

State of South Carolina

Executive Department

FILED

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Mark Hammond
SECRETARY OF STATE



Office of the Governor

EXECUTIVE ORDER NO.

2016-22

WHEREAS, in recent years South Carolina's Other Funds revenue has substantially increased, representing the largest fund source in the Fiscal Year (FY) 2016-17 Appropriations Act at over \$10.39 billion, compared to \$7.57 billion and \$8.35 billion for General Funds and Federal Funds respectively; and

WHEREAS, Other Funds span many agencies and encompass various fines and fees, including college tuition, filing fees, laboratory test fees, environmental fees, archival research fees, business and facility licensing fees, and driver reinstatement fees; and

WHEREAS, recognizing the need for accountability and transparency in the collection of Other Funds by state agencies, the General Assembly, most recently via Proviso 117.74 of the FY 2016-17 Appropriations Act, requires each state agency to provide a public report of all aggregated amounts of fines and fees that were charged, collected, and expended by that agency but does not require the agencies to identify the cash balance at the end of the fiscal year or an explanation of the need to carry a cash balance in excess of actual expenditures; and

WHEREAS, at the close of the past four fiscal years, state agencies have had end of year Other Funds balances of roughly \$2.1 billion, \$2.3 billion, \$2.6 billion, and \$3.2 billion, respectively; and

WHEREAS, fines, fees, and user charges is often another form of taxation that increases the cost and complexity of living and doing business in South Carolina; and

WHEREAS, Other Funds data is an essential component in the budget development process.

NOW, THEREFORE, pursuant to the authority vested in me by the Constitution and Statutes of this State, I hereby direct all state agencies to prepare an Other Funds report containing the following:

1. For each Other Fund revenue source, the enabling statute or proviso that authorizes its collection.
2. The agency program or activity that is supported by funds generated from the revenue source.
3. The statute or proviso that grants carry forward authority for funds generated from the revenue source.
4. An explanation of how the revenue source is generated to include the entity or person(s) assessed the fee, fine, or charge.
5. The actual amount collected in the previous fiscal year, the amount estimated to be collected in the current fiscal year, and the amount estimated to be collected in the upcoming fiscal year.
6. The actual expenditures paid from funds generated by the revenue source for the previous fiscal year.
7. The revenue source's cash balance at the end of the previous fiscal year.
8. An explanation of the need to carry a cash balance in excess of the actual expenditures for the previous fiscal year.

BE IT FURTHER ORDERED, the Executive Budget Office shall develop a format and process for collecting the Other Funds reports from all state agencies. All state agencies must submit by November 1st of each year the Other Funds report to the Executive Budget Office that shall be made public.

This Order shall take effect immediately.



GIVEN UNDER MY HAND AND THE
GREAT SEAL OF THE STATE OF
SOUTH CAROLINA, THIS 19TH DAY
OF SEPTEMBER, 2016.



NIKKI R. HALEY
Governor

ATTEST:



MARK HAMMOND
Secretary of State