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Date: 6/16/2014 9:59:14 AM

Subject: Support Letters

DUANE

Veto 26 Part IB, Page 410; Section 49, Department of Parks, Recreation and Tourism; Proviso 49.12, State Park Service

For years, supporters of the State Museum have reasonably argued that it made little sense to exempt visitors to non-profit museums from the admissions tax while continuing to impose that levy on visitors to the State Museum.

In each of the last two years, many of the same advocates have pushed for a budget proviso that they argued would provide the State Museum with comparable treatment to its peer institutions. Unfortunately, I was forced to veto that proviso on both occasions because it was written not to direct the State Museum to stop collecting the admissions tax – which would be identical treatment to the non-profit museums – but to instead allow the State Museum to keep charging the tax, but pocket the proceeds instead of remitting collections to the General Fund.

I appreciate that the General Assembly sustained my veto on both occasions and also honored my request to send S. 474 to my desk, which will finally give the State Museum the equitable treatment it sought – and on a permanent basis.

Now this year, a new proviso has been inserted into the budget that would work the same way as the twice-vetoed State Museum admissions tax proviso, except on behalf of our state parks instead.

I am vetoing this proviso for two reasons. First, unlike the State Museum, there is no equity argument – this proviso would not afford equal tax treatment to a state institution and its non-profit counterparts. Second, the net effect of this proviso is to provide the state parks with funds that would otherwise be remitted to the General Fund. This proviso introduces a needlessly opaque method of increasing funding for our parks and therefore stands in contrast to my efforts to make our budgets more transparent.

I am proud of our state parks and am willing to work with you to get them the resources they need, but let's do that in an open and forthright manner.

KECK

Veto 23

**Part IB, Page 532; Section 118, Statewide Revenue; Proviso 118.16(B), Non-recurring Revenue; Item 36(c)
Department of Health and Human Services – Palmetto Project: \$100,000**

In the FY 2013-14 budget, the General Assembly similarly appropriated \$100,000 to the Department of Health and Human Services for the Palmetto Project. I am vetoing that line this year because the organization has failed to meet the basic performance standards contained in the agreement they made with the Department.

With the funds earmarked for them in FY 2013-14, Palmetto Project was to develop a school-based strategy to ensure that eligible children are enrolled in Medicaid, working with enrollment data for the free and reduced-price lunch program in a handful of selected school districts.

Palmetto Project was to design and pilot a tool-kit that could be used across the state to support school-based enrollment best practices; however, it has been unable to successfully complete this task. Also, the reporting to the Department about the progress of the Palmetto Project's efforts has been incomplete and has not credibly

demonstrated that the organization's school-based initiatives have had a meaningful impact. We don't need another year of this.

HITT

Veto 31

Part IB, Page 529; Section 118, Statewide Revenue; Proviso 118.16(B), Non-recurring Revenue; Item 7(g)
Department of Commerce – Capital IT-oLogy Coursepower Project: \$400,000

The CoursePower initiative is an emerging effort to develop a six-course minor in Applied Computing that gives students several specializations to choose from. The program was piloted at four colleges and universities in FY 2013-14 – without direct state support – and intends to expand into several more in the upcoming year.

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

Veto 64

Part IB, Page 413; Section 50, Department of Commerce; Proviso 50.16, Council on Competitiveness

Veto 65

Part IB, Page 529; Section 118, Statewide Revenue; Proviso 118.16(B), Non-recurring Revenue; Item 7(b)
Department of Commerce – SC Council on Competitiveness: \$750,000

Last year's budget provided the Council on Competitiveness with \$650,000 "to provide funds for existing business economic development activities" and required that those funds be matched dollar-for-dollar with private funds. This new budget appropriates \$750,000 for the same purpose and waters down the match requirement to be for "non-state appropriated" funds instead of private money. Arguably, this means that state money (if in the form of "other funds") could now serve as the match in what may be becoming a public-public partnership, instead of the public-private one that was advertised.

The General Assembly established a Department of Commerce for a variety of purposes, such as "to enhance the economic growth and development of the State through strategic planning and coordinating activities." Increasing the subsidy for an independent organization that has a mandate so similar to the Department's may help us achieve common goals but diminishes the Department's ability to fulfill its statutory coordination mission.

I am not necessarily opposed to the work carried out by New Carolina, but I do object to this style of earmarking. The Department of Commerce 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 69 Part IB, Page 529; Section 118, Statewide Revenue; Proviso 118.16(B), Non-recurring Revenue; Item 7(i) Department of Commerce – 340 Industrial Park: \$750,000

The Department of Commerce, the Rural Infrastructure Authority, and other state entities have a variety of tools at their disposal to build the infrastructure and develop the sites we need in order to attract and retain jobs in South Carolina. In fact, this year's budget allocates more than \$37 million to the Closing Fund, plus \$6.5 million more through the Capital Reserve Fund, to bolster our site inventory.

We don't need to undermine our coordinated economic development strategies by earmarking funds for a specific industrial park.

ZAIS

Veto 21

Part IB, Page 311; Section 1, Department of Education; Proviso 1.68, Lee County Bus Shop

This proviso first appeared two years ago and forces the Department of Education to fund two specific bus shops at precisely the same levels as in the prior year. This action interferes with the Department's ability to deploy its resources in the most effective manner on a statewide basis.

For those who are concerned that sustaining this veto would harm the workers employed by these facilities, Superintendent Zais has confirmed in writing that, if this veto is sustained, no employee will lose his or her job as a result.