

Title: Political cockfighting starts already over 2017 budget

Author:

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The culprits are two big numbers causing some confusion before the debate even begins.

Roughly one week ago, the state Board of Economic Advisors projected South Carolina lawmakers would have about \$440 million in new revenues for the 2017-18 budget. It's not the \$1.2 billion they had to craft the current budget, but it's not small potatoes either. The lower number – which would have been a dream come true during the Great Recession a few years ago – reflects a slowing economy, perhaps. But it's important to note this: The economy is still growing.

And then earlier this week, Gov. Nikki Haley issued a grand pronouncement that caused head scratching in light of the growth: It's time to consider budget cuts, she said.

Huh? With more money?

The likely explanation is the old game of political chicken, as Haley is looking for an advantage over legislators who face a triple funding threat caused by needs for billions of tax dollars from serial under-funding of roads and education and billions more to shore up the state's pension system, which has underperformed to the tune of \$20 billion.

In the most recent legislative session, lawmakers put off the serious work of dealing with billions in road funding needs by coming up with a way to borrow \$200 million a year for the next decade or so to plow into highway and



Andy Brack
The Statehouse Report

bridge fixes. But that's not enough by a long shot.

So expect renewed clashes over an increase in South Carolina's relatively paltry \$0.1675 per gallon gas tax. Raising the tax, which hasn't been adjusted in more than 25 years, by just a dime a gallon would keep S.C. below rates in Georgia and North Carolina but bring in approximately \$340 million in new revenue every year. Double the increase to North Carolina's rate and the state would generate \$678 million annually for roads, some paid by out-of-state truckers and travelers.

Haley, who is so opposed to a gas tax that she can't see straight, knows the public wants something done on roads and that a majority supports a hike. So she's desperately trying to find an alternative to muddy the waters. The whole notion of budget cuts really isn't about working to keep under-spending for decades under control. It's about the gas tax. She doesn't want a legacy that reflects taxes went up big while she was governor.

By forcing state agencies to figure out ways to come up with \$200 million in budget cuts – half of which potentially would hit public and higher education – Haley will have a weapon: Reams of paper that show exactly how the state

could save money without raising the gas tax. Left unsaid would be cuts that would impact services.

Meanwhile, legislators will face a different climate in 2017. Some Republicans, particularly in the Senate, are mumbling they might consider a gas tax increase. When you count votes, it doesn't take a rocket scientist to figure out the Senate's Democrats only have to peel off six moderate Republicans to pass a tax.

And that's what has anti-gas tax advocates such as Haley and Sen. Tom Davis, R-Beaufort, worried. Which brings another level of politics to the whole mess: the governor's race in 2018.

Just as Haley is using the budget cut ruse to develop an alternative to a gas tax, Davis already is working to gin up opposition to a gas tax in what is seen as a probable bid for governor.

With all of this is going on, the House is working on comprehensive tax reform, which might include a gas tax hike, to fuel all of the needs of the state. A special committee is looking at ways to make the state's high sales tax rate more equitable, perhaps by removing hundreds of millions of dollars of special-interest sales tax exemptions; how to balance the state's income tax; and how to redress wrongs created by a property tax swap that hurt businesses.

More than anything, what really needs to happen is for reason to be brought into tax debates. Not more dramatic, political cockfighting.

Andy Brack is editor and publisher of Statehouse Report. Have a comment? Send to: feedback@statehousereport.com

Title: **Two lawmakers overruled everybody to get approval**

Author:

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GUEST EDITORIAL

Two lawmakers overruled everybody to get approval

The term "legislative state" gets thrown around a lot by people trying to describe the power structure for South Carolina's government. It's supposed to make the state's gross imbalance of power seem like a reasonable alternative - a "legislative state," as opposed to an "executive state," sounds like a legitimate thing.

Another problem with the term, however, is that it implies the entire legislature runs the state. In fact, a better argument can be made that a small group of legislative leaders run it. Consider the recent controversy over the expansion of Coastal Carolina's stadium.

First, some context. Coastal Carolina University decided to move from the Big South to the Sun Belt Conference. In order to make this switch, university officials needed to increase the size of the school's stadium and wanted to issue bonds to cover the construction cost.

The Commission on Higher Education (CHE) first had to approve the bond request, but the agency denied it - four times - citing insufficient funding to cover the bond debt and a board members own experience with the unforeseen costs of switching conferences. Normally that would be the end of the story. But thanks to that small group of powerful legislators in Columbia, Coastal Carolina will get its stadium expansion. At the very end of the budget process, legislators slipped in two provisos (laws that expire at the end of the fiscal year) that allowed Coastal Carolina to circumvent the CHE's decision. The provisos were sponsored by Ways and Means Chairman Brian White (R-Anderson). In the Conference Committee for the budget, Senate Finance chairman Hugh Leatherman (R-Florence) agreed to the House provisos. They were included in the final budget.

