

From: Soura, Christian
To: Godfrey, Rob <RobGodfrey@gov.sc.gov>
CC: Schimsa, Rebecca <RebeccaSchimsa@gov.sc.gov>
Baker, Josh <JoshBaker@gov.sc.gov>
Date: 7/5/2012 12:06:39 PM
Subject: RE: Changes

Becca has some typographic stuff to do on the CRF veto - changes to the way we reference the individual vetoed lines. Rob - can you get the final narrative to her when you're done so that she can combine it back into a Word DOC, and then we can kick it to Leigh to kick it to NRH to get 'er done? Thanks.

CLS

Christian L. Soura
Deputy Chief of Staff

(803) 543-0792
ChristianSoura@gov.sc.gov

From: Godfrey, Rob
Sent: Thursday, July 05, 2012 11:48 AM
To: Soura, Christian; Baker, Josh
Subject: Changes

July 5, 2012

The Honorable Robert W. Harrell, Jr.
Speaker of the House of Representatives
Statehouse, Second Floor
Columbia, South Carolina 29201

Dear Mr. Speaker and Members of the House of Representatives,

I am vetoing and returning to you several line items in R331, H.4814, a Joint Resolution to appropriate monies from the Capital Reserve Fund.

First and foremost, we appreciate members of the General Assembly including the \$43.2 million in tax relief – out of \$77 million overall – that this Joint Resolution will provide for South Carolina's business owners and employers, something we fought hard for over the course of the session because our people and businesses want and deserve it. As we all know, when businesses have cash flow and profit margins – they tend to hire people and invest back into their enterprise, and into our state. Tax relief is precisely what South Carolina businesses need in this tough – but recovering – economy.

Most of the other items funded through H.4814 relate to our technical colleges and our four-year institutions of learning. In January, I offered an Executive Budget that recommended a 2.3 percent increase for our public colleges and universities, based upon the Higher Education Price Index (HEPI), a respected national measure of the growth in institutions' operating costs. The General Assembly ultimately elected not to increase the primary appropriations for most institutions, but instead, to provide them with allocations from the Capital Reserve Fund to address their deferred maintenance needs.

Since the maintenance backlogs are significant, and the amounts provided through H.4814 are comparable to what

each institution would have received under my Executive Budget, I have accepted each deferred maintenance line. However, there are seven items that I am returning without my approval.

Budgets are ultimately statements of our priorities. If these institutions are truly committed to these projects, then I believe that they will find ways to see them through to completion using existing funds or other sources of revenue.

Veto 1 Section 1; Page 2; Item 7; H09-The Citadel; Jenkins Hall Arms Room Upgrade; \$200,000

The Citadel will receive more than \$737,000 under this Joint Resolution in order to address its deferred maintenance needs. This is roughly \$542,000 in excess of the increase The Citadel would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation, but do not support separate and additional funding for this specific project.

Veto 2 Section 1; Page 2; Item 10; H12-Clemson University; Greenwood Genetics Lab; \$2,000,000

Clemson will receive nearly \$1.6 million under this Joint Resolution in order to address its deferred maintenance needs. This is roughly \$220,000 in excess of the increase Clemson would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation, but do not support separate and additional funding for this specific project.

Veto 3 Section 1; Page 2; Item 14; H18-Francis Marion University; Nurse Practitioner Program; \$100,000

Francis Marion University will receive more than \$1.1 million under this Joint Resolution in order to address its deferred maintenance needs. This is more than \$900,000 in excess of the increase the University would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation, but believe that Francis Marion should be able to support the Nurse Practitioner Program with the resources already provided.

Veto 4 Section 1; Page 2; Item 18; H27-University of South Carolina, Columbia Campus; USC Palmetto College; \$2,115,000

My veto of this item should in no way be construed as a rejection of this initiative. Instead, I have rejected this item because the University of South Carolina (USC) has already received significant support through the Capital Reserve Fund this year, and also because USC is one of only two universities that will receive more funding through Part IA of the budget this year than it did last year. The \$2.9 million increase provided in Part IA has been scattered across various lines in such a way that I cannot isolate that growth and strike it with my veto pen. What I can do, however, is veto this item and insist that USC implement the Palmetto College with the funding it has already received.

Veto 5 Section 1; Page 3; Item 27; H47-Winthrop University; Student Information Technology Infrastructure Update; \$500,000

Winthrop University will receive nearly \$1.4 million under this Joint Resolution in order to address its deferred maintenance needs. This is almost \$1.1 million in excess of the increase that the University would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation, but believe that Winthrop should be able to enhance its technology infrastructure using its available resources.

Veto 6 Section 1; Page 3; Item 29; H51-Medical University of South Carolina; Ashley Tower Renovation - MUSC Hospital Authority; \$5,500,000

The Medical University of South Carolina (MUSC) will receive \$3.2 million under this Joint Resolution in order to address its deferred maintenance needs. This is more than \$2 million in excess of the increase that the University would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation, but would ask MUSC to renovate Ashley Tower using the resources already at its disposal.

Veto 7 Section 1; Page 3; Item 32; P20-Clemson University-PSA; Power Grid Research; \$75,000

Despite the name – “Power Grid Research” – this item is not associated with the similarly-named “Grid Simulator Project” that so many of us have supported and which is an important public-private partnership in which Duke Energy, SCANA, and Santee Cooper are all making meaningful financial contributions. In fact, Clemson University did not even request this \$75,000 earmark. The taxpayers hardly expect us to send their money to organizations that have not even requested it.

Sincerely,

Nikki R. Haley

Rob Godfrey
Office of Gov. Nikki Haley
O: (803) 734-5074 | C: (803) 429-5086