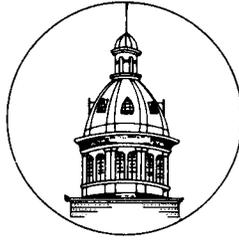


James A. Lander
Comptroller General
of
South Carolina



News Release

WADE HAMPTON STATE OFFICE BUILDING, COLUMBIA SC 29201

August 16, 2001

FOR RELEASE: IMMEDIATELY

Comptroller General James A. Lander announced today that he withdrew \$87 million from the General Reserve, the State's "rainy day fund," in closing the 2000-2001 books for the Budgetary General Fund. Almost \$61 million remained in the reserve after the withdrawal. This was the first such withdrawal since an economic recession necessitated a similar action at the end of the 1990-1991 and the 1991-1992 fiscal years. The State Constitution establishes a schedule for restoring the Reserve to full funding within three years. The Reserve is fully funded when it equals 3% of the Budgetary General Fund revenues for the latest completed fiscal year. The total fund balance at year-end for the Budgetary General Fund, all of which is reserved or designated by law for specific uses, was \$151 million.

Lander emphasized that the amount of the year-end withdrawal was kept to a minimum as a result of actions that he and fellow members of the State Budget and Control Board took earlier in the year. Actions taken on November 21, 2000, and May 8, 2001, included sequestering the entire \$99 million capital reserve balance and agency appropriations totaling \$48 million—approximately a 1% budget cut for most agencies. In addition, a budgetary provision that ordinarily allows agencies to carry forward to the next fiscal year up to 10% of their original appropriations includes language that requires its suspension if the rainy day fund

- more -

COMPTROLLER GENERAL'S OFFICE / (803) 734-2121
FAX / (803) 734-2064

must be tapped. Suspension of the provision applied \$46 million to help reduce the budgetary deficit. Any appropriations that agencies were allowed to carry forward from 2000-2001 to 2001-2002 were authorized by other specific legal provisions. Lander underscored the fact that South Carolina has developed excellent procedures that allow the State Budget and Control Board to identify potential economic downturns early and to take quick action to minimize damage. He stated, "That is precisely what the Board has done in this instance."

Comptroller General Lander asserts that our financial problem in South Carolina is a regional and national problem caused in large part by Alan Greenspan and the Federal Reserve System through its six interest rate increases during our 1999-2000 fiscal year. The Federal Reserve now has seen its error and is in full retreat with six interest rate reductions during our 2000-2001 fiscal year. (See attached letter and schedule of rate changes.) Lander points out that sales already have slumped dramatically for many businesses in South Carolina's manufacturing sector, including the textile industry. Some economists predict that tourism soon may begin to suffer as well.

These negative economic developments mean that the State collects less in state sales taxes and individual income taxes than it would under more favorable economic conditions. Sales and individual income taxes provide the lion's share of the Budgetary General Fund's revenue, and both categories fell considerably short of the estimates on which State government's 2000-2001 spending plan was based.

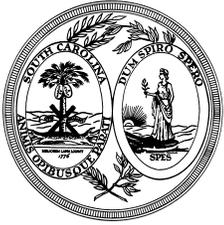
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For additional information, contact the South Carolina Comptroller General's Office at (803) 734-2128 or point your browser to <http://www.cg.state.sc.us>.

CHANGES IN INTEREST RATES BY THE FEDERAL RESERVE

State Fiscal Year Ended June 30	Date*	Percentage Change*	Prime Rate of Interest*
1999	June 30, 1999	N/A	7.75%
2000	July 1, 1999	+0.25%	8.00%
2000	August 25, 1999	+0.25%	8.25%
2000	November 17, 1999	+0.25%	8.50%
2000	February 3, 2000	+0.25%	8.75%
2000	March 22, 2000	+0.25%	9.00%
2000	May 17, 2000	+0.50%	9.50%
2001	January 3, 2001	-0.50%	9.00%
2001	January 31, 2001	-0.50%	8.50%
2001	March 20, 2001	-0.50%	8.00%
2001	April 18, 2001	-0.50%	7.50%
2001	May 15, 2001	-0.50%	7.00%
2001	June 25, 2001	-0.25%	6.75%

*Source: The Federal Reserve.



JAMES A. LANDER
COMPTROLLER GENERAL

State of South Carolina
Office of Comptroller General

Wade Hampton Office Building
Post Office Box 11228
Columbia, South Carolina 29211

Telephone: (803) 734-2121
Fax: (803) 734-2064
E-Mail: cgooffice@cg.state.sc.us

DONALD E. LOVETT
DEPUTY COMPTROLLER GENERAL

March 10, 2000

Allan Greenspan, Ph.D.
Chairman, The Federal Reserve
20th & C Streets
Washington, D. C. 20551

Dear Dr. Greenspan:

As Comptroller General of South Carolina, I urge you to be extremely cautious with any new interest rate hikes. We have already seen signs of a slowing economy in South Carolina. Growth in our sales and income taxes for the first two months of this year have fallen significantly. Home building in our state has also fallen off. These are key indicators of economic activity here. I have included some charts to show you these developments and will be happy to provide any other assistance.

