

**From:** Schimsa, Rebecca  
**To:** Veldran, KatherineKatherineVeldran@gov.sc.gov  
**Date:** 7/26/2011 1:27:05 PM  
**Subject:** Re: Governor's VETO MESSAGE: S.211 and Local School District General Obligation Bond Bills

---

Good job, kat.

---

**From:** Veldran, Katherine  
**Sent:** Tuesday, July 26, 2011 01:12 PM  
**To:** Pitts, Ted; Shuster, Jamie; Baker, Josh  
**Cc:** Schimsa, Rebecca  
**Subject:** FW: Governor's VETO MESSAGE: S.211 and Local School District General Obligation Bond Bills

FYI

Thanks for your help.

V

---

**From:** Veldran, Katherine  
**Sent:** Tuesday, July 26, 2011 1:10 PM  
**To:** Veldran, Katherine  
**Subject:** Governor's VETO MESSAGE: S.211 and Local School District General Obligation Bond Bills

Members of the House of Representatives,  
There are three bills on the House calendar that we would like to make you aware of.

#### **S.211 – I-95 Corridor Act – Veto**

The text of the governor's veto message is below and attached.

#### **S.974 and S.975 – Local School District General Obligation Bond Bills – Second Reading**

The governor opposes these bills based on policy --- you should not use debt to fund ongoing operating expenses.

Similar General Obligation Bond Bills like S.785 and S.877 were vetoed because of this policy, not their constitutionality.

The text of the governor's veto messages on S.785 **which was sustained in the Senate** along with a veto message for S.877 are below and attached.

If you have any questions please let us know.

**Thank you for your support.**

#### **S.211 – I-95 Corridor Act – Veto Message**

June 7, 2011

The Honorable Ken Ard  
President of the Senate

State House, First Floor, East Wing  
Columbia, South Carolina 29201

Dear Mr. President and Members of the Senate,

I am vetoing S.211, R57, a bill that creates the "I-95 Corridor Authority" - a new and separate state agency focused solely on the educational and economic development of a region of South Carolina known as the I-95 Corridor.

**I am vetoing S.211, R57, because it unnecessarily grows government.** By duplicating the efforts of existing state agencies - the South Carolina Department of Commerce, the South Carolina Department of Education, and local school districts, **this bill further dilutes state resources and accountability for education and economic development.** While I understand the unique challenges faced by the communities located within this area, I

have assurances from Secretary Bobby Hitt that the efforts of the Department of Commerce will be directed at all regions of the state. Further, State Superintendent of Education Mick Zais has committed to making publicly funded education in South Carolina more effective and to driving more resources to the classroom. We must not carve out regions to prioritize over others. Rather, communities should coordinate their efforts with those of the Department of Commerce to ensure statewide economic development.

I encourage local governments and local chambers of commerce to work together in the spirit of cooperation set forth in this bill, but this cooperation does not require a General Fund appropriation or a new state agency. I am committed to working with leaders across the state to improve the quality of life for all of South Carolina's citizens, including those in the I-95 Corridor; however I firmly believe that growing state bureaucracy in the manner prescribed in this bill is not the answer.

For the reasons stated above, I am vetoing S.211, R57.

*NRH/tp/rs*

\*\*\*\*\*

## **S.974 and S.975 – Local School District General Obligation Bond Bills – Second Reading**

The text of the governor's veto messages on S.785 which was sustained in the Senate along with a veto message for S.877 are below and attached.

### **VETO SUSTAINED S.785, a bill that would allow Florence County School District No.4 to issue general obligation bonds for school operation expenses**

June 14,2011

The Honorable Ken Ard  
President of the Senate  
State House, First Floor, East Wing  
Columbia, South Carolina 29201

Dear Mr. President and Members of the Senate,

**I am vetoing S.785, R84**, a bill that would allow the Florence County School District No.4 to issue general obligation bonds for school operation expenses to defray the loss of stimulus funds. As stated in my letter to the General Assembly on May 17,2011, my objection to this type of legislation is based on basic principles of finance **we should not fund short-term operational costs with long-term debt backed by taxpayers. Having disastrous effects in other states, like California, such financing schemes are simply unsustainable** in that they turn debt service into a back-door education tax that allows local school districts to live outside of their means. Rather than relying on a finite stream of one-time stimulus funds for recurring expenses, school districts should have better managed their budgets and prepared for the end of this funding source.

While we are sympathetic to schools and local governments struggling through tough economic times, we cannot support further burdening taxpayers who are also struggling to make ends meet. For these reasons, I am vetoing S.785, R84

*NRH*

### **VETO MESSAGE S.877, a bill that would allow Hampton County School District No.2 to issue general obligation bonds for school operation expenses**

June 7, 2011

The Honorable Ken Ard  
President of the Senate  
State House, First Floor, East Wing  
Columbia, South Carolina 29201

Dear Mr. President and Members of the Senate,

I am vetoing **S.877, R72**, a bill that would allow the **Hampton County School District No.2 to issue general obligation bonds for school operation expenses** to defray the loss of stimulus funds. As stated in my letter to the General Assembly on May 17,2011, my objection to this type of legislation is based on basic principles of finance - we should not fund short-term operational costs with long-term debt backed by taxpayers. Having disastrous effects in other states, like California, such financing schemes are simply unsustainable, which turn debt-service into a back-door education tax that allows local school districts to live outside of their means.

Rather than relying on a finite stream of one-time stimulus funds for recurring expenses, school districts should have better managed their budgets and prepared for the end of this funding source.

While we are sympathetic to schools and local governments struggling through tough economic times, we cannot support further burdening taxpayers who are also struggling to make ends meet. For these reasons, I am vetoing S.877, R72.

NRH/sp/rs

cc: Hampton County Delegation

\*\*\*\*\*

Katherine F. Veldran  
Legislative Liaison | Office of Governor Nikki Haley  
O: 803-734-5124 | C: 803-767-7583  
[KatherineVeldran@gov.sc.gov](mailto:KatherineVeldran@gov.sc.gov)