

## **Governor Nikki Haley Unveils Executive Budget FY 2014-15** *A Balanced Road Map Securing South Carolina's Future*

**COLUMBIA, S.C.** – Governor Nikki Haley today unveiled her FY 2014-2015 Executive Budget during a Statehouse press conference.

The FY 2014-2015 Executive Budget builds upon the themes that have been at the core of the Haley administration's priorities from the very beginning – creating jobs and improving the business climate, providing a better education for South Carolina children, making the state a safer place to live and work, finding ways to develop infrastructure without raising taxes, and protecting the most vulnerable members of society.

### **Topline Budget Highlights:**

#### **Fighting For The Promise Of An Equitable Education**

After a year of meetings with 16 different groups of teachers, administrators, business leaders, education stakeholders, and Members of South Carolina's General Assembly, the Executive Budget calls for a series of funding changes that would make dramatic progress in improving educational equity and outcomes for South Carolina's K-12 students.

#### **The K-12 Education Reform Initiative –**

- \$97 million for children in poverty to provide a quality education for those living in our poorest communities.
- \$29.5 million reading coach program that offers funding for a reading coach in every public elementary school in South Carolina.
- \$29.3 million to improving bandwidth to school facilities, bolstering wireless connectivity within school walls, and launching or enhancing the push to ensure that every student has a computer or tablet.

#### **Making South Carolina Safer**

The Executive Budget further reinforces the Haley administration's commitment to making South Carolina a safer place to live and work by building upon the substantial new investments in law enforcement and public safety that have been made since 2011.

#### **State Law Enforcement Division (SLED) –**

9.6% increase in recurring General Fund support for the State Law Enforcement Division (SLED) in the upcoming year, representing more than \$3.5 million in additional funding. If this request is approved by the General Assembly, SLED's General Fund appropriations will be nearly 74% higher than in 2011.

### **Violent Crime Prosecution –**

- Establishment of a new \$720,000 appropriation for Violent Crime Prosecution. These funds would be used to hire additional assistant solicitors, investigators, and other key support staff.

### **Attorney General's Office –**

- 10% General Fund increase for the Attorney General's Office. The majority of these funds – nearly \$370,000 – would be used to hire five additional prosecutors.

### **Department Of Public Safety (DPS) –**

- More than \$2.1 million in new General Funds for the Department of Public Safety (DPS). This would allow the Department to hire 10 new agents (\$447,300), improve the agency's IT security posture (\$175,407), and promote or reclassify troopers who have achieved various service milestones (\$866,600).

### **Department Of Corrections –**

- More than \$150,000 in recurring General Funds for the Department of Corrections' information security needs, along with more than \$1 million to staff the new perimeter towers at Lee Correctional Institution and to enhance perimeter security for the Broad River complex.

## **Fixing Roads Without Raising Taxes**

### **Over \$1.35 Billion More For Roads In The Next Decade –**

Since FY 2005-06, the revenue estimate supplied to the Senate in May has – on average – exceeded the amount certified for the governor during the prior November by \$106.9 million. Once again, Governor Haley calls for any additional revenues such as these to be applied towards our transportation needs.

In FY 2013-14, Governor Haley proposed that if such funds materialized, then they should be dedicated to improving South Carolina's transportation infrastructure.

Under these conditions, the \$106.9 million of additional General Funds likely to materialize in FY 2014-15 could be used to generate nearly \$737 million for major construction projects (through a combination of "pay-as-you-go" and bonding) in addition to almost \$614 million more for maintenance and repair over the course of the next decade.

## **Creating Jobs And Improving The Business Climate**

### **Tax Cuts –**

In 2012, Governor Haley signed Act 287, which cut the income tax rate for pass-through business income in three level steps, from 5% in 2011 to 3% in 2014 and beyond.

To keep this momentum going, this budget proposes adopting additional cuts during the 2014 session. Eliminating the 6% bracket and allowing that income to be taxed at the next lowest rate

(5%) would provide the three-quarters of filers who have a net income tax liability with an average savings of \$29 per year

In addition, the FY 2014-15 Executive Budget has been balanced even after foregoing the \$26.7 million in marginal revenue that the state receives through the 6% individual income tax bracket. This bracket applies to taxable income between \$11,520 and \$14,400.

### **Protecting The Most Vulnerable**

Governor Haley has consistently placed a major emphasis on protecting South Carolina's most vulnerable citizens by stabilizing the Medicaid program's finances, providing the Department of Mental Health with dramatic increases in its General Fund support each year, and striving to make progress in reducing waiting lists for the waiver programs that serve the disabled and special needs communities. This budget is no different.

#### **Department Of Mental Health –**

- \$9.1 million in General Fund support, fully funding the agency's requests for the existing Telepsychiatry program (\$500,000), Crisis Services (\$300,000), an expanded Center-to-Center Telepsychiatry initiative (\$250,000) and the Assessment and Resource Center (\$250,000).
- \$3 million is provided for other programs and initiatives including Forensic Inpatient Services, Community Supportive Housing Placements, and the Sexually Violent Predator Treatment Program.

#### **Department Of Social Services –**

- Funding for the first foster care rate increase in nearly a decade and a proposed change to Proviso 38.1 would allow the Department of Social Services to retain \$300,000 more per year to fund Self-Sufficiency and Family Preservation and Support initiatives.

#### **Department Of Disabilities And Special Needs (DDSN) –**

- DDSN operates a series of waiver programs that are financed by the state and federal Departments of Health and Human Services. Despite continuing efforts, the waiting lists for each of these programs have been growing at a rate well in excess of enrollment growth.
- The Executive Budget recommends that HHS receive \$13.3 million in additional General Funds to attack this list; including federal match, this would provide \$44.8 million to reduce the combined wait lists by at least 1,400 slots.