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Subject: Press Conference
Location: 1st Floor Lobby, Statehouse
When: 2/25/2015 11:45:00 AM - 12:05:00 PM

BRIEFING:

EVENT:

DATE: Wednesday, February 25, 2015

TIME: 11:45 AM

LOCATION:. 1st Floor Lobby, Statehouse

LOCATION SET-UP: Podium, microphone, flags

PRIMARY STAFF: Ashton Lee

ADVANCE STAFF: Zach Pippin

PURPOSE:

PRESS: Yes

PUBLIC: Yes

INTRODUCED BY:

LENGTH OF SPEAKING:

SPEAKING ORDER/LINE-BY-LINE:

BACKGROUND:

SUGGESTED TALKING POINTS:

Intro

Thanks for everyone coming out today; as you can see by this chart, today we're going to talk about the house budget as it came out of the Ways and Means Committee, and what it says about the direction our State.

The South Carolina I know

- Before we get into that though, I want to talk about the South Carolina I know, the South Carolina that's placed its faith in me twice, and the South Carolina House of Representatives that I know to be a conservative body.
- The South Carolina I know has taken pride in fighting to be low-tax and low-debt, hanging on to our

- credit rating through long-range planning and fighting to prioritize budgets. This is the South Carolina that endured billion-dollar budget cuts, tightened its belt, focused on fixing the economy, and has added over 60,000 jobs since the start of this administration as a result.

DEW EXAMPLE

****** I have asked for all of the XXXX from DEW – they should get them to us early in AM to make these useful******

- This hasn't all been easy – when the Employment Security Commission melted down and the great recession hit, South Carolina had to borrow XXXXX from the federal government in XXXX to cover our unemployment benefits. This meant higher UI taxes for businesses just when they needed it the least.
- So what did we do? We passed unemployment reform, we focused on paying off debt, and now we're going to focus on our employers. We have made XXX advance payments totaling XXX. What that means is instead of paying off this loan in XXX, we're paying it of this year.

RESERVES

- We did the same for our rainy day fund. When the recession hit, we were unprepared, and it showed. The people of South Carolina rightly voted to change our constitution in 2010, increasing our reserves from 3% of the General Fund to 5%. Under the budget I released last month and we're debating now, we will have twice the amount General Reserves than we did when I took office.
- Now, when you look at these charts you see that hard times have forced better decisions and that there has been a real impact on our debt and reserves – all in the right direction. This wasn't just me – this was everyone – the voters, the General Assembly, and the Governor.

TAXES

- Then you have the House, which in 2012, dug its heels in and forced a small business income tax cut – reducing the rate from 5% to 3%; real savings for small businesses.
- So with all of this – with all the progress we made the past four years, you think that people were getting it, that Columbia was learning its lesson. Until last week, when the budget was passed by Ways and Means.

What Happened in Ways and Means

- Last Thursday, in the 13th hour, with little or no debate, the Ways and Means committee dropped a half billion dollars of debt on the people of South Carolina.
- They did it in a Part III of a budget – permanent law in a temporary document; a process we stopped over a decade ago because it allowed hasty, non-transparent deal-making to get laws pushed through at the end of the legislative session.
- When I proposed a budget that cut our annual spending on state debt by over \$40 million dollars, the House not only didn't support that cut, but added \$40 to \$50 million more. This committee chose a path that would have South Carolina's taxpayers take on at least \$80 more million in debt payments than they would otherwise have to next year.
- Not only was this debt a surprise to me, it was a surprise to many of the members of the House as well.
- And what are these projects? The list is public, and we see that it's mostly for Government buildings. At a time when we're trying to take inventory of government real estate and cut the number of buildings the state owns, now the House is going into debt to build.

- What it's not building, it's paying for maintenance – running up debt not to enhance infrastructure, but just to maintain what we have – that's just irresponsible.
- You know, when I was in the President's meeting this weekend, he was pitching a short-term transportation funding bill and he asked us - "wouldn't it be great if we all just got one project?" What Ways and Means passed out of committee isn't a South Carolina budget – it's an Obama Budget.
- So what do we have here – a closed-door, last minute process to pass a budget that increased debt for the people, and grabbed earmarks all over the state. This isn't just a committee out of control; it's a committee chairman out of control.
- This process isn't the House I know, and it's not the actions of a committee chairman who respects the taxpayer of this state. It's the actions of a chairman that has lost touch with the people and cares more about making deals to pass his budget. It's the actions of someone who has forgotten their responsibilities to the voters.

ECONOMIC DEVELOPMENT INFORMATION: