

From: Danny Varat <DannyVarat@scstatehouse.gov>
To: Catherine McNicollCatherineMcNicoll@scstatehouse.gov
Date: 5/8/2017 10:24:28 AM
Subject: Re: Summary Documents

10-4

From: Catherine McNicoll
Sent: Monday, May 8, 2017 9:22 AM
To: Danny Varat
Subject: RE: Summary Documents

All my notes are in parenthesis and bold. I have also bolded my changes or additions.

There's a New Pothole Forming--in your Wallet

If you have experienced someone driving slowly in the left lane, then you know the feeling when you finally pass them and pull away. You also now can appreciate the gas tax bill passed by the South Carolina Senate and now cemented in the conference committee report approved this week.

The South Carolina House raised your gas tax by ten cents, but the Senate pulled up behind them, flashed their headlights, and blew on by when they upped the raid on your wallet by twenty percent. (Switching to percentages is confusing here because its not clear as to twenty percent of what, maybe say "an additional two cents for a total of twelve cents" or "by an additional twenty percent over the House's grab") The House conference committee members cheered, "huzzah", and now, the only thing moving faster will be the meter on the gas pump if this bill becomes law. (The House members really gave into 12 cents to get the senate to drop the CPI adjustments)

The conference bill contains a few other nuggets from free college to an income tax bait and switch to one big RINO--reform in name only. None of them will fix your roads.

The gas tax bill indeed includes a provision for free college for those who don't qualify for the plethora of existing state-funded scholarships. The bill provides tax credits of up to \$1500 or half tuition (wait, the free part is coming) for anyone--anyone. No SAT/ACT score requirements, no grade requirements, just show up and sign your name.

Families who claim the earned income tax credit can qualify for seventy-five percent of tuition, and students enrolled in a STEM major receive the whole enchilada, or nine yards, depending upon your euphamistic preferences. I wonder how many new STEM programs will sprout up at state colleges. You know, supply and demand, but guaranteed with someone else's money. (The Notes from Finance are not clear on the details for these other programs that were agreed to, it looks like they may have set it at 50% across the board) I chuckled, too, when the proponents of tax credits for higher education school choice heralded them as the savior of poor teenagers in South Carolina. Many of the same people deride my efforts to do the same for poor younger children as the end of the world as we know it.

The conference bill also creates a brand new state-level earned income tax credit. Proponents of this new tax credit want to leave more money in the wallets of lower-income South Carolinians, and Amen to that! But, it will not stay there long when those folks have to use their tax savings to fill up their vehicles to go to work and spend the first three and one-half months of the year just to send enough payroll tax to government to be able to claim as a credit that they then will give back to the government at the gas station...; this, ladies and gentlemen, is your government at work. (I'm concerned with the math here, also payroll tax is what the business person thinks of it, income tax is what the everyman thinks about.)

Now, about those so-called reforms. The conference bill mandates that the SCDOT Secretary prepare and publish online the annual report that includes expenditures and a list of SCDOT business partners. The fact is, though, that it's already available in the information on agency spending published by the Comptroller General.

Another section of the report directs the SCDOT Commission to hold a minimum of six regular meetings annually and other meetings as needed with a one-week notice. That does not change anything, because the

Commission already meets monthly and the publication of materials is required by FOIA. (May want to write out Freedom of Information Act)

The "ethics" section of the report states that the Commission is not to enter into the day-to-day operations of the agency and is prohibited from taking part in the: awarding of contracts; selection of consultants; selection of project routes; locations of transportation facilities; acquisition of right-of-way; granting/denial and etc. of permits; and may not have any interest in contracts awarded during their tenure (or one (1) year after term end).

This is touted as an expansion on what would already be prohibited by state ethics laws. However, many of these actions would already be prohibited by §57-1-40 governing the Dept. of Transportation and the Commission. Again, not "re"form but a new form of the same old thing. (I've added "many of" because this section does provide the prohibition of a wider range of influence than 57-1-40)

One section of the bill does allow the Governor to remove Commissioners at will instead of first obtaining the approval of the General Assembly. But, guess who the Governor has to gain the approval of when he nominates a new Commissioner--the General Assembly. This is a reform, technically, but so was reshuffling those famed deck chairs on the Titanic.

And, of course, the conference bill contains no structural changes to the SC Transportation Infrastructure Bank. And the band played on as the unsinkable sank.

Raising your taxes and offering free college with no requirements will not fix your roads. Putting low-income South Carolinians on a fiscal see-saw also will not fix your roads. I have traveled the state in the last month talking about roads, and my message has been clear: put SCDOT into the cabinet under the Governor in order to hold one person accountable, and hands off your wallet!

The last line of defense for your wallet is that enough members of the Senate will see this conference bill for what it is and do the right thing. While I breathe, I hope.

The Section of the bill that requires the State Auditor reports be published online changes nothing as all the audit reports are already published by the State Auditor, and surprise, surprise the last audit of the SCDOT was not warm and fuzzy.

Best Regards,

Catherine McNicoll

Director of Legal & Legislative Affairs

Lieutenant Governor's Office

CatherineMcNicoll@SCStatehouse.gov

803-734-5292 (phone)

From: Danny Varat

Sent: Monday, May 08, 2017 8:51 AM

To: Catherine McNicoll

Subject: Re: Summary Documents

Ok. Take this text and update the descriptions based upon the control doc. We want to send this out as soon as the report is adopted. Just fix the facts. I'll add the sensationalized text.

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Most, if not all, the information required by Section 27 of the bill would

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From: Catherine McNicoll
Sent: Monday, May 8, 2017 8:49 AM
To: Danny Varat
Subject: RE: Summary Documents

no
Best Regards,
Catherine McNicoll
Director of Legal & Legislative Affairs
Lieutenant Governor's Office
CatherineMcNicoll@SCStatehouse.gov
803-734-5292 (phone)

From: Danny Varat
Sent: Monday, May 08, 2017 8:49 AM
To: Catherine McNicoll <CatherineMcNicoll@scstatehouse.gov>
Subject: Re: Summary Documents
kevinbryant.com

From: Catherine McNicoll
Sent: Monday, May 8, 2017 8:37 AM
To: Danny Varat
Subject: Re: Summary Documents

On which email

Catherine McNicoll
Sent from iPhone

On Mon, May 8, 2017 at 7:56 AM -0400, "Danny Varat" <DannyVarat@scstatehouse.gov> wrote:

This is today's first priority. Can you get into his G Docs?

From: Mike Shealy
Sent: Sunday, May 7, 2017 12:57 PM
To: Danny Varat
Subject: Summary Documents

Danny - Attached are the summary documents prepared by Endra. There still may be some editing, so please use only internally and do not quote from it. We haven't gotten the final draft of the Conference Report from David yet. Mike