



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

June 29, 2015

The Honorable James H. Lucas
Speaker of the House of Representatives
South Carolina Statehouse, Second Floor
Columbia, South Carolina 29201

Dear Speaker Lucas and Members of the House of Representatives,

I am vetoing and returning without my approval certain line items in R127, H.3701, the Fiscal Year 2015-16 General Appropriations Act.

Although veto messages tend to highlight differences between a governor and the General Assembly, I believe this budget and this message really focus on the challenges and opportunities we have tackled this year as a state. In years past, we have focused on education, the administration of government, and economic development as the matters most pressing to us.

This year, we have been faced with many other issues; those of family welfare and domestic violence and of improving the public trust with law enforcement agencies. This budget contains some responses to those challenges and others with funding for body cameras, increased support for social services and victims of domestic violence, a continued commitment to mental health and substance abuse, and new investments in education.

However, the underlying principles of fiscal responsibility have also been challenged repeatedly this year. We have been challenged to invest in our state's infrastructure while avoiding the easy, but expensive, answer of tax increases. We have been challenged to have a frank conversation about the responsible use of our state's credit and the need to issue debt wisely and only for those investments with real returns to the people of South Carolina. Finally, we have been challenged to maintain a transparent and open budget process – one that does not use surpluses to grow government, but rather provides for the core functions of government and taxpayer relief.

The budget sent to my desk contains far too many earmarks for local pork and marketing, private nonprofits, and legislative pet projects. Today, I have vetoed dozens of such earmarks, and I

hope that the political courage necessary to protect South Carolina's taxpayers takes precedence over political deal making to protect individual special interests.

On a positive front, we should all be proud of some of the changes and additions we have seen in this year's budget. The Department of Administration begins operating on July 1, 2015, and is the result of over a decade of work to modernize South Carolina's government. Finally, this budget keeps the Department of Transportation in the executive branch for one additional year, avoiding a return to legislative control as we seek more accountability when fixing South Carolina's roads and bridges.

The coming year is full of opportunity to address the pressing needs of our constituents and our state as a whole. I look forward to working with you to make the best of all of them.

I. Part IA – Funding

Prioritizing the Core Functions of Government

- Veto 1** **Part IA, Page 149, Section 49, Department of Parks, Recreation and Tourism; I. Administration; B. Administrative Services; Aid to Subdivisions – Allocations to Municipalities-Restricted, \$1,806,000 Total Funds, \$500,000 General Funds**
- Veto 2** **Part IA, Page 149, Section 49, Department of Parks, Recreation and Tourism; I. Administration; B. Administrative Services; Aid to Subdivisions – Allocations to Counties-Restricted, \$1,514,500 Total Funds, \$500,000 General Funds**
- Veto 3** **Part IA, Page 150, Section 49, Department of Parks, Recreation and Programs and Services; A. Tourism Sales and Marketing; Special Items – Sports Marketing Grant Program, \$500,000 General Funds**

As passed, the Fiscal Year 2015-16 General Appropriations act contains more than \$5.3 million for marketing and advertising at the Department of Parks, Recreation and Tourism in addition to \$500,000 to augment the Department's park grants programs. The Fiscal Year 2015-16 Executive Budget recommended \$1.4 million for infrastructure needs in South Carolina state parks, which allows the Department to keep our state parks operationally self-sufficient, in stark contrast to this year's appropriations for the Department, which are almost entirely for marketing and local park projects. In a year where the State has identified critical needs in transportation, law enforcement transparency, and social services, such excessive funding for an already robust tourism marketing budget is simply irresponsible.

Last year, the General Assembly agreed with this approach, sustaining my veto of the Undiscovered South Carolina program. Even with these vetoes, and others in Part IB, the Department will retain over \$3 million in new recurring appropriations to support regional tourism efforts and statewide marketing – a 12.4% increase to the combined programs.

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- Veto 4** **Part IA, Page 80, Section 29, State Museum Commission; II. Programs; New Positions – Program Coordinator I, \$35,000 General Funds**
- Veto 5** **Part IA, Page 80, Section 29, State Museum commission; II. Programs; New Positions – Program Coordinator II, \$40,000 General Funds**

The State Museum is one of South Carolina's unique agencies that receives significant state funding but also has a business model that requires it to find private-sector support through museum memberships, private donations, and special events. This year I recommended, and the General Assembly provided, capital funds for improved physical security at the State Museum,

and the Department of Administration will continue to provide support to the Mills Building that houses the State Museum. Although I have been supportive of the Museum's physical infrastructure, I am vetoing these positions as I believe this year's programmatic expansion should be funded through earned revenue and not entirely subsidized by the taxpayers.