We in South Carolina remember the 1991-1992 recession following a run-up in interest rates. It hit our State hard. Our revenues did not grow for two years. We depleted our reserves and cut appropriations for major programs. Our credit rating was lowered from AAA. Since then we have worked hard to recover from that experience and to regain our AAA rating.

Please take a little time to evaluate the impact of the rate hikes you have already implemented. I believe you will find that after the data filters through to Washington, you will see the slowdown I have already seen.

Sincerely,

JAMES A. LANDER

State of South Carolina Comptroller General's Office

Budgetary General Fund The Fiscal Year Ended June 30, 2001

The Completed Fiscal Year—Overview

At the end of the State of South Carolina's 2000-2001 fiscal year, the Comptroller General withdrew \$87 million from the General Reserve, the State's "rainy day fund," and deposited this amount to the credit of the Budgetary General Fund. The Budgetary General Fund's revenues were \$343 million less than its expenditures.

The Completed Fiscal Year--Other Key Financial Statistics

The Budgetary General Fund's revenue estimate at the start of 2000-2001 as a result of the General Appropriation Act was \$5.342 billion. On November 21, 2000, the Governor approved Bill H3649, a Supplemental Appropriation Act, which provided for a \$25 million reduction in the sales tax on food items. Thus the original estimated revenue as enacted by the General Assembly totaled \$5.317 billion. On November 9, 2000, the Board of Economic Advisors (BEA) approved net downward revisions that totaled approximately \$97 million. Accordingly, the revenue estimate at June 30, 2001, was \$5.220 billion. The actual revenues of \$5.080 billion were approximately \$140 million below the revised estimate.

Original appropriations for the Budgetary General Fund in 2000-2001 were \$5.317 billion, and agencies were allowed to bring forward another \$214 million into 2000-2001 from 1999-2000. Various supplemental appropriations totaling \$127 million posted during 2000-2001, and other net increases in appropriations recorded during 2000-2001 totaled approximately \$33 million. Decreases in appropriations were recorded to reflect the Budget and Control Board's action in November 2000 to sequester the \$99 million Capital Reserve and the 1% agency budget cuts mandated by the Budget and Control Board in May 2001, which totaled \$48 million. At year-end, therefore, total appropriations were \$5.544 billion. Of this \$5.544 billion, the State spent \$5.423 billion, and agencies carried forward \$56 million of appropriations from 2000-2001 to 2001-2002. These carried forward appropriations resulted from specific provisos enacted by the General Assembly. The remaining \$65 million balance represents net lapses of unexpended appropriations. The \$65 million in lapsed appropriations included \$46 million that lapsed as a result of the suspension of a provision that, in some years, has allowed agencies to carry forward to the next fiscal year up to 10% of their unexpended appropriations. (This provision was automatically suspended for the 2000-2001 fiscal year because money was withdrawn from the rainy day fund.)

The General Reserve began the year with \$145 million and received an additional \$3 million during 2000-2001. Accordingly, the \$87 million withdrawal at year-end left the Reserve with approximately \$61 million. In accordance with the State Constitution, the State has three years to restore the Reserve to its full-funding amount—3% of the Budgetary General Fund revenues for the latest completed fiscal year.

State of South Carolina Comptroller General's Office

**Budgetary General Fund
The Fiscal Year Ended June 30, 2001**

About This Report

This report represents the best financial data available as of August 16, 2001, regarding the State's financial position and operations for the fiscal year ended June 30, 2001. Information in this report is limited to the portion of the State's operations presented by the Budgetary General Fund. Furthermore, the report was prepared using the budgetary basis of accounting. The State's budgetary basis is the cash basis with certain exceptions. **The presentation of this report is not intended to comply with Generally Accepted Accounting Principles (GAAP).**

After completion of the statewide audit, my office will issue a Comprehensive Annual Financial Report for the State of South Carolina for the fiscal year ended June 30, 2001. That report will include audited GAAP-basis and budgetary-basis data for all of the State's funds and account groups.

For additional information, contact the South Carolina Comptroller General's Office at (803) 734-2128 or point your browser to <http://www.cg.state.sc.us>.

State of South Carolina
Index to Schedules of Key Numbers
 Fiscal Year Ended June 30, 2001

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Budgetary Results—What Happened?

