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Subject: Legislative Update for the Week of 5/6/14-5/8/14

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## Legislative Update for Week of 5/6/14-5/8/14

Here are the highlights from the last week's action in the Senate–

**STATE BUDGET** – The Senate spent the entire week debating the state budget for the 2014-2015 fiscal year (July 1-June 30). The budget is made up of three pots of money: the General Fund (income, sales, and corporate taxes), federal funds (federal tax revenue that is transferred to the states for specific purposes, primarily education, Medicaid, and transportation), and “other” funds (fines, fees, and tuition payments). Most of the debate focuses on the General Fund because other laws determine how nearly all federal and “other” funds are to be spent.

### A few points of interest about the budget-

- This proposed budget would spend approximately \$6.995 billion from the General Fund. That is a 9% increase over the current budget.
- The total state budget (all three pots combined) will be just under \$24 billion. That is roughly 5.5% more than last year; coincidentally, that is about the average annual increase since 2001. Here is how that money breaks down for 2014-2015:

K-12 Education	\$ 4.134 billion
Criminal Justice	\$ 1.113 billion
Higher Education	\$ 4.945 billion
Health & Human Services (mostly Medicaid)	\$ 9.691 billion
Natural Resources	\$ 0.762 billion
Constitutional Offices	\$ 1.154 billion
Transportation & Regulatory	\$ 2.193 billion
<b>TOTAL</b>	<b>\$23.992 billion</b>

- The biggest budget increases would go to K-12 education, Medicaid, and higher education.
- Our state constitution requires that we set aside a minimum of 7% in a reserve or “rainy day” fund. This budget fully funds that amount. Personally, I think we ought to save more so that we can be better prepared for the next economic downturn.

### Most of the discussion last week centered around just a few issues:

- Local government funding – The state imposes many mandates on local governments, and the Local Government Fund (LGF) is designed to help offset the cost of those mandates by providing local governments with a certain amount of population-based funding. By law the LGF is supposed to be 4.5% of the previous year's General Fund, but the General Assembly has not met that level of funding since 2008. In this year's budget, the House funded the LGF at last year's level. The Senate Finance Committee's version of the budget would cut that amount. The Senate debated 2 amendments to restore that funding to the House level; both amendments failed. I expect more discussion about the LGF this week.

- Funds for inappropriate introductory college reading programs – Most colleges and universities now require incoming freshmen to read an assigned book and join with other students and faculty to discuss the reading. Two programs – at the College of Charleston and USC-Upstate – garnered a good bit of attention this year for requiring incoming freshmen to read books that are arguably

pornographic in nature. In the House version of the budget, those two institutions lost the funding for those reading programs. The Senate spent a good bit of time discussing that issue last week, but we did not come to a resolution. Therefore, I expect to hear more about it this week.

- Anti-Commandeering and Obamacare – You may recall that the Senate spent a considerable amount of time earlier this year discussing a bill that would prevent the federal government from “commandeering” state resources to implement and enforce Obamacare. That bill failed in the Senate, and Sen. Tom Davis (R-Beaufort) introduced a budget amendment to accomplish that task. That amendment failed 23-19.

**My amendments**— I have offered several amendments so far. Here are few of them:

- Funding for non-profits – You can always tell a good budget year by the number of earmarks for non-profit entities. By that standard, this is another good budget year. For the past several years, I have offered amendments to eliminate those earmarks because, although I’m sure the non-profit entities and projects are wonderful, I think it is inappropriate to spend tax dollars on non-profit pork projects. I offered a similar amendment this year. As expected, I lost that fight

- New bridge for US 378 across Lake Thurmond in McCormick - SCDOT plans to begin construction on a new US 378 bridge to cross Lake Thurmond later this year. Currently, McCormick County’s water and sewer lines are attached to the existing bridge. Because of a new policy that has nothing to do with safety, SCDOT has refused to allow McCormick to affix the water and sewer lines to the new bridge. To make matters worse, SCDOT has been unwilling to assist McCormick in the cost of relocating those water and sewer lines. That policy will cost McCormick County roughly \$800,000. I offered an amendment to require SCDOT to allow the county to attach the lines to the new bridge at the county’s cost. The amendment passed and, if it sticks in the budget, it should save McCormick taxpayers about \$300,000.

- Rural infrastructure funds to urban areas – You really have to pay attention to the budget because you never know when someone will try to sneak something by you. This year there was an attempt to allow more urban areas to use funds designated for rural infrastructure needs. After a fight, I successfully removed that provision, and I’m hoping the House will keep it out.

