



State of South Carolina

Office of the Governor

MARK SANFORD
GOVERNOR

POST OFFICE BOX 12267
COLUMBIA 29211

October 2, 2008

Dear Agency Director:

I'm writing to tell you my plans for a summit with all state agency heads next Tuesday to address a fast approaching crisis point with regard to the state budget. Your attendance and participation is vital, with the purpose being to begin the process of compiling a list of potential targeted cuts given the state's increasing dire budget situation. I believe our state government is in what Thomas Paine called "the times that try men's souls" and, while we do not have to pledge our lives, fortunes or sacred honor in pursuit of a balanced budget, I believe this meeting is important if we desire to be good stewards of the dollars and responsibility vested upon us by the taxpayers.

While it was both predictable and preventable, our state budget is sliding into the red. The Board of Economic Advisors appears poised to again reduce their revenue projections for the next budget year by another four percent, requiring \$250 million in additional cuts to balance the budget. And, a month ago, the Budget and Control Board made a three percent across-the-board cut to every agency – a move we disagreed with because all state spending is not created equal and, therefore, we believe in targeted cuts. We would hope that when the legislature returns to Columbia they can reverse some of these cuts and decide on targeted cuts that better prioritize tax dollars.

Earlier this year, I asked each of you by letter to identify your five percent "least-vital" activities for a hypothetical running list of cuts. After reviewing your responses, I am disappointed. Many of you claimed your agency couldn't afford to make any cuts and that it was impossible to identify a single program that fell below the red line.

I like what is going on less than anyone, I believe, because we have fought for the last six years against spending that led us to this point, but all of us are going to have to bring something to the table. Just as no one agency is completely immune from cuts, no one agency is free from offering suggestions and sacrifices that your agency can make in these hard times.

Along with attending next Tuesday's informational summit, I'd also ask that you send to our office, as well as to Representative Cooper's and Senator Leatherman's offices, a detailed list of your least-vital ten percent of programs and funding. While some agencies will see fit to rebuff this request, let's be clear: agencies refusing to provide input on the front end will have no room to complain on the back end if cuts are not to their liking.

We realize the budget cutting process will hurt, and there will be internal pushback in your agencies. But, not beginning this hard discussion will hurt our most vital services and the taxpayers more.

We will be working with legislative leaders and their staffs in the coming weeks to discuss a list of targeted cuts to bring us up to ground zero when it comes to the \$250 million hole the BEA now projects. Also, our Administration will be holding Executive Budget hearings for each of the main policy areas – education, public safety, health, economic development, natural resources, etc. – over the next two weeks, and I'd invite each one of you to attend these where appropriate.

The summit will be held next Tuesday, October 7, at 10:00 a.m., in Conference Room #252 on the second floor of the Brown Building on the Statehouse Grounds here in Columbia. I am only inviting you – as the head of your respective agency – to attend, although you are free, and indeed encouraged, to prepare with your staff before the meeting. Please call or email Leigh LeMoine (803.734.0067, llemoine@gov.sc.gov) to confirm your attendance as soon as possible.

Thank you for your time, and please call my staff with any questions. I look forward to seeing you next Tuesday. Take care.

Sincerely,



Mark Sanford

MS/bdf

cc: The Honorable Glenn F. McConnell, President *Pro Tempore*
The Honorable Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee
The Honorable Robert W. Harrell, Jr., Speaker of the House
The Honorable Dan Cooper, Chairman, House Ways and Means Committee