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2001

(Amounts Expressed in \$Millions)

DECREASES:

Revenue Shortfall (Actual vs. Original Estimated Revenue).....	\$ (236.6)	
"Open-Ended" Appropriations.....	<u>(45.1)</u>	
TOTAL DECREASES.....		\$ (281.7)

INCREASES:

Budget and Control Board Action—Capital Reserve Reduction (Nov. 2000).....	98.6	
Budget and Control Board Action—1% Agency Reductions (May 2001).....	48.1	
Agency Appropriations Lapsed to Avoid Deficit Per Proviso 72.43.....	45.7	
Residual Balance From Proviso 72.110.....	<u>1.9</u>	^a
TOTAL INCREASES.....		<u>194.3</u>
NET DECREASE.....		\$ (87.4)
Transfer From General Reserve.....		<u>87.4</u>
UNRESERVED, UNDESIGNATED FUND BALANCE—JUNE 30, 2001.....		<u><u>\$ —</u></u>

^a Fiscal Year 2001-2002 Proviso 72.110 Requirements:

Cash Transfers from Other Budgeted Funds During 2000-2001.....	\$ 16.8
2000-2001 Lapsed Appropriations.....	19.1
Amount Designated for 2001-2002 Appropriations.....	<u>(34.0)</u>
Residual Balance—Proviso 72.110.....	<u><u>\$ 1.9</u></u>

Changes in Budgetary Fund Balance

BUDGETARY GENERAL FUND
Fiscal Year Ended June 30, 2001

	<u>General Reserve</u>	<u>Appropriations Carried Forward</u>	<u>Capital Reserve</u>	<u>Unreserved</u>	<u>Total Fund Balance</u>
Fund Balance--July 1, 2000 (restated)	\$ 145,371,047	\$ 214,366,551	\$ 96,914,031	\$ 116,780,705 ^a	\$ 573,432,334
Revenues.....				5,080,323,743	5,080,323,743
Expenditures.....				(5,422,863,626)	(5,422,863,626)
Intrafund Transfers:					
To General Reserve.....	2,545,350			(2,545,350)	
From General Reserve.....	(87,393,007)			87,393,007	
Appropriations:					
Brought Forward From Last Year.....		(214,366,551)		214,366,551	
Carried Forward to Next Year.....		56,159,744		(56,159,744)	
Operating Transfers In/(Out):					
Prior-Year Capital Reserve Appropriations to Agencies.....			(96,914,031)		(96,914,031)
From Other Budgeted Funds per Proviso 72.110.....				16,750,099	16,750,099
Fund Balance--June 30, 2001	<u>\$ 60,523,390</u>	<u>\$ 56,159,744</u>	<u>\$ —</u>	<u>\$ 34,045,385</u>	<u>\$ 150,728,519</u>
Designated Fund Balance:					
For 2001-02 Appropriations per Proviso 72.110				(34,045,385)	
Undesignated Fund Balance				<u>\$ —</u>	

^a The beginning Unreserved portion of fund balance was restated by a positive \$7,693,334 due to a State agency error in recording certain revenues in the previous fiscal year.

Assets, Liabilities, and Fund Balances

BUDGETARY GENERAL FUND

At June 30, 2001, With Comparative Amounts at June 30, 2000

	2001	2000	Increase (Decrease)
Assets			
^e Cash and Investments.....	\$ —	\$ 446,794,216	\$ (446,794,216)
^a Taxes Receivable.....	203,995,542	204,124,767	(129,225)
^b Thirteenth Month Revenue.....	33,732,048	25,470,039	8,262,009
Due From Other Funds.....	28,735,099	12,082,334	16,652,765
Total Assets.....	\$ 266,462,689	\$ 688,471,356	\$ (422,008,667)
Liabilities and Fund Balance			
Liabilities:			
Deferred Revenue.....	\$ 16,498	\$ 16,498	\$ —
^c Tax Refunds Payable.....	546,399	46,715,052	(46,168,653)
^d Thirteenth Month Expenditures.....	99,731,232	68,297,472	31,433,760
Due To Other Funds.....	—	10,000	(10,000)
^e Due To General Deposit Account.....	15,440,041	—	15,440,041
Total Liabilities.....	115,734,170	115,039,022	695,148
Fund Balance:			
General Reserve.....	60,523,390	145,371,047	(84,847,657)
Reserve for Appropriations Carried Forward.....	56,159,744	214,366,551	(158,206,807)
Capital Reserve.....	—	96,914,031	(96,914,031)
Unreserved:			
Designated:			
General Reserve Contribution.....	—	2,545,350	(2,545,350)
Future Appropriations.....	34,045,385	114,235,355	(80,189,970)
Total Fund Balance.....	150,728,519	573,432,334	(422,703,815)
Total Liabilities and Fund Balance.....	\$ 266,462,689	\$ 688,471,356	\$ (422,008,667)

^a Taxes Receivable – taxes due to the State on or before June 30, collected by the State in July. The State records sales and certain other tax revenues on the modified accrual basis for budgetary puposes. All other revenues are recognized on the cash basis.

^b Thirteenth Month Revenue – revenues collected by the State on or before June 30, and moved to the Budgetary General Fund in July.

^c Tax Refunds Payable – tax refunds paid during July that relate to those tax revenues recognized on the modified accrual basis. For the fiscal year ended June 30, 2000, approximately \$46 million of May 2000 video-poker license taxes renewals were owed to the licensees because video-poker gaming was repealed effective July 1, 2000.