Controlling the Growth of Government

- Veto 6** **Part 1A, Page 36, Section 14, Clemson University (Education & General); I. Education & General; A. Unrestricted; New Positions – ENG/ASSOC ENG IV, \$279,850 General Funds**
- Veto 7** **Part IA, Page 36, Section 14, Clemson University (Education & General); I. Education & General; A. Unrestricted; New Positions – Professor, \$748,000 General Funds**
- Veto 8** **Part IA, Page 36, Section 14, Clemson University (Education & General); I. Education & General; A. Unrestricted; New Positions – Research Associate, \$187,000 General Funds**
- Veto 9** **Part IA, Page 137, Section 45, Clemson University (Public Service Activities); IV. Cooperative Extension Service; New Positions – GIS Analyst, \$40,000 General Funds**
- Veto 10** **Part IA, Page 137, Section 45, Clemson University (Public Service Activities); IV. Cooperative Extension Service; New Positions – Program Assistant, \$35,000 General Funds**
- Veto 11** **Part IA, Page 137, Section 45, Clemson University (Public Service Activities); IV. Cooperative Extension Service; New Positions – Program Manager I, \$50,000 General Funds**
- Veto 12** **Part IA, Page 138, Section 45, Clemson University (Public Service Activities); IV. Cooperative Extension Service; New Positions – Extension Associates, \$200,000 General Funds**
- Veto 13** **Part IA, Page 138, Section 45, Clemson University (Public Service Activities); IV. Cooperative Extension Service; New Positions – Extension Agent, \$600,000 General Funds**

I have vetoed the new positions for Clemson University and its related Public Service Authority, because these expenditures are excessive when combined with the University's capital items and do not focus on core instructional quality. I believe the basis of our state's investment in higher education should be in an accountable system of education focused on technical certification and associate and baccalaureate degrees that prepare our citizens for the modern workforce.

In this budget and related appropriations bills, Clemson University receives \$6.5 million for capital expenditures, including \$5 million for the further development of a Business School Building and \$1.5 million for Clemson Public Service Authority facilities, both of which will become law even if this veto is sustained.

Veto 14	Part IA, Page 1, Section 1, Department of Education; IV. Accountability; A. Operations; New Positions – Education Associate, \$130,000 General Funds
Veto 15	Part IA, Page 1, Section 1, Department of Education; IV. Accountability; A. Operations; New Positions – DPTY/Division Director, \$119,000 General Funds
Veto 16	Part IA, Page 2, Section 1, Department of Education; VIII. School Effectiveness; New Positions – Education Associate, \$175,000 General Funds
Veto 17	Part IA, Page 2, Section 1, Department of Education; VIII. School Effectiveness; New Positions – Administrative Assistant, \$38,000 General Funds
Veto 18	Part IA, Page 2, Section 1, Department of Education; VIII. School Effectiveness; New Positions – Program Manager I, \$155,000 General Funds
Veto 19	Part IA, Page 2, Section 1, Department of Education; VIII. School Effectiveness; Personal Service – Program Coordinator I, \$95,000

South Carolina has seen resurgence in education investments over the past several years, and I am pleased to have a partner leading the Department of Education who is focused on improving educational outcomes for children across this state. It is for this reason that I support the creation and expansion of several literacy, educator compensation, school choice, and technology programs in this budget.

Although I have been supportive of programmatic support for students, this budget adds a dozen new positions to our state's education administration. I believe that the four teaching positions made available will provide Superintendent Spearman with the support she needs to implement Read to Succeed and evaluate the various literacy programs authorized by this budget as required by Proviso 1.93. However, I am vetoing these new positions as I believe the additional resources that remain in this budget are enough to continue the recent progress we have made, together, in educating our children.

II. PART IB – Temporary Funding

Rejecting Irresponsible Budgeting Practices

Veto 20 Part IB, Page 372, Section 33, Department of Health and Human Services – Proviso 33.30, Healthcare Workforce Analysis

This proviso steals \$200,000 from the Department of Health and Human Service’s reserves and sends it to a different state agency – the Area Health Education Consortium (AHEC). If the General Assembly wants to fund AHEC, then it should be placed on the line as requested by AHEC, not raided from our Medicaid program.

Rejecting New Earmarks

Veto 21 Part IA, Page 9, Section 1, Department of Education; XII. Education Improvement Act; F.Partnerships; 2. Other Agencies and Entities; District Subdivisions – Arts Curricula, \$1,000,000 Total Funds

Over the course of my administration, I have repeatedly expressed support for expanding arts curricula through our public and charter schools. Unfortunately, this earmark does not provide direct support for arts education through the Department of Education; it is a pass-through to an arts bureaucracy. If we want to send money for arts education to our schools, we should do that and do so directly.

Higher Education Earmarks

Veto 22 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item 43(c) Department of Labor, Licensing and Regulation, Wind and Seismic Residential Building Requirements Study, \$40,000

Veto 23 Part IB, Page 431, Section 81, Department of Labor, Licensing and Regulation – Proviso 81.14, Wind and Structural Engineering Research Lab

These two provisos, in conjunction, direct funding to the Department of Labor, Licensing and Regulation (LLR) to contract with The Citadel to conduct a study of South Carolina’s building codes. While I do not object to a robust analysis of South Carolina’s building regulations for the safety of our citizens and success of our vibrant homebuilding industry, this appropriation is nothing more than an earmark for The Citadel; LLR should have the ability to openly and independently procure its own vendor.

Veto 24 Part IB, Page 515, Section 117, General Provisions – Proviso 117.131, Energy Efficiency Repair and Related Maintenance

Proviso 118.16(B)(56) of the Fiscal Year 2014-15 General Appropriations Act established a committee to examine the effectiveness and efficiency of our state's institutions of higher education as a precursor to determining the needs and challenges of each. Ultimately, this committee was unable to determine an effective course of action and failed to produce a viable set of recommendations for policy makers to use when determining the adequate scope and quantity of funding that is appropriate for South Carolina's colleges and universities.

This proviso takes the carry-forward funds originally intended to procure external evaluators for individual university reviews and doles them out as earmarks for small energy efficiency projects. Given that the committee's funds were never used for their original purpose, the funds should lapse to the General Fund and be appropriated based on the needs of our state, not used as small rewards for colleges and universities that still have not identified areas for individual improvement to state policymakers.

Veto 25 Part IB, Page 522, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item 10(a) Commission on Higher Education, University Center of Greenville, \$250,000

The University Center of Greenville is governed by a consortium of public and private colleges and universities that are working together to expand access to higher education for students in the Upstate. I respect this goal but note that these intuitions each receive state support through direct appropriations, the Education Lottery, Higher Education Tuition Grants program, or various other state sources. Furthermore, the University is receiving nearly \$1.1 million in direct subsidies through this budget.

I am vetoing this additional \$250,000, because it is unreasonable to expect taxpayers across the state to shoulder an additional burden on behalf of the relatively small number of students who attend courses through this Center. If this facility truly needs another \$250,000 to operate, then participating institutions should make the required contributions.

Veto 26 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (42)(f) Department of Commerce - IT-ology - Coursepower Project, \$200,000

The CoursePower initiative was originally developed in FY 2013-14 to provide a six-hour applied minor in Applied Computing at four colleges and universities without state support. This earmark was added in last year's budget, and it appears as though IT-ology has become a recurring appropriation.

I am pleased to see that the partner institutions are collaborating to promote education in the high-tech field, but I believe they should share the burden among themselves or with the students who are enrolled in these courses, instead of seeking a state earmark to sustain the program.

Earmarks for Health and Social Service Providers

Veto 27 Part IB, Page 524, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (29), Prosecution Coordination Commission, SC Center for Fathers and Families, \$400,000

The Center has been a contracted service provider to the Department of Social Services for over a decade, receiving an average of \$1.8 million annually for its efforts. If we receive a set of defined services in exchange for those funds, then why would we just hand them this additional \$400,000 earmark in exchange for nothing?

Veto 28 Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (35)(b), Department of Probation, Parole and Pardon Services, Turning Leaf - Offender Education and Reentry Initiative, \$100,000

By earmarking community corrections service to a single vendor, the Department of Probation, Pardon and Parole Services loses the flexibility and authority to manage its own contracts and services. I believe strongly in preparing offenders to re-enter our communities with an emphasis on offenders quickly joining the workforce. Offenders who work are less likely to commit crimes and return to prison. Nevertheless, I have consistently opposed this style of earmarking. The Department should have greater discretion to choose its partners and the ability to insist on performance standards in its contracts. Earmarking undermines both of these principles.

