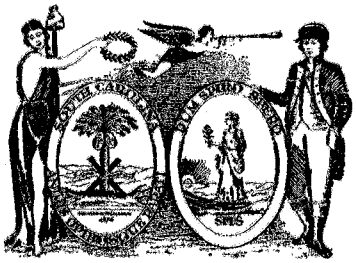
FILED

SEP 2 2 2004

Mark Hammond
SECRETARY OF STATE

State of South Carolina

Executive Department



Office of the Governor

EXECUTIVE ORDER NO.

2004-29

WHEREAS, millions of public dollars have been appropriated to various state agencies, which, in turn, have passed them through to other entities or individuals at the direction of individual members of the General Assembly; and

WHEREAS, Article X, Section 8 of the South Carolina Constitution provides that money shall be drawn from the treasury of the state "only in pursuance of appropriations made by law"; and

WHEREAS, Article IV, Section 21 of the South Carolina Constitution requires that bills appropriating money out of the treasury "shall specify the objects and purposes for which the same are made, and appropriate to them respectively their several amounts in distinct items and sections"; and

WHEREAS, Section 11-9-10 of the South Carolina Code of Laws provides that "[i]t shall be unlawful for any moneys to be expended for any purpose or activity except for which it is specifically appropriated...."; and

WHEREAS, the General Assembly's budgeting process is program-based whereby they appropriate funds to state agencies in very broadly drafted appropriation line items without detailed descriptions; and

WHEREAS, despite clear constitutional and statutory requirements, currently, South Carolina citizens cannot look at a copy of the Appropriations Act and determine where their money is being spent, and the public is often misled as to the true allocation of their money; and

WHEREAS, it is imperative that the public fully understand what projects and activities are funded and are thereby able to hold the appropriate officials responsible for the expenditure of public funds.

NOW, THEREFORE, pursuant to the authority vested in me by the Constitution and Statutes of this State, I hereby order that any funds appropriated to any agency in my cabinet must be expended in strict compliance with the Appropriations Act to further the functions and purposes of that agency, as determined by its director.

BE IT FURTHER ORDERED that appropriated funds shall not be "passed through" by any agency in my cabinet to any entities or individuals at the direction of any member of the General Assembly unless such "pass through" is explicitly referenced in the Appropriations Act.

BE IT FURTHER ORDERED that grant funds shall not be "passed through" by any agency in my cabinet to any entities or individuals at the direction of any member of the General Assembly unless such grant is authorized in the Appropriations Act or expressly allowed by the awarding agency's enabling legislation. Each director in my cabinet shall certify that all grants approved by the awarding agency further the goals and purposes of the agency and the appropriation.

BE IT FURTHER ORDERED, that all state agencies in my cabinet shall prepare by November 1st of each year a report, which shall be made public, of all grants awarded in the previous fiscal year.

BE IT FURTHER ORDERED that nothing in this Executive Order shall be deemed to prohibit or discourage anyone working in a cabinet agency from performing his or her duties or fully and completely complying with any appropriation line or provision contained in the Appropriations Act.

This Executive Order is effective immediately.

GIVEN UNDER MY HAND AND THE GREAT SEAL OF THE STATE OF SOUTH CAROLINA, THIS 22nd DAY OF SEPTEMBER, 2004.

MARK SANFORD
Governor

ATTEST:

MARK HAMMOND
SECRETARY OF STATE