^d Thirteenth Month Expenditures – expenditures incurred prior to June 30, and paid in July.

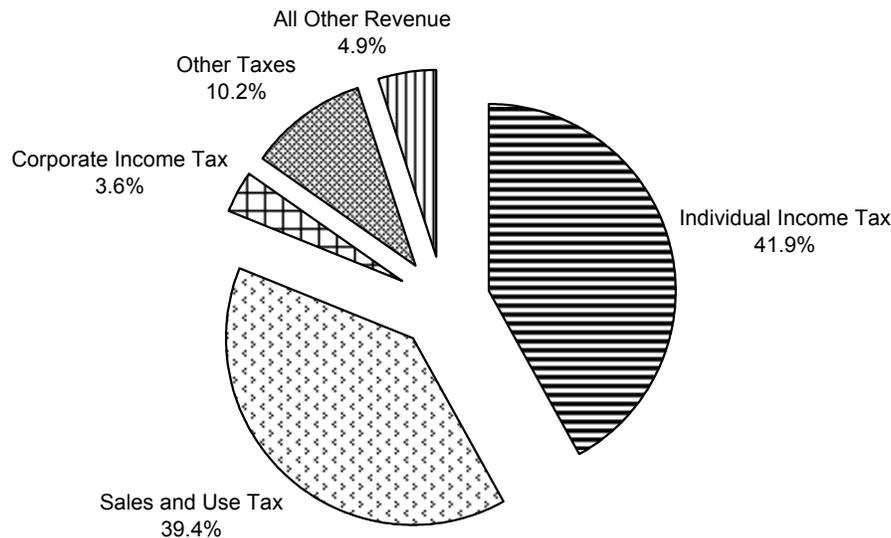
^e Negative Cash and Investments at June 30, 2001, is presented as a liability, Due to General Deposit Account. The General Deposit Account is a pool of Cash and Investments belonging to various funds upon which the Budgetary General Fund may draw.

Revenues by Source
 BUDGETARY GENERAL FUND
 Fiscal Year Ended June 30, 2001

	<u>2001</u>	<u>% of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>% Increase (Decrease)</u>
Tax Revenues ¹	\$ 4,829,978,842	95.1%	\$ 67,740,477	1.4%
Motor Vehicle Licenses.....	57,103,187	1.1%	48,696	0.1%
Earned on Investments.....	77,309,511	1.5%	3,635,960	4.9%
Departmental Revenue.....	56,563,434	1.1%	(1,626,982)	(2.8%)
Other Revenues.....	59,368,769	1.2%	3,788,663	6.8%
Total Revenues.....	\$ 5,080,323,743	100.0%	\$ 73,586,814	1.5%

¹ **Tax Revenues**

Individual Income.....	\$ 2,127,286,899	41.9%	\$ 28,143,007	1.3%
Sales and Use	2,000,208,479	39.4%	19,416,121	1.0%
Corporate Income.....	180,413,695	3.6%	6,635,562	3.8%
Insurance.....	108,323,101	2.1%	12,332,838	12.8%
Beer and Wine.....	88,395,229	1.7%	(50,375)	(0.1%)
Alcoholic Liquors.....	49,033,548	0.9%	1,970,776	4.2%
Corporate Licensing.....	64,432,074	1.3%	14,076,958	28.0%
Business License.....	29,496,972	0.6%	(187,775)	(0.6%)
Other Taxes.....	182,388,845	3.6%	(14,596,635)	(7.4%)
Total Tax Revenues.....	\$ 4,829,978,842	95.1%	\$ 67,740,477	1.4%