Veto 29 Part IB, Page 523, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (24)(c) Department of Disabilities and Special Needs, Savannah's Playground, \$100,000

I appreciate the value of local pools and playgrounds, but each community must decide for itself how – and if – to fund these facilities. These are not projects that the State's taxpayers should be financing.

Veto 30 Part IB, Page 523, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (21)(c), Department of Health and Human Services, Family Health Solutions of the Low Country - Low Country Healthy Start, \$250,000

- Veto 31** **Part IB, Page 523, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (21)(f), Department of Health and Human Services, Healthy Learners - Greenwood Program, \$50,000**
- Veto 32** **Part IB, Page 523, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (21)(d), Department of Health and Human Services, Osprey Village, \$200,000**

These three earmarks for private health organizations represent well-meaning but highly local efforts that we see duplicated across the state. Many churches, social non-profits, and start-up health companies wish for the opportunity to receive supplemental funds or seed-money to launch initiatives. Each of these organizations should seek private investment or philanthropic contributions to further their private efforts.

Good Government

- Veto 33** **Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14 – Nonrecurring Revenue – Item 42(e) Department of Commerce, Community Development Corporations Initiative, \$100,000**
- Veto 34** **Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14 – Nonrecurring Revenue – Item 42(h) Department of Commerce, SC Healthy Food Financing Initiative, \$250,000**

On June 3, 2015, I signed into law S.350, which reauthorized the Community Economic Development Act for an additional five years. In a statement to Senator Campbell, I indicated that my support for reauthorization was based on giving Community Development Corporations (CDC) investors time to meet the \$5 million maximum tax credit ceiling and then wind-down this program. I further stated that I would not support any appropriation for CDCs or support further reauthorization.

Both of the items represent earmarks for CDCs, and I am vetoing these items in accordance with my previous communication to Senator Campbell.

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- Veto 35** **Part IB, Page 445, Section 93, Department of Administration – Proviso 93.14, Inspector General Support Services**
- Veto 36** **Part IB, Page 467, Section 104, State Fiscal Accountability Authority – Proviso 104.9, Aeronautics Support Function**

These two provisos direct the support functions for two small agencies: the Inspector General (IG), and Division of Aeronautics. Proviso 93.14 prohibits the Department of Administration from providing any support services to the Inspector General and Proviso 104.9 requires the State Fiscal Accountability Authority to provide the same services to the Division of Aeronautics.

These provisos, when taken together, are totally inconsistent. Further, they defeat the goals of the South Carolina Restructuring Act of 2014 entirely. On July 1, 2015, both the IG and Division of Aeronautics will be allowed to enter into agreements with the support agency of their choice. These decisions should not be micro-managed through the budget process. We have high quality directors in both agencies. and they should be given the flexibility to manage their own organizations.

Excessive Spending

Veto 37 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14, Nonrecurring Revenue – Item 47, Codification of Laws and Legislative Council, Dues, \$50,000

The General Assembly should not give itself an earmark to cover expenses. This is especially true considering, in 2012, the House of Representatives enjoyed a \$2 million recurring increase in operating funds and in this Act, the Senate will see a \$500,000 increase for the same. The General Assembly has provided sufficient recurring funds to pay for these operating costs and do not need additional earmarks.

Veto 38 Part IB, Page 523, Section 118, Statewide Revenue; Proviso 118.14, Nonrecurring Revenue – Item 22(e), Department of Health and Environmental Control, Water Quality, \$5,000,000

The practice of providing an agency with large appropriations for grants without any direction, and then providing “letters of instruction” from legislative members or staff violates every sense of budgeting transparency and fiscal responsibility, and even violates the earmarking rules of the House of Representatives.

Instead of approving this unaccountable block grant, I have allowed \$3.7 million in recurring funds for this purpose in the Rural Infrastructure Fund to become law so that regional water infrastructure grants may be awarded in a fair and impartial basis.

Veto 39 Part IB, Page 523, Section 118, Statewide Revenue; Proviso 118.14, Nonrecurring Revenue – Item 23(g) Department of Mental Health, Columbia Area Mental Health Center -Relocation form Bull Street Property (Requires 2:1 Match), \$500,000

Pursuant to the sale of the Bull Street mental health facilities, the Department of Mental Health is subject to receive a guaranteed \$15 million in proceeds in addition to performance-based funding as the property is redeveloped. The Department has more than enough funding on hand to self-finance any relocation from the property and will be made whole as Bull Street is developed, making any such additional funding unnecessary.

