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Date: 5/27/2014 4:17:09 PM
Subject: ED LS: Legislative Update- Commerce's budget

It was a great year for Commerce in the budget process. By way of background the General Assembly appropriated funds in one of 3 ways this year: (1) General Fund; (2) Proviso 118.16 (see below); and (3) Capital Reserve Funds (CRF)

The House and Senate budgets were the same for the following items; this mean they are clinched; no funds were appropriated from the general fund:

Item	Proviso 118.16	CRF	Total
Deal Closing	\$12,406,874	\$24,953,905	\$37,360,779
Locate SC Site inventory		\$6,000,000	\$6,000,000
Research		\$4,000,000	\$4,000,000
Innovation		\$1,000,000	\$1,000,000

The House and Senate differed on Council on Competitiveness; the House funded \$400,000 in Proviso 118.16 funds and the Senate \$750,000

The Senate funded the following items in Commerce's budget, all from Proviso 118.16 funds:

Railroad spur 1-26/95	\$600,000
High Hills Water District	\$225,000
Lexington county water and wastewater	\$500,000
IT-ology Coursepower Project	\$200,000
Clarendon Lee Sumter Williamsburg 1-95 Mega Park	\$500,000
Marion County Workforce Development Training Facility	\$500,000
340 Industrial Park	\$750,000

The budget may not go to a conference committee this year; this is very rare; if this happens the Senate items will be funded

Proviso 118.16 funds are explained below; these funds will be allocated on a priority basis so I have included the item numbers for Commerce and State Tech below:

118.16. (SR: Non-recurring Revenue) (A) The source of revenue appropriated in subsection (B) is non-recurring revenue generated from the following sources:

(1) \$68,370,147 from Fiscal Year 2012-13 Contingency Reserve Fund;

(2) \$123,400,628 from Fiscal Year 2013-14 unobligated general fund revenue as certified by the Board of Economic Advisors;

(3) \$6,116,161 from the Allergan-BOTOX® Settlement and the LG-LCD Panels Settlement; and

(4) \$19,368,513 from Fiscal Year 2013-14 Capital Reserve Fund lapse.

This revenue is deemed to have occurred and is available for use in Fiscal Year 2014-15 after September 1, 2014, following the Comptroller General's close of the state's books on Fiscal Year 2013-14.

Any restrictions concerning specific utilization of these funds are lifted for the specified fiscal year. The above agency transfers shall occur no later than thirty days after the close of the books on Fiscal Year 2013-14 and shall be available for use in Fiscal year 2014-15.

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2014, for the purposes stated:

** * * **

(7) H59- State Board for Technical and Comprehensive Education

- (a) Critical Needs Workforce Development Initiative..... \$ 1,350,000;*
- (b) Technical College of the Lowcountry - Transitioning Military Support
and Training Program; Building 16 Renovation, Parking and Road Improvements..... \$ 750,000;*
- (c) Aiken Technical College - Renovation of IT Infrastructure..... \$ 608,500;*
- (d) Tri County Technical College - CNC and Mechatronics Programs..... \$ 1,000,000;*
- (e) Florence-Darlington Technical College - Automotive Technology Program Equipment.... \$ 750,000;*
- (f) Midlands Technical College - Quick Jobs Program..... \$ 750,000;*
- (g) Spartanburg Community College - Cherokee Campus - Advanced Manufacturing
and Industrial Equipment..... \$ 500,000;*
- (h) Central Carolina Technical College - Kershaw Campus..... \$ 94,513;*

(7.1) Of the funds appropriated above in subitem (7)(a), the State Board for Technical and Comprehensive Education shall fund a pilot program at Tri-County Tech and a pilot program at Central Carolina Tech designed to address workforce shortages in South Carolina's manufacturing community. These pilot programs shall at a minimum create a process by which local high school students can dual enroll in class offerings at the technical college so that they can graduate high school with a manufacturing certification.

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(8) P32- Department of Commerce

- (a) Deal Closing Fund..... \$ 12,406,874;*
- (b) SC Council on Competitiveness..... \$ 750,000;*
- (c) Community Development Corporation Initiative..... \$ 350,000;*
- (d) Columbia Minority Business Development Agency..... \$ 60,000;*
- (e) Railroad Spur - I-26/95..... \$ 600,000;*

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(C) The source of revenue appropriated in subsection (C) is unobligated Fiscal Year 2013-14 General Fund surplus revenues collected above the amounts certified by the Board of Economic Advisors. The appropriations are listed in priority order. Item (1) must be funded first and each remaining item must be

fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2014, for the purposes stated:

* * * *

(6) P32 - Department of Commerce

(a) High Hills Water District..... \$ 225,000;

(b) Lexington County Water and Wastewater..... \$ 500,000;

(10) P32- Department of Commerce

IT-oLogy: Coursepower Project..... \$ 200,000;

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(13) P32- Department of Commerce

(a) Clarendon Lee Sumter Williamsburg I-95 Mega Park..... \$ 500,000;

(b) Marion County Workforce Development Training Facility..... \$ 500,000;

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(25) P32- Department of Commerce

340 Industrial Park..... \$ 750,000;

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