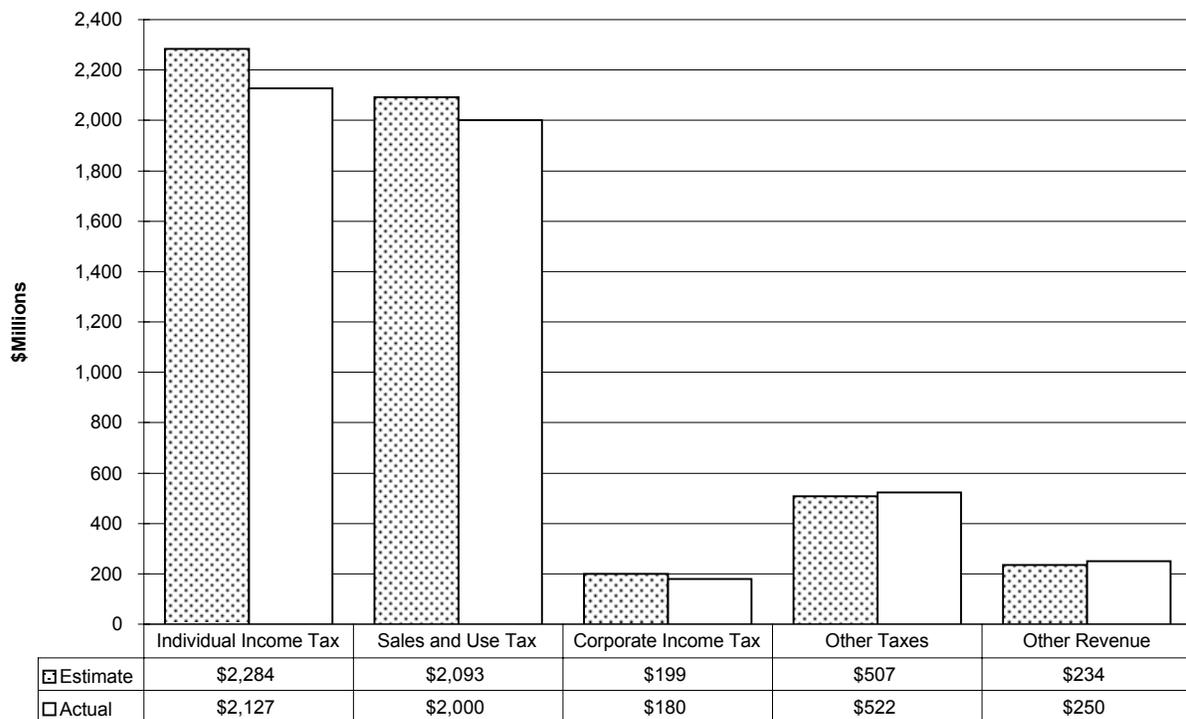
Estimated vs. Actual Revenues

BUDGETARY GENERAL FUND
Fiscal Year Ended June 30, 2001

	Original Estimate	Actual	Actual Over/(Under) Estimated	Actual as % of Estimate
Tax Revenues ¹	\$ 5,082,998,233	\$ 4,829,978,842	\$ (253,019,391)	95.0%
Motor Vehicle Licenses.....	48,822,138	57,103,187	8,281,049	117.0%
Earned on Investments.....	75,874,000	77,309,511	1,435,511	101.9%
Departmental Revenue.....	49,407,952	56,563,434	7,155,482	114.5%
Other Revenues.....	59,799,514	59,368,769	(430,745)	99.3%
Total Revenues.....	\$ 5,316,901,837	\$ 5,080,323,743	\$ (236,578,094)	95.6%

¹ Tax Revenues

Individual Income.....	\$ 2,284,239,442	\$ 2,127,286,899	\$ (156,952,543)	93.1%
Sales and Use	2,092,964,644	2,000,208,479	(92,756,165)	95.6%
Corporate Income.....	199,203,301	180,413,695	(18,789,606)	90.6%
Insurance.....	107,257,991	108,323,101	1,065,110	101.0%
Beer and Wine.....	88,347,303	88,395,229	47,926	100.1%
Alcoholic Liquors.....	45,696,692	49,033,548	3,336,856	107.3%
Corporate Licensing.....	46,644,502	64,432,074	17,787,572	138.1%
Business License	30,332,122	29,496,972	(835,150)	97.2%
Other Taxes.....	188,312,236	182,388,845	(5,923,391)	96.9%
Total Tax Revenues.....	\$ 5,082,998,233	\$ 4,829,978,842	\$ (253,019,391)	95.0%



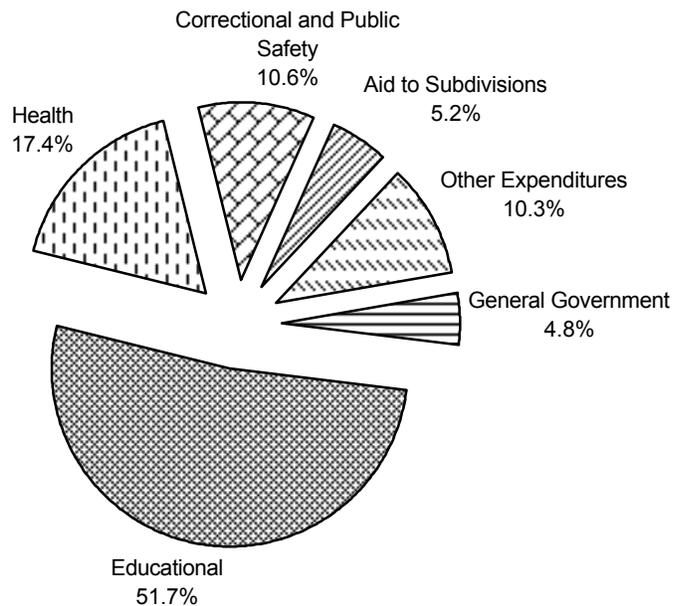
Expenditures by Function

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2001

	<u>2001</u>	<u>% of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>% Increase (Decrease)</u>
General Government ¹	\$ 261,768,196	4.8%	\$ 23,600,884	9.9%
Educational.....	2,805,970,139	51.7%	178,968,575	6.8%
Health.....	944,047,154	17.4%	(16,612,043)	(1.7%)
Social Rehabilitation.....	131,056,990	2.4%	51,039	0.0%
Correctional and Public Safety.....	572,370,903	10.6%	15,355,883	2.8%
Conservation, Resources, and Development.....	172,248,148	3.2%	372,382	0.2%
Regulatory.....	81,319,781	1.5%	19,817,860	32.2%
Debt Service.....	170,262,483	3.2%	41,304,468	32.0%
Aid to Subdivisions.....	282,599,744	5.2%	88,651,460	45.7%
Transportation Department.....	1,220,088	0.0%	437,549	55.9%
Total Expenditures.....	\$ 5,422,863,626	100.0%	\$ 351,948,057	6.9%

