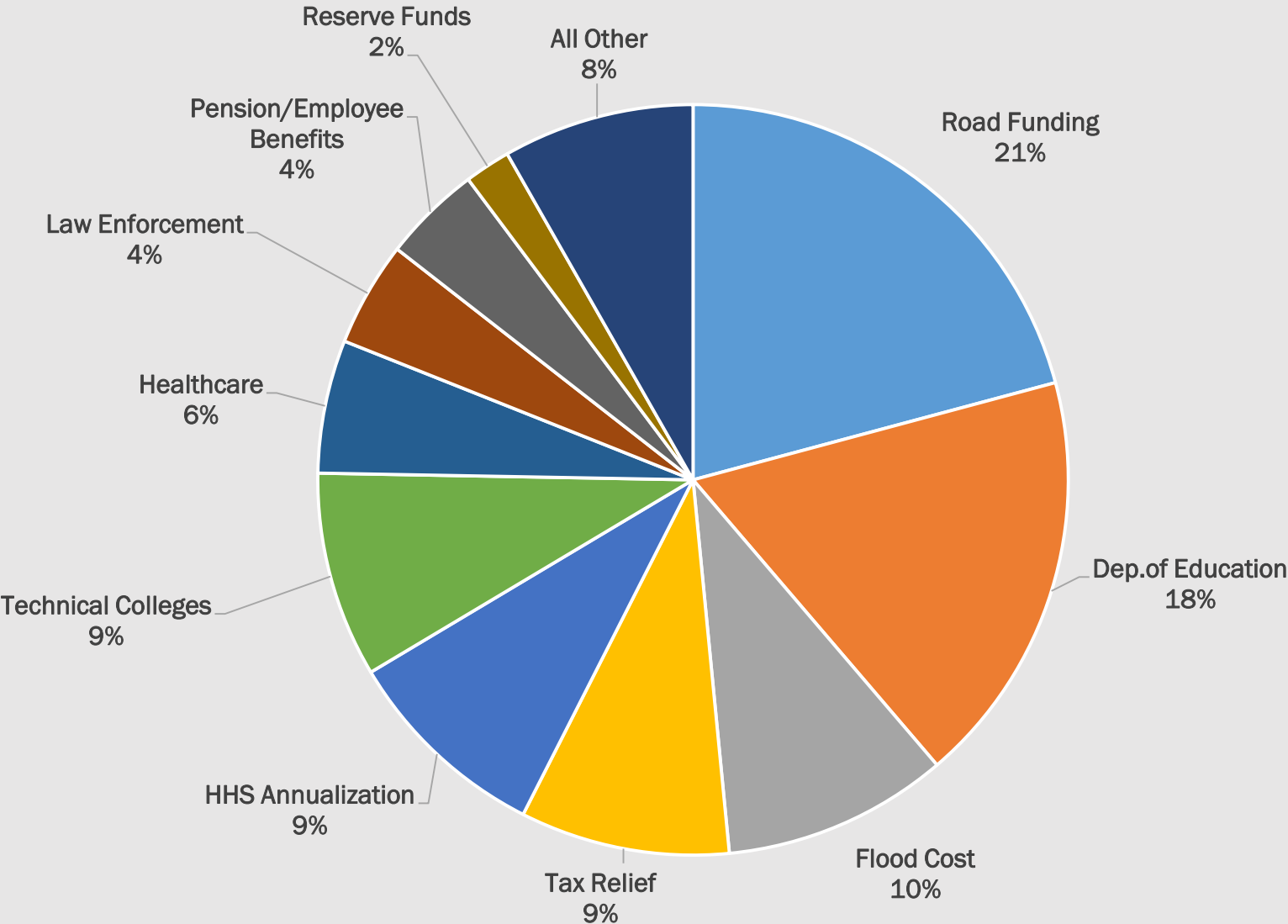
■ State Library - **\$1 million** for state aid to county libraries.

Legislative/Exec

- Adjutant General - **\$5 million** for Armory Repairs and Renovation and **\$250,000** for EMD's Continuity of Operations and Government Plan which is required to be updated for overall state accreditation.
- State Auditor's Office - **\$325,000** for additional audit capabilities.
- PRT - **\$4 million** for two State Welcome Center renovations and **\$4.3 million** for Parks, Recreational, and Tourism revitalization initiatives.
- Lt. Governor, Office on Aging:
 - **\$1 million** for Family Caregivers to be used to support caregivers of seniors so that they may remain in their homes instead of a more expensive alternative of institutional care.
 - **\$1.5 million** for Home and Community Based Services to be used to purchase home delivered meals, group dining meals, transportation, and home care.

New General Funds Allocation

By Subject



Staff Information

Chief of Staff: Beverly Smith

Director of Legislation: Rena Grant

Budget Director: Daniel Boan

K-12 Education & Special Schools

Staff: Kenzie Riddle

Higher Education

Staff: Kara Brurok

Healthcare

Staff: Ryan Burnaugh

Economic Development & Natural Resources

Staff: A.J. Newton

Law Enforcement & Criminal Justice

Staff: Katie Owen

Transportation, Regulatory, Cultural

Staff: Alyssa Weeks

Legislative/Executive

Staff: Blythe Littlefield

Provisos

Staff: Daniel Boan

QUESTIONS?

Ways and Means staff will be available this weekend
(March 19th and 20th) from 9am - 5pm, to draft
amendments and help you with any budget-related matter.

(803) 734-3144