Veto 40 Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14, Nonrecurring Revenue – Item 38, Department of Agriculture, “Certified SC” Marketing, \$2,000,000

For several years, the Department of Agriculture has received time-limited appropriations from the Tobacco Master Settlement Fund for marketing and other efforts to assist tobacco farmers’ transition from tobacco to other crops or industries. This is the first year that those funds have not been available to the Department, and despite a clear understanding that those funds were only available for five years, the Department is seeking to supplant them with state funds.

While I support efforts to promote South Carolina’s goods, it is worth noting that this budget provides an additional \$1.5 million for marketing and agribusiness. The Department will still have a sufficiently robust marketing and advertising budget to sell South Carolina.

Impairing Service Delivery – Micromanagement

Veto 41 Part IB, Page 305, Section 1, Department of Education – Proviso 1.35, Replacement Facilities

Every Superintendent of Education since 2004 has determined this project is not viable, yet this proviso has remained on the books. This proviso was originally established over a decade ago to support the development of a joint-use transportation and maintenance facility in Greenville County. It should be removed from the budget.

Veto 42 Part IB, Page 310, Section 1, Department of Education – Proviso 1.58, Lee County Bus Shop

This proviso first appeared in 2012 and forces the Department of Education to fund two specific bus shops at precisely the same levels as the prior year. This action interferes with the Department’s ability to deploy its resources in an effective, statewide manner.

Veto 43 Part IB, Page 314, Section 1, Department of Education – Proviso 1.73, Alternative Fuel Transportation

This proviso directs the Department of Education to use at least ten percent of funds appropriated for the purchase or lease of school buses to purchase or lease alternative fuel vehicles. I have allowed provisos similar to this one to become law in two previous budgets, because the total size of the program was capped between five and ten percent of appropriations for the purchase of buses.

Unfortunately, this proviso removes all limitations on the amount of funds that can be used on the purchase of alternative fuel buses and sets a floor at ten percent of appropriated funds. In short, this proviso makes it more expensive to buy school buses. We have a poorly conditioned bus fleet and limited funds to purchase new buses – making them more expensive moves us entirely in the wrong direction.

Veto 44 Part IB, Page 393, Section 38, Department of Social Services – Proviso 38.28, Child Care Facilities Floor Beds

This proviso introduces ambiguous language that would allow certain childcare facilities that use “the practice of a documented educational curriculum including the least restrictive environment for infants” to employ floor beds instead of cribs for infant care. This is a significant change to childcare standards and was done without input of the relevant stakeholders. That is dangerous; it is unsafe for our kids, and it should not happen.

Parents across South Carolina should trust that their children will be safe when left with a childcare provider, and significant changes to safety standards are best left to the full consideration and debate of childcare providers, regulators, and public stakeholders.

Veto 45 Part IB, Page 450, Section 93, Department of Administration – Proviso 93.33, Classification and Compensation System Study

This proviso directs the Department of Administration to undertake a comprehensive study of statewide employee compensation and classification. The General Assembly passed legislation in 1990 that would make this exercise ongoing but has never fully funded that initiative. Furthermore, the cost to hire an external evaluator to do this work would be significantly more than this proviso allows.

While a comprehensive, statewide look at our human resources policies certainly falls under the umbrella of the Department of Administration, this proviso is unnecessarily prescriptive, and will not result in a comprehensive or useable tool.

Housekeeping

Veto 46 Part IB, Page 320, Section 1, Department of Education – Proviso 1.95, First Steps Study Committee

On June 1, 2015, I signed H.3843, completing this task. This proviso is unnecessary.

Veto 47 Part IB, Page 435, Section 84, Department of Transportation – Proviso 84.11, Horry-Georgetown Evacuation Route

Last year, the General Assembly earmarked \$4.5 million for this project out of Department of Transportation (DOT) funds and has placed language in H.4230, the Fiscal Year 2015-16 Supplemental Appropriation Act, allowing affected counties to use County Transportation Funds for the furtherance of this project. Per the DOT, the Department has the money to do this already. This proviso is no longer necessary.

Veto 48 Part IB, Page 406, Section 57, Judicial Department – Proviso 57.19, Active Retired Judges

I am vetoing this proviso at the request of Chief Justice Jean Toal, on behalf of the Judicial Department, due to errors in the proviso's wording that will result in reducing the current pay rate for active retired judges.