¹ Includes Legislative, Judicial, Executive, and Administrative agencies.



Expenditures vs. Appropriations

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2001

<u>Expenditures by Function</u>	²		Appropriations	
	<u>Adjusted Appropriations</u>	<u>Total Expenditures</u>	<u>Carried Forward</u>	<u>Lapsed³</u>
General Government ¹	\$ 289,177,240	\$ 261,768,196	\$ 21,776,224	\$ 5,632,820
Educational.....	2,858,472,571	2,805,970,139	25,671,233	26,831,199
Health.....	959,719,998	944,047,154	1,161,508	14,511,336
Social Rehabilitation.....	131,276,844	131,056,990	74,248	145,606
Correctional and Public Safety.....	575,903,947	572,370,903	114,302	3,418,742
Conservation, Resources, and Development.....	178,795,029	172,248,148	4,751,982	1,794,899
Regulatory.....	83,712,170	81,319,781	1,252,279	1,140,110
Debt Service.....	174,894,840	170,262,483	—	4,632,357
Aid to Subdivisions.....	289,319,214	282,599,744	—	6,719,470
Transportation Department.....	2,578,056	1,220,088	1,357,968	—
Subtotal.....	\$ 5,543,849,909	\$ 5,422,863,626	\$ 56,159,744	\$ 64,826,539
Capital Reserve Transfer.....	—	—	—	—
Total	\$ 5,543,849,909			

¹ Includes Legislative, Judicial, Executive, and Administrative agencies.

² Adjusted Appropriations:

Original Appropriations per Appropriations Act		\$ 5,316,901,837
Increases:		
Appropriations Brought Forward From Last Year		214,366,551
Supplemental Appropriations:		
Per H.3649 Part 1A–Section 2	\$ 46,360,412	
Per H.3649 Part 1A–Section 3	80,857,262	
Total Supplemental Appropriations		127,217,674
Open-Ended Appropriations		45,074,066
Decreases:		
<u>July 2000</u>		
Reduction per H.3649 Part 1A–Section 1	(12,982,319)	
<u>November 2000</u>		
Capital Reserve Reduction	(98,610,931)	
<u>May 2001</u>		
1% Agency Reductions	(48,116,969)	
Total Reductions		(159,710,219)
Total Adjusted Appropriations		\$ 5,543,849,909

³ Includes lapsed appropriations of \$45,689,138 per Proviso 72.43 and \$19,137,401 per Proviso 72.110.

