

From: Glaccum, David <DavidGlaccum@gov.sc.gov>
To: Godfrey, Rob <RobGodfrey@gov.sc.gov>
CC: Patel, Swati <SwatiPatel@gov.sc.gov>
Veldran, Katherine <KatherineVeldran@gov.sc.gov>
Adams, Chaney <ChaneyAdams@gov.sc.gov>
Taylor, Richele <RicheleTaylor@gov.sc.gov>
Mottel, Haley <HaleyMottel@gov.sc.gov>

Date: 9/15/2016 6:30:56 PM

Subject: Other Funds Executive Order and Budget Letter to General Assembly

Attachments: Other Funds Executive Order v05 (9.15.2016).docx

Rob,

Per our discussion earlier today, I need your advice on the best time to release the Executive Order (EO) requiring state agencies to produce an Other Funds report. Some points to consider:

- Governor Haley wants to send a letter to Chairmen Leatherman and White informing them of the budget-related items we have undertaken, those being the 3% General Fund Reduction Analysis and the forthcoming Other Funds EO;
- Governor Haley wanted to send the letter in advance of the House Ways and Means meeting next week, which we have come to learn will take place Monday;
- If we still want to send the letter in advance of Ways and Means Monday, we have two options that need a:
 - We can send the letter tomorrow mentioning the 3% cut and **forecasting the forthcoming** Other Funds EO, which we can issue next week as originally planned; or
 - We can issue the EO tomorrow in advance of sending the letter, which would be our normal protocol.

Attached to this email is a draft EO, which Richele is putting into the proper format for me. Below is a draft of a letter that is written as if we are issuing the EO and sending the letter on the same day (which would be tomorrow). Please let me know what you think is best on timing and we will get it done on our end.

Sorry if this is confusing, but the General Assembly letter and the timing of the first Ways and Means meeting have thrown a slight wrinkle in our previous EO release timing. Please do not hesitate to call if I need to explain anything further.

Thank you.

Dear Chairman Leatherman and Chairman White,

As you prepare for the Fiscal Year (FY) 2017-18 appropriations process in your respective committees, I wanted to share some budget-related items we have worked on in an effort to bring more accountability, long-term planning, and transparency to the state budget writing process.

On August 29, 2016, as part of our Budget Guidelines for FY 2017-18, I asked each agency to identify areas they would reduce or eliminate if they received a 3% General Fund budget reduction. I believe planning for economic downturn while times are good will assist with long-term preparation and result in smarter budget decisions.

Additionally, today I have signed an Executive Order requiring each agency to provide an annual Other Funds report. Information related to how this revenue is collected and spent, the balance each agency has at the end of each fiscal year, and an explanation of the need to carry a balance in excess of actual expenditures will bring needed transparency to what has become the largest fund source in the Appropriations Act.

It is my hope that this additional information will inform the decision making process of you and the members of the

General Assembly as you construct the FY 2017-18 Appropriations Act.

I look forward to working with you and the General Assembly to construct a budget South Carolina can be proud of.

My very best,

Nikki R. Haley

DAVID M. GLACCUM

Deputy Chief of Staff, Budget and Policy

Office of Governor Nikki R. Haley

(803) 429-6769