(Why Leatherman and White went out of their way to assist Coastal Carolina in this way is unclear - the school is not located in either lawmaker's district. It's worth noting that CCU has spent \$15,000 on lobbying in 2016.)

Gov. Nikki Haley vetoed the provisos, noting in her veto message that Coastal Carolina

"deployed an aggressive lobbying effort to bypass CHE's statutory responsibility to review and consider higher education capital projects, resulting in this proviso." She went on: "The project, primarily funded by tuition-backed debt, nearly doubled in cost since its original proposal last fall." The governor's vetoes were overwhelmingly overridden in the House. In the Senate, one proviso was sustained - meaning the Senate agreed with the governor's veto. But ten minutes later, Senate leaders, evidently unhappy with the result, moved to reconsider - a parliamentary maneuver allowing the chamber to take up a veto again even though members already sustained it. Both White and Leatherman voted to override the vetoes in their respective chambers. The next step for Coastal Carolina was to go before the Joint Bond Review Committee (JBRC), a body made up entirely of legislators. The chairman and vice chairman of the JBRC are none other than Sen. Leatherman and Rep. White, respectively.

Consider Leatherman. The Florence lawmaker has at least 46 boards and commission seats he either serves on or can appoint to. On some boards he appoints more than one member - for example the powerful Judicial Merit Selection Committee, which nominates judicial candidates to the legislature for election.

A few years ago when the legislature passed and the governor signed a government restructuring bill that supposedly "abolished" the Budget and Control Board, lawmakers and other politicians cheered the "historic" victory for accountability. Judging by the CCU stadium controversy, however, the end results of the new restructuring law were (a) that the Budget and Control Board has a new name - it's the SFAA now - and (b) that the oligarchy remains firmly in place.

But if you're a small university wanting to fund a stadium expansion, an oligarchy is just what you may need.

This guest editorial was submitted by Phillip Cease, director of research at the South Carolina Policy Council.

Title: **Some Hispanics in S.C. fear Trump has put a bull's-eye on their backs**

Author: BY VERA BERGENGRUEN vbergensmen@mcdatchydc.com

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DECISION 2016

Some Hispanics in S.C. fear Trump has put a bull's-eye on their backs

■ Donald Trump's rhetoric has many fearing for their future and has fueled voter registration for Hispanic residents.

BY VERA BERGENGRUEN
vbergengruen@mcdatchydc.com

The presidential campaign has changed South Carolina Hispanics' lives – regardless of their immigration status.

In interviews last week with 25 Hispanics in South Carolina, some of them registered voters and some of them in the U.S. illegally, they expressed fear that the immigration rhetoric of Republican presidential candidate Donald Trump has put a bull's-eye on their backs and imperiled their futures.

"It doesn't matter if Trump doesn't win. The damage has already been done," said Ilija Rivera of Greenville, who chairs the

Hispanic Caucus of the state's Democratic Party. "He replanted that seed of racial discrimination in some South Carolinians here that, after years of working together in the community, was so close to being gone."

Those eligible to vote – 34 percent of South Carolina's Hispanic population of 258,000 – have been apathetic about registering, said Wilfredo Leon of Greenville, who started South Carolina's first Spanish-language news-

paper in 1996. Trump's campaign has changed that.

But as a growing minority at 5 percent of the state's population, any surge in anti-Trump registration or voting is unlikely to sway the overall vote for South Carolina, which has for decades voted solidly Republican in the presidential election.

"I'm sensing a fear, a new anxiety, about what is going to happen if Trump is elected," said Leon. "I sense a nervousness provoked by how people around them are reacting to the ideas that Trump is pushing. ... Some react by distancing themselves. Others react saying, 'If I can become a citizen more quickly to register to vote, I'm going to do it.'"

Leon placed the usual election-year ad in his newspaper offering to help readers with voter registration, but this time the response was overwhelming.

He said he'd helped 25 to 30 people register, most of whom were driven by fear of living under a President Trump.

"Many people won't usually be very aware of the

politics going on, and often think 'I don't think I'm going to vote' or 'Our votes don't count,'" said Maribel Luna Sanchez, 23, who moved with her family from Mexico to Beaufort County when she was 8. "Now there is that connection of thinking, 'OK, I don't want Trump to be president,' and that's definitely a motivation."

Rivera said that after Trump's immigration speech in Arizona on Wednesday she had posted a Facebook ad for a workshop for new voters in her area called, "How not to vote for Trump." There was an immediate flood of responses.

Earlier in his campaign, Trump painted a bleak picture of dangerous, violent "illegals" flowing over the southern border, bringing drugs and crime and often harming innocent Americans. At his Wednesday immigration speech in Arizona, 22 people gave accounts of being victimized by immigrants.

Living in a state that adopted parts of Arizona's strict immigration law, many Hispanics interviewed said

that characterization had resulted in increased suspicion of them. While the overall numbers are small, South Carolina has had the second-fastest-growing Hispanic population in the country: From 2000 to 2011, the number surged 154 percent.

"Of course, this rhetoric, these type of statements – like 'Mexicans are rapists and criminals' – it hurts all of us," said Myriam Torres, the director of the Consortium for Latino Immigration Studies at the University of South Carolina in Columbia. "And often I hear the comment, 'Oh, that's not us. We're not undocumented; they're not talking about us.'"

But the suspicion and profiling can affect anyone who looks Hispanic or has a Spanish last name, said Eric Esquivel, a Hilton Head businessman who runs La Isla magazine and is the co-chairman of the Low-country Immigration Coalition.

"It's just adding a negative mentality towards Latinos – toward tan – thinking that all

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tan people are 'Mexican' and 'illegal.' For (people in) government, what they say and what they do is delicate," said Esquivel. "What is the message you're sending to next generations?"

In 2011, Republican Gov. Nikki Haley signed a bill similar to Arizona's anti-immigration legislation. Opponents said it would cost South Carolina taxpayers

millions of dollars while encouraging racial profiling. It required police to check the immigration status of any person they stopped and suspected of being in the country illegally. It also set up the country's first state-level immigration enforcement unit, at a cost of \$1.3 million.

A federal court blocked major parts of the law after

South Carolina was sued by a group of organizations, including the National Immigrant Law Center and the American Civil Liberties Union.

Esquivel, who while growing up in Hilton Head was often the only Hispanic kid in class, said the combination of those laws and the political rhetoric has created an increasingly hostile atmosphere. Though he is a Republican, he said it was difficult to vote for the party.

"This is creating a ripple effect of hate and suspicion and antagonism toward all Hispanics," he said.

Some community organizations are talking about what support to provide the Hispanic community if Trump wins, including mental health services for children.

"They are really under a lot of stress and trauma right now in our state," said Julie Smithwick, the executive director of PASOs, a program that works to connect Latinos to health and social services. "A 12-year-old doesn't understand if it's just rhetoric. They really believe their parents could be taken from their homes and deported overnight."

Steven Diaz, a retired Marine veteran who runs a Columbia nonprofit to help veterans re-enter civilian life, said the majority of Hispanic immigrants who worked hard to build lives in South Carolina didn't want to encourage illegal immigration, either. But it's a fantasy to believe that Trump will empty the country of workers who are here

illegally, he said.

"So for people to get excited about deporting all these people, good luck," he said.

Diaz worked on Florida Sen. Marco Rubio's campaign in the GOP presidential primary. Diaz will still vote Republican. As a conservative who thinks President Barack Obama's administration failed on important veterans' issues, he finds Trump the only option. He does wish Trump would be more moderate on immigration.

"I was hoping that reality would set in and they'd know you couldn't be that extreme about this," he said. "I don't believe in amnesty, but you have to have some kind of immigration platform, and it can't just be, 'We're kicking everybody out.'"

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GERALD HERBERT AP

Republican presidential candidate Donald Trump holds a Hispanic advisory roundtable meeting in New York last month.

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Title: **— • 1* ACT scores drop in SC, across Pee Dee**

Author: BY MELISSA ROLLINS Morning News mrollins@florencenews.com

Size: 47.74 column inches

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ACT scores drop in SC, across Pee Dee

BY MELISSA ROLLINS

Morning News

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FLORENCE—Across the state, ACT scores dropped in 2016 and the school districts in the Pee Dee were no exception. Only one local school had a gain: Mayo High School for Math, Science and Technology.

In 2014, Act 200 was signed into law by Gov. Nikki Haley. This new law requires that all students, whether they plan to go to college or not, take the ACT (American College Test) their junior year to gauge their readiness for college. With it being a mandated test, the number of students in each high school and district taking the test jumped dramatically.

In two districts in Florence County, Lake City and

Johnsonville, the number of students went from double digits to triple digits. Florence School District One had an increase of 506 students testing; Darlington County School District

increased by 286 students.

The state mean composite score dropped from 20.4 to 18.5. The national average is 20.8.

Florence One's score was 17.6; Hannah-Pamlico's was 14.9. Lake City's score was 16.3 while Timmonsville's was 14.1 and Johnsonville's was 17.7.

Randy Koon, Florence One assistant superintendent of instruction, said the new scores were disheartening.

"We are disappointed that there was a drop," Koon said. "I think that the

primary reason for that drop is that we tested nearly twice as many students as we did last year."

Koon said that the increase in test takers could change the composition of the results.

"The test, last year, was required; all students had to take it," Koon said. "We

had a lot of students who took it who really had no

interest in being successful on the test, I'm afraid. I think that may have played a part in the drop in test scores. It was statewide, too, so you see a drop in scores statewide."

The test results can give some direction for instruction, he said.

"I think it does give us a picture of some areas where we need to improve," Koon said.

According to a press release from Florence District Three, ACT chief executive officer Marten Roorda said that in this particular situation, a decrease in scores is typical.

"Research clearly shows that scores initially decrease when states adopt the ACT for all students, but access and opportunities increase," Roorda said.

According to a press

release from Florence Three, Lake City, changes are being made to the school day and the instruction to help make students better prepared for furthering their education.

Lake City High School's administration "has made intentional changes to the school day that should result in increased student achievement," the press release said. "English and mathematics teachers embedded test preparation components in their curriculum. Since English was the lowest tested area, juniors will receive a full year of English instruction as opposed to only a semester."

Zachary Zhao, currently a senior in Florence One's International Baccalaureate Program (IB) at Wilson High School, made a perfect 36 on the ACT.

FLORENCE COUNTY ACT SCORES (2015-16)

FSD1	FSD2	FSD3	FSD4	FSD5
» 2015: 19.5	» 2015: 18.4	» 2015: 16.8	» 2015: 16.6	» 2015: 19.6
» 2016: 17.6	» 2016: 14.9	» 2016: 16.3	» 2016: 14.1	» 2016: 17.7

DARLINGTON COUNTY ACT SCORES (2015-16)

Darlington County Overall

» 2015: 18.5
» 2016: 17.9

Title: **Prime example of the S.C. oligarchy**
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Prime example of the S.C. oligarchy

Guest column

Phillip Cease

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But the term implies the entire legislature runs the state. In fact, a better argument can be made that a small group of legislative leaders run it. Consider the recent controversy over the expansion of Coastal Carolina's stadium.

First, some context. Coastal Carolina University decided to move from the Big South to the Sun Belt Conference. In order to switch, university officials needed to increase the size of the school's stadium and wanted to issue bonds to cover the construction cost.

The Commission on Higher Education (CHE) first had to approve the bond request, but the agency denied it – four

times – citing insufficient funding to cover the bond debt and a board member's own experience with the un-

foreseen costs of switching conferences. Normally that would end the story. But thanks to that small group of powerful legislators in Columbia, Coastal Carolina will get its stadium expansion.

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CHE's statutory responsibility to review and consider higher education capital projects." She went on: "The project, primarily funded by tuition-backed debt, nearly doubled in cost since its original proposal last fall."

The governor's vetoes were overwhelmingly overridden in the House. In the Senate, one proviso was sustained – meaning the Senate agreed with the governor's veto. But 10 minutes later, Senate leaders, evidently unhappy with the result, moved to reconsider – a parliamentary maneuver allowing the chamber to take up a veto again even though members already sustained it. Both White and Leatherman voted to override the vetoes in their respective chambers.

The next step for Coastal Carolina was to go before the Joint Bond Review Committee (JBRC), a body made up entirely of legislators. The chairman and vice chairman of the JBRC are none other than Sen. Leatherman and Rep. White, respectively. The committee approved the bond proposal.

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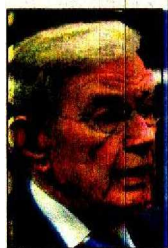
JBRC, the State Fiscal Accountability Authority (SFAA) voted last week 3-2 to move the project forward. Leatherman and White are on that five-member board, too. They accounted for two of the three "aye" votes.

In the end, White and Leatherman voted on the proposal no fewer than seven times. Four for White and three for Leatherman – and this doesn't include White's own amendment that introduced the two provisos.

The governor, meanwhile – who, unlike White and Leatherman, is elected by the entire state, not merely by a single legislative district – only got to act on the measure twice: first with a veto, second with a vote on the SFAA. In both cases, she was out-gunned by the two legislative leaders.

Maybe the best term isn't "legislative state" after all. Maybe we should call South Carolina an "oligarchic state."

Phillip Cease is director of research at the South Carolina Policy Council.



Leatherman



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**White**