- Deficit at SC State – Since SC State University disclosed its budget deficit earlier this year, there has been a good bit of talk about how to address it. The university received a \$6 million loan from the Budget and Control Board a couple weeks ago. Unfortunately, the projected deficit is around \$13.6 million. An amendment offered last week would create a committee of well-respected college leaders to develop a plan to right the ship and provide funds necessary to accomplish the task. Unfortunately, there was no limit on the amount of funds SC State could receive under that amendment. I like the idea of creating the committee to fix the problems, and I recognize it will take money. But I don’t like writing blank checks. I offered an amendment to limit the expenditure to \$8 million. When combined with the \$6 million the university has already received, that amount should cover the deficit. I lost that vote.

The Senate will continue to debate the budget this week.

### **Last Week’s Meetings**

It’s usually difficult for me to attend events in our district when the Senate is debating the budget because we are often in Columbia later than usual. Unfortunately, that was the case last week and I missed a few events in the district. Here are some of the meetings I did make, though:

On Monday, I joined Governor Haley and Agriculture Commissioner Hugh Weathers in visiting J.W. Yonce & Sons in Johnston. The Yonces are one of the leading peach farmers in the state. Gov. Haley came to see the damage to the peach crop from cold weather earlier in the year. The early peaches took a hit, but we’re expecting a strong peach crop in late June or early July.

On Monday and Tuesday, I visited 27 schools in our district to thank teachers as part of Teacher Appreciation Week. I appreciate the work our dedicated teachers do in building South Carolina!

On Tuesday afternoon, I enjoyed a brief meeting with third-graders from Wardlaw Academy who were touring the statehouse.

On Thursday afternoon, I met with a group from Curtis Baptist Church in Augusta that was touring the statehouse. I enjoyed meeting several members from Aiken and Edgefield counties.

On Saturday, I attended the South Carolina Poultry Festival in Batesburg-Leesville.

### Constituent Interests

**REPAIRS TO I-20 IN AIKEN COUNTY** –I have received several emails about the poor condition of the westbound section of I-20 in Aiken County. SCDOT has approved a contract to resurface the westbound lanes from mile maker 22.7 to mile marker 13. Satterfield Construction from Greenwood has begun work and expects to complete the project in late July.

**AIKEN, EDGEFIELD, SALUDA ELIGIBLE FOR FEDERAL EMERGENCY AID** - President Obama designated 21 SC Counties as National Disaster areas following the recent ice and snow storms. That designation makes those counties eligible for federal emergency assistance. Aiken, Edgefield, and Saluda counties are included in the list of eligible counties. You can learn more about the declaration [here](#).

**CREDIT MONITORING** –The State has contracted with CSIdentify Corporation (CSID) for the purpose of continuing credit monitoring/ID protection services to South Carolinians and businesses affected by the October 2012 security breach at the Department of Revenue. CSID's services provided under the contract are available to eligible individual taxpayers (including minors and adult dependents) and eligible business taxpayers through October 31, 2014 (although it will almost certainly be extended).

You can sign up with CSID for the offered service by doing one of the following:

1. Go to [www.scidprotection.com](http://www.scidprotection.com) and follow the steps to enroll

or

2. Call (855)-880-2743 to enroll.

The State will pay \$8.5 Million for the first year of the CSID contract with the option to renew for four additional one year periods at the state's sole discretion. You do not have to pay anything to sign up.

The Experian contract for the past year was a \$12 Million contract.

If you choose to purchase your own protection service, you can deduct a portion of that cost from your state income taxes. Talk with your accountant/tax preparer for more information.

**OUR SENATE DISTRICT** – Senate district 25 consists of all of Edgefield County and parts of Aiken, Lexington, McCormick, and Saluda Counties. If you'd like to see the district map, go [here](#)

**VOTING RECORD** – If you'd like to see how I voted last week, go [here](#). You can always check to see how I vote by going to my website, [www.senatormassey.com](http://www.senatormassey.com), and clicking on the "Voting Record" tab.

**SPEAKING WITH GROUPS** – Several groups, clubs, and classes around our Senate district have invited me to attend their meetings and provide legislative updates. If you would like for me to come speak with your group, please let me know.

**EMAIL UPDATES** – If you know of people in or around District 25 who do not receive my updates but would like to get them, please email their names and email addresses to me. You can also forward this email to them and encourage them to sign up for the updates at [www.senatormassey.com](http://www.senatormassey.com).

Sincerely,

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