



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

September 19, 2016

The Honorable Hugh K. Leatherman, Sr.
Chairman
Senate Finance Committee
111 Gressette Bldg.
Columbia, SC 29201

The Honorable W. Brian White
Chairman
House Ways and Means Committee
525 Blatt Bldg.
Columbia, SC 29201

Dear Chairman Leatherman and Chairman White,

As you prepare for the Fiscal Year (FY) 2017-18 appropriations process in your respective committees, I wanted to share some budget-related items we are working on in an effort to focus on long-term planning and promote transparency to the state budget-writing process.

On August 29, 2016, in response to an announcement by the S.C. Board of Economic Advisors that revenue growth is not projected to be as high as the past few years, I asked each agency to identify programs they would reduce or eliminate if they received a 3% General Fund budget reduction and submit that information with their FY 2017-18 budget request. Planning for future revenue decreases now, while our economy is strong, will assist with long-term preparation and allow us to make smarter funding decisions—as well as help position South Carolina to avoid the difficult budget situations we found ourselves in at the end of the previous decade. The Executive Budget Office has begun to work with agencies to find reductions that result in the smallest impact to state services.

Additionally, today I have signed Executive Order 2016-22 requiring each agency to provide an annual Other Funds Report. Recognizing the need for accountability and transparency in the collection of Other Funds by state agencies, the General Assembly, via Proviso 117.74 of the FY 2016-17 Appropriations Act, requires each state agency to provide a public report of all aggregated amounts of fines and fees that were charged, collected, and expended by that agency. Executive Order 2016-22 will build on this—requiring additional information such as the cash balance each agency has at the end of each fiscal year and an explanation of the need to carry a balance in excess of actual expenditures, which will help bring needed transparency to what has become the largest fund source in the Appropriations Act.

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I believe this additional information will inform the decision-making process of your committees and the members of the General Assembly as the FY 2017-18 Appropriations Act is being developed.

I look forward to working with you and the General Assembly to construct a budget South Carolina can be proud of.

My very best,


Nikki R. Haley

cc: Members of the General Assembly