Capital Reserve

BUDGETARY GENERAL FUND

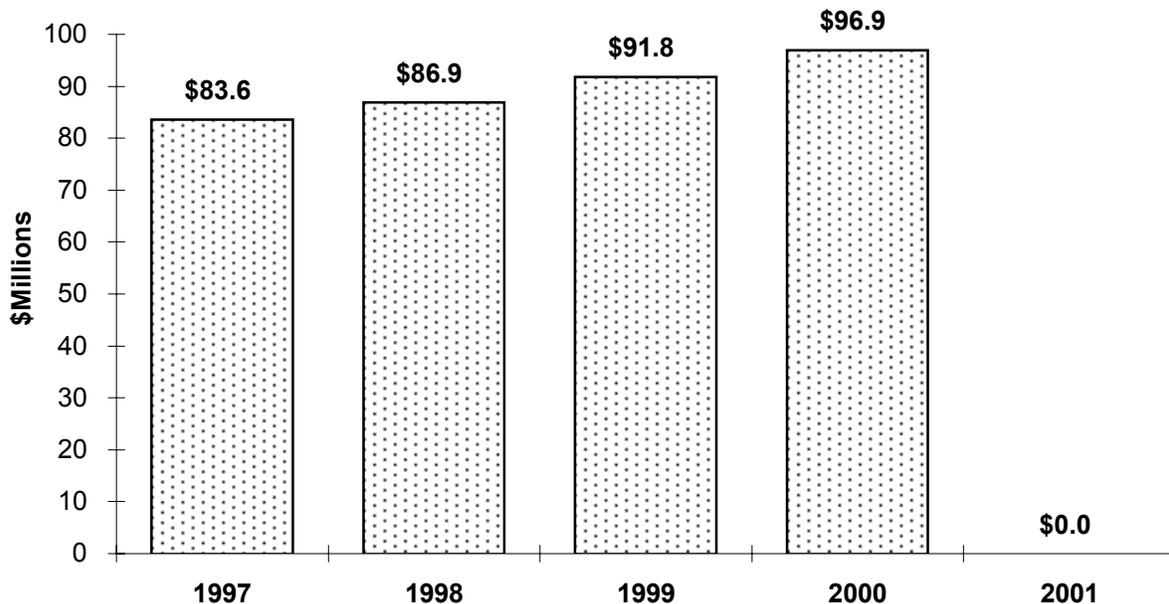
Last Five Fiscal Years

<u>Year</u>	<u>Beginning Balance</u>	<u>Original Appropriations</u>	<u>Appropriation Reductions</u>	<u>Transferred to Agencies</u>	<u>Ending Balance</u>
1997	\$ 80,489,858	\$ 84,670,797	\$ (1,104,000)	\$ (80,489,858)	\$ 83,566,797
1998	83,566,797	86,919,822	-	(83,566,797)	86,919,822
1999	86,919,822	91,766,322	-	(86,919,822)	91,766,322
2000	91,766,322	96,914,031	-	(91,766,322)	96,914,031
2001	96,914,031	98,610,931	(98,610,931)	(96,914,031)	-

South Carolina's Capital Reserve was established to allow the State to retire its bonds faster, to help avoid increased interest costs, and to cover nonrecurring expenditures.

The Reserve is budgeted at two percent of the Budgetary General Fund revenue of the latest completed fiscal year. If the State's revenue forecast projects that expenditures will exceed revenues at the end of the fiscal year, the Reserve must first be reduced to the extent necessary before mandating any reductions in operating appropriations. By means of a joint resolution, the General Assembly determines how the year-end Capital Reserve balance will be distributed in the following fiscal year, assuming sufficient funds are available at year-end. If sufficient funds are not available, items are funded in priority order, but no item may be partially funded.

For 2000-2001, the Budget and Control Board implemented a mid-year cut of the Reserve appropriations by \$98,610,931 because of anticipated revenue shortfalls.



General Reserve

BUDGETARY GENERAL FUND

Last Eleven Fiscal Years

<u>Year</u>	<u>Beginning Balance</u>	<u>Net Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Full Funding Requirement</u>	<u>Over/(Under) Funded</u>
1991	\$ 87,999,428	\$ (54,572,066)	\$ 33,427,362	\$ 98,843,130	\$ (65,415,768)
1992	33,427,362	(33,427,362)	–	99,162,832	(99,162,832)
1993	–	66,831,734	66,831,734	100,247,601	(33,415,867)
1994	66,831,734	43,346,073	110,177,807	110,177,807	–
1995	110,177,807	10,556,980	120,734,787	120,734,787	–
1996	120,734,787	6,271,409	127,006,196	127,006,196	–
1997	127,006,196	3,373,537	130,379,733	130,379,733	–
1998	130,379,733	–	130,379,733	137,649,483	(7,269,750)
1999	130,379,733	7,269,750	137,649,483	145,371,047	(7,721,564)
2000	137,649,483	7,721,564	145,371,047	147,916,397	(2,545,350)
2001	145,371,047	(84,847,657)	60,523,390	150,202,108	(89,678,718)

South Carolina's "Rainy Day" General Reserve was established primarily to prevent deficits in the Budgetary General Fund. Amounts are to be set aside in the General Reserve until the accumulated total equals 3% of the Budgetary General Fund's revenue of the latest completed fiscal year.

If amounts are withdrawn from the Reserve, the State constitution establishes a schedule for restoring the Reserve to full funding within three years.

During the fiscal year 2000-2001, \$2,545,350 was transferred to the General Reserve in accordance with Section 3 of Bill H. 3649. At year-end, \$87,393,007 was withdrawn from the Reserve so that the State could end fiscal year 2000-2001 with an unreserved, undesignated fund balance of zero.