Old-fashioned Pork

Veto 49 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (46)(b), Department of Transportation, Highway 17 Corridor Study, \$25,000

Veto 50 Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(o), Department of Parks, Recreation and Tourism, City of Conway - Renovation of Horry County Museum for Multipurpose Space (Requires 3:1 Match), \$250,000

Veto 51 Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(a), Department of Parks, Recreation and Tourism, Undiscovered SC, \$500,000

Veto 52 Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(c), Department of Parks, Recreation and Tourism, Sports Development Marketing Program, \$875,000

Veto 53 Part IB, Page 523, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (22)(j), Department of Health and Environmental Control, Indoor Aquatic and Community Center - Richland County (Requires 2:1 Match), \$100,000

Veto 54 Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(k), Department of Parks, Recreation and Tourism, Woodrow Wilson Home - National Marketing, \$125,000

Veto 55 Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(m), Department of Parks, Recreation and Tourism, Calhoun County Renovation of Former John Ford Middle/High School for Community Center (Requires 2:1 Match), \$180,000

- Veto 56** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(l), Department of Parks, Recreation and Tourism, City of Sumter Green Space Initiative (Requires 1:1 Match), \$400,000**
- Veto 57** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(f), Department of Parks, Recreation and Tourism, Columbia Museum of Art, \$200,000**
- Veto 58** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(s), Department of Parks, Recreation and Tourism, Inman City Market, \$100,000**
- Veto 59** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(r), Department of Parks, Recreation and Tourism, Manning Avenue/Wilder School Area Green Space Initiative, \$250,000**
- Veto 60** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(j), Department of Parks, Recreation and Tourism, Mountain Lakes Destination Promotion and Historic Preservation (Requires 2:1 Match), \$100,000**
- Veto 61** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(d), Department of Parks, Recreation and Tourism, Newberry Opera House, \$60,000**
- Veto 62** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(h), Department of Parks, Recreation and Tourism, Medal of Honor Museum, \$1,000,000**
- Veto 63** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(e), Department of Parks, Recreation and Tourism, Palmetto Conservation Foundation - Palmetto Trail, \$300,000**
- Veto 64** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(n), Department of Parks, Recreation and Tourism, Spartanburg City Park Project, \$300,000**
- Veto 65** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(q), Department of Parks, Recreation and Tourism, Township Auditorium, \$250,000**
- Veto 66** **Part IB, Page 525, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (41)(i), Department of Parks, Recreation and Tourism, Upstate 9/11 Memorial (Requires 2:1 Match), \$200,000**

This list of 18 pork-barrel projects above represents over \$5 million of some of the most irresponsible political deal-making that South Carolina has to offer. These earmarks fortunately

disappeared during the most recent recession but returned in force as tax revenues rebounded. I will not support pork in this or any budget.

Veto 67 Part IB, Page 517, Section 117, General Provisions – Proviso 117.137, Grant Funds

This proviso allows grant funds awarded to the now defunct Kiwanis Club of Fountain Inn to be transferred to another Kiwanis Club. Passing grant funds between different organizations by proviso subverts the grant requirements and oversight safeguards of the original grant. As stewards of public funds, we have a responsibility to ensure tax dollars are spent wisely by following our own grant-making rules.

Veto 68 Part IB, Page 399, Section 49, Department of Parks, Recreation and Tourism – Proviso 49.3, Advertising Funds Use and Carry Forward

Every year, I am put in a position to veto public funds for the Southeastern Wildlife Exposition (SEWE), a private organization that annually holds an event in Charleston that draws a large enough attraction to operate independently of state support. Despite repeatedly demonstrating that this earmark overwhelmingly goes to pay a single salary for SEWE's director, it inexplicably retains sufficient support to remain in the budget.

The one thing that has changed is that SEWE and its legislative supporters have engaged in efforts to make this earmark decreasingly transparent, first sanitizing it through the SEWE non-profit to a private consultancy and is now hiding behind the credibility of the Charleston CVB. This should be the last year such tactics are tolerated by the General Assembly.

Local Earmarks

Veto 69 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (43)(b), Department of Labor, Licensing and Regulation, State Fire Marshal: Fairfield County - Countywide Fire Suppression, \$100,000

Veto 70 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (43)(a), Department of Labor, Licensing and Regulation, State Fire Marshal: Chester County - Countywide Fire Suppression, \$100,000

South Carolina has 46 counties, yet only two were funded directly in this budget. There is no justifiable reason to provide this funding to these two counties in this manner and ignore the other 44. In addition, while I generally support the efforts of fire districts to provide better

services for citizens, but I believe that South Carolina has a stable process for funding local services locally.

Veto 71 Part IB, Page 524, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (32)(b), Department of Public Safety, Law Enforcement Grants, \$60,000

This is a direct earmark to Sumter County. Again we have 46 counties in South Carolina, and there is no justifiable reason to provide this funding to Sumter County and ignore the other 45. In addition, the State already provides resources to local law enforcement via the law enforcement grants managed by the Department of Public Safety, the body camera funding available in this Act, or the many uncompensated support services provided by the State Law Enforcement Division to local governments.

Earmarks for Museums, Historical, and Cultural Facilities

Veto 72 Part IB, Page 522, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (9), Confederate Relic Room & Military Museum Commission, C.A. Huey Collection, \$390,198

The C.A. Huey Collection is a private collection recently made available for purchase. Private donations can and should pay for this.

Veto 73 Part IB, Page 521, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (7)(a), Arts Commission, Auntie Karen Foundation - Education Through Arts Curriculum, \$10,000

Veto 74 Part IB, Page 521, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (7)(b), Arts Commission, Orangeburg County Fine Arts Center (Requires 2:1 Match), \$90,000

Veto 75 Part IB, Page 521, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (6)(a), Department of Archives and History, Restoration and Repurposing of Fireproof Building (Requires 2:1 Match), \$1,500,000

Veto 76 Part IB, Page 521, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (6)(b), Department of Archives and History, Kings Mountain - Fort Thicketty - Historic Restoration, \$100,000

Veto 77 Part IB, Page 521, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (6)(c), Department of Archives and History, Historic Heyward House, \$100,000

Veto 78 Part IB, Page 521, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (6)(d), Department of Archives and History, Architectural Heritage Preservation, \$250,000

In each of our communities, we have historic sites, museums, and cultural centers that could benefit from renovations, refreshed exhibits, or new artifacts. The right way to finance these undertakings is by selling memberships, collecting admissions fees, and soliciting philanthropic support. The wrong way to do it is by earmarking state funds to choose one site over another to support. This is exactly what the taxpayers of South Carolina have asked to stop.

Maintaining Unified Economic Development Efforts

Veto 79 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (42)(j), Department of Commerce, Marion County Economic Development, \$250,000

Veto 80 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (42)(l), Department of Commerce, Richland County Economic Development, \$100,000

Veto 81 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (42)(d), Department of Commerce, Rock Hill Knowledge Park (Requires 2:1 Match), \$400,000

Veto 82 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (42)(k), Department of Commerce, Williamsburg County Economic Development, \$100,000

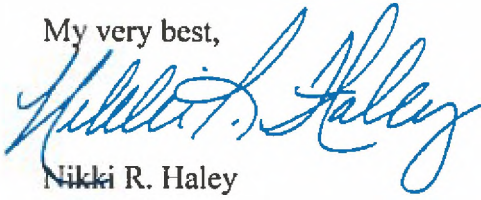
The Department of Commerce gives all regional economic development alliances money each year. This year, the alliances will receive \$5,000,000 through an agreed upon formula. Why would we select only four organizations to receive additional money when all are worthy?

Veto 83 Part IB, Page 526, Section 118, Statewide Revenue; Proviso 118.14(B), Nonrecurring Revenue – Item (42)(i), Department of Commerce, Hartsville Downtown Revitalization - Center Theater (Requires 2:1 Match), \$500,000

The City of Hartsville, like so many others cities and towns across this state were deeply affected by the most recent recession, has needs for community revitalization and economic development. We provided for these needs in 2012 when we signed into law the Abandoned Buildings Revitalization Act. However, city or town, Hartsville or any other, should be singled out in the budget this way. It is not an appropriate way for this government to spend the taxpayers' dollars, and I ask that you join me in discontinuing this process.

For these reasons, I am vetoing the aforementioned line items and sections in R127, H.3701

My very best,

A handwritten signature in blue ink, reading "Nikki R. Haley". The signature is fluid and cursive, with the first name "Nikki" and last name "Haley" clearly legible. The middle initial "R." is smaller and less distinct. The signature is positioned to the right of the typed name "Nikki R. Haley".

Nikki R. Haley