



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

May 23, 2014

The Honorable Hugh K. Leatherman, Sr.
111 Gressette Building
Columbia, South Carolina 29201

The Honorable W. Brian White
525 Blatt Building
Columbia, South Carolina 29201

Dear Chairmen Leatherman and White,

Earlier this week, the Board of Economic Advisors (BEA) substantially increased its revenue forecasts for FY 2013-14 and FY 2014-15. This builds upon the sizeable increases in lottery proceeds and non-recurring revenues that the BEA recognized in February.

When I submitted my Executive Budget for FY 2014-15 in January, I recommended that any additional revenues in excess of the November 2013 estimate be used to improve our transportation infrastructure. I continue to believe that the preponderance of these funds should be used for that purpose.

Since January, South Carolina was struck by a series of severe winter storms that have left local governments facing significant clean-up costs. Although the Emergency Management Division (EMD) continues to work with counties and state agencies to determine the precise amounts that the federal government will not reimburse, it is clear that many of those organizations will not be able to absorb these expenses on their own.

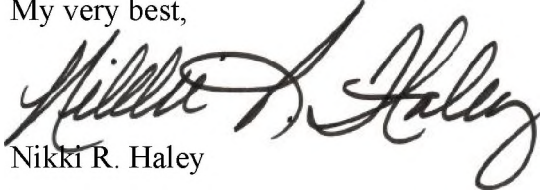
For this reason, I write today to ask that you appropriate \$16,497,340 of these additional non-recurring funds to the counties and state agencies that have unreimbursed expenses arising from this year's winter storms. Based upon information supplied by EMD, the allocations would be as follows:

Affected Counties:	\$16,060,894
Department of Public Safety:	\$ 153,331
S.C. National Guard:	\$ 128,958
Department of Mental Health:	\$ 81,750
Department of Natural Resources:	\$ 40,877
S.C. Emergency Management Division:	\$ 25,000
State Law Enforcement Division:	\$ 6,530

This action would be consistent with the state's past practice of providing financial assistance to local governments that have faced similar challenges in the past. Dedicating the remaining excess revenues to the Department of Transportation for infrastructure needs would allow that agency to defray its unreimbursed expenses.

As a final note, I would like to offer my appreciation for both the Senate's and the House of Representatives' support of the K-12 education reforms I proposed earlier this year. I hope that we can continue to make progress on these critical issues as the 2014 legislative session draws to a close.

My very best,

A handwritten signature in black ink, appearing to read "Nikki R. Haley". The signature is fluid and cursive, with the first name "Nikki" and last name "Haley" being more prominent than the middle initial "R".

Nikki R. Haley