Appropriations Carried Forward to 2001–2002

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2001

<u>Agency</u>	<u>Per Special Provisos</u>
The Senate.....	\$ 972,352
House of Representatives.....	1,336,454
Codification of Laws & Legislative Council.....	273,269
Legislative Printing & Information Tech. Research	95,410
Legislative Information Systems.....	253
Judicial Department.....	1,336,934
Gov. Office–State Law Enforcement Division.....	1,971
Gov. Office–Office of Exec. Policy & Programs.....	1,032,215
Secretary of State.....	489,301
Comptroller General.....	1,260,363
State Treasurer.....	1,145
Commission on Appellate Defense.....	237,582
Adjutant General.....	6,420,467
Election Commission.....	1,285,082
B & C Board–Div. of Executive Director.....	291,095
B & C Board–Div. of Operations.....	437,310
B & C Board–Div. of Budget & Analyses.....	171,666
B & C Board–Div. of Regional Development.....	6,133,355
Commission on Higher Education.....	578,466
College of Charleston.....	61,831
State Bd. for Tech. & Comprehensive Ed.....	16,035,675
Education.....	3,047,403
Educational Television Commission.....	4,317,277
Wil Lou Gray Opportunity School.....	168,362
School for the Deaf & Blind.....	616,248
Archives and History.....	81,742
Arts Commission.....	164,231
Museum Commission.....	600,000
Health & Human Services.....	9,627
Health & Environmental Control.....	1,144,323
Mental Health.....	7,557
Public Safety.....	9,623
John De La Howe School.....	1,504
Commission for the Blind.....	34,829
Commission for Minority Affairs.....	37,915
Corrections.....	73,285
Probation, Parole, and Pardon.....	31,393
Forestry Commission.....	12,115
Agriculture.....	12,903
SC State University PSA.....	126,440
Natural Resources.....	16,528
Parks, Recreation & Tourism.....	8,008
Commerce.....	4,575,988
Workers' Compensation Commission.....	179
Insurance.....	1,235,111
Consumer Affairs.....	99
Revenue.....	16,890
Transportation.....	1,357,968
TOTALS.....	<u>\$ 56,159,744</u>

Agency Appropriation Reductions/Lapses to Avoid a Budgetary Deficit

BUDGETARY GENERAL FUND

Page 1 of 3

Fiscal Year Ended June 30, 2001

Agency Name	1% B&C Board Reduction ¹	Lapsed per Proviso 72.43 ²	Total Reductions
The Senate	\$ 107,349	\$ —	\$ 107,349
House of Representatives	126,197	—	126,197
Codification of Laws & Legislative Council	27,939	—	27,939
Legislative Printing & Information Technical Research	25,152	—	25,152
Legislative Audit Council	12,133	96,697	108,830
Legislative Information Systems	10,834	60,048	70,882
Judicial Department	429,881	6,652	436,533
Sentencing Guidelines Commission	1,761	32,738	34,499
Administrative Law Judges	19,360	55,857	75,217
Governor's Office—Executive Control of State	18,091	96,425	114,516
Governor's Office—State Law Enforcement Division	362,688	43	362,731
Governor's Office—Office of Executive Policy & Programs	121,967	1,022,217	1,144,184
Governor's Office—Mansion & Grounds	3,310	14,558	17,868
Lieutenant Governor	3,490	19,987	23,477
Secretary of State	13,282	19,864	33,146
Comptroller General	53,608	4,921	58,529
State Treasurer	35,778	112,961	148,739
Attorney General	91,587	358,328	449,915
Prosecution Coordination Commission	118,377	558	118,935
Commission on Appellate Defense	12,441	92,990	105,431
Commission on Indigent Defense	62,461	787,704	850,165
Adjutant General	91,259	—	91,259
Election Commission	17,407	347,450	364,857
Budget and Control Board—Div. of Executive Director	84,538	322,157	406,695
Budget & Control Board—Div. of Operations	86,932	149,158	236,090
Budget & Control Board—Div. of Budget & Analyses	108,675	490,617	599,292
Budget & Control Board—Regional Development	60,758	35,164	95,922
Budget & Control Board—State Auditor	45,785	325,334	371,119
Budget & Control Board—Employee Benefits	42,052	1,180,390	1,222,442
Commission on Higher Education	397,519	178,973	576,492
Higher Education Tuition Grants Commission	215,752	570,681	786,433
The Citadel	176,204	—	176,204
Clemson University	1,049,684	—	1,049,684
College of Charleston	301,221	—	301,221
Coastal Carolina University	133,219	—	133,219

Agency Appropriation Reductions/Lapses to Avoid a Budgetary Deficit

BUDGETARY GENERAL FUND

Page 2 of 3

Fiscal Year Ended June 30, 2001

Agency Name	1% B&C Board Reduction ¹	Lapsed per Proviso 72.43 ²	Total Reductions
Francis Marion University	\$ 156,557	\$ —	\$ 156,557
Lander University	105,152	—	105,152
S C State University	248,955	—	248,955
University of South Carolina-Columbia Campus	1,812,752	—	1,812,752
University of South Carolina-Aiken	106,369	—	106,369
University of South Carolina-Spartanburg	125,824	—	125,824
University of South Carolina-Beaufort	23,630	—	23,630
University of South Carolina-Lancaster	28,949	—	28,949
University of South Carolina-Salkehatchie	23,339	—	23,339
University of South Carolina-Sumter	43,252	—	43,252
University of South Carolina-Union	11,390	—	11,390
Winthrop University	231,994	—	231,994
Medical University of South Carolina	1,014,393	—	1,014,393
Medical University of South Carolina-Extension Program	169,305	—	169,305
State Board for Technical & Comprehensive Education	1,672,318	4,116,163	5,788,481
Department of Education	18,660,301	10,393,013	29,053,314
Educational Television Commission	208,515	610,847	819,362
Wil Lou Gray Opportunity School