

From: Baker, Josh
To: Soura, Christian <ChristianSoura@gov.sc.gov>
Date: 6/21/2013 10:11:30 AM
Subject: RE: What I Want for Christmas

From: Soura, Christian
Sent: Thursday, June 20, 2013 7:39 AM
To: Baker, Josh
Subject: What I Want for Christmas

Dear Santa,

Since folks have asked how they can help, I'd like to see what they can put together on the following, please...

- Someone to go look around at GASB rules, GFOA manuals, whatever, to give us some quotes/passages to consider for possible incorporation into the letter, when we're talking about the reckless/unsustainable angle. Or the money laundering from non-recurring to recurring.
[Working on this.](#)
- The exact state constitutional citation/passage requiring a balanced budget.

[Article X, Section 7](#)

SECTION 7. Limitation on annual expenditures of state government and number of state employees; annual budgets and expenses of political subdivisions and school districts.

(a) The General Assembly shall provide by law for a budget process to insure that annual expenditures of state government may not exceed annual state revenue.

(b) Each political subdivision of the State as defined in Section 14 of this article and each school district of this State shall prepare and maintain annual budgets which provide for sufficient income to meet its estimated expenses for each year. Whenever it shall happen that the ordinary expenses of a political subdivision for any year shall exceed the income of such political subdivision, the governing body of such political subdivision shall provide for levying a tax in the ensuing year sufficient, with other sources of income, to pay the deficiency of the preceding year together with the estimated expenses for such ensuing year. The General Assembly shall establish procedures to insure that the provisions of this section are enforced.

(c) The General Assembly shall prescribe by law a spending limitation on appropriations for the operation of state government which shall provide that annual increases in such appropriations may not exceed the average growth rate of the economy of the State as measured by a process provided for by the law which prescribes the limitations on appropriations; provided, however, the limitation may be suspended for any one fiscal year by a special vote as provided in this subsection.

During the regular session of the General Assembly in 1990 and during every fifth annual regular session thereafter, the General Assembly shall conduct and complete a review of the law implementing this subsection. During such session, only a vote of two-thirds of the members of each branch present and voting shall be required to change the existing limitation on appropriation. Unless that is done, the existing limitations shall remain unchanged.

Upon implementation of the provisions of this subsection by law, such law may not be amended or repealed except by the special vote as provided in this subsection.

The special vote referred to in this subsection means an affirmative vote in each branch of the General Assembly by two-thirds of the members present and voting, but not less than three-fifths of the total membership in each branch.

(d) The General Assembly shall prescribe by law a limitation on the number of state employees which shall provide that the annual increase in such number may not exceed the average growth rate in the population of the State measured by a process provided for in the law which prescribes that employment limitation; provided, however, the limitation may be suspended for any one fiscal year by a special vote as provided in this subsection.

Upon implementation of the provisions of this subsection by law, such law may not be amended or repealed except by the special vote provided in this subsection.

The special vote referred to in this subsection means an affirmative vote in each branch of the General Assembly by two-thirds of the members present and voting, but not less than three-fifths of the total membership in each branch. (1976 (59) 2217; 1977 (60) 90; 1985 Act No. 10.)

Accompanying Statute

SECTION 11-11-140. Limits on appropriation of surplus general fund revenues; revenue derived from change in accounting method.

(A)(1) In the Governor's annual budget recommendation to the General Assembly, no recommendation may be made for the appropriation of surplus general fund revenues in excess of amounts officially recognized as such by the Board of Economic Advisors.

(2) In any bill or joint resolution appropriating general fund revenues, no surplus general fund revenue may be appropriated in excess of amounts officially recognized as such by the Board of Economic Advisors.

(B) In making the annual budget recommendation to the General Assembly, the Governor shall not incorporate or realize any revenue derived on the basis of any future change in a method of accounting, as determined by the Budget and Control Board, unless the change in a method of accounting is based on statutory authority specifically granted to the Budget and Control Board or a statutory enactment changing the method of accounting.

HISTORY: 1993 Act No. 162, Section 1; 1994 Act No. 497, Part II, Section 7A; 1995 Act No. 142, Section 1; 1997 Act No. 155, Part II, Section 13A.

- Someone to take everything I've marked in the veto XLS (IA and NR) and start a new Word document...even though they're not decided at this point, an intern or someone can prepare the relevant citations in the right format in a Word document. No point in waiting...most/all of what I've flagged will get hit.

Becca is beginning document construction

- Feel free to share the XLS with folks in the office so that they can take a look / consider / comment before the afternoon budget meeting.

Done

- Better background on how/if CERRA has been evaluated, esp. by EOC, in the past couple of years. The back story on CERRA is that CERRA receives evaluations, but there has historically not been evaluations focused on the outcomes associated with the teacher loan program, teaching fellows, etc. CERRA's focus has been recruiting feedstock, not university accountability. The effort now is to create performance measures and standards for the participating institutions.

- Les' letter to arrive.

Done

- Someone to total up all the new bus money in this package, in a little table.

South Carolina School Bus Funding

Source	2012-13	Conference	Annual Change	Governor
IA - Bus Purchase	\$ 15,506	\$ 1,015,506	\$ 1,000,000	\$ 15,506
IA - Bus Shop Operating	\$ 33,316,193	\$ 39,857,392	\$ 6,541,199	\$ 33,316,193
IA - EIA - Transportation	\$ 19,705,155	\$ 16,347,285	\$ (3,357,870)	\$ 19,705,155
Lottery Expenditure - New Buses	\$ 5,950,000	\$ 5,210,000	\$ (740,000)	\$ -
Statewide Revenue - Fuel and Parts	\$ -	\$ 6,426,188	\$ 6,426,188	\$ -
Capital Reserve - Lease and Purchase	\$ -	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000

- The statutory language from when the lottery was created...what specifically are the originally-intended allowable uses of that cash?

Everything appears to be within appropriate use, though some of the capital expenditures could be re-examined.

- An answer from CHE or someone as to what projects are embedded within the \$10.5M LEA allocation. [Distribution is in proviso – I sent you a sheet from Julie that details the distribution.](#)
- An answer from Marcia (probably?) as to what they think Voc Rehab will pocket from the insertion they got into the property proviso for their 3.25-ish acre tract. And a guess as to when that money will show up. [Ted got this answer.](#)
- Something we can point to/us on that \$453k Security Lighting Upgrade. We need paper on it. Where is it, what is it, etc.
[KV/JM](#)
- Something we can show NRH on Center for Fathers and Families. Just some more background. [You have the one-pager.](#)

For this afternoon's budget meeting, everyone should have an updated proviso list, a copy of the two tabs from the veto XLS, and a copy of the earmark list Veldran got. Thanks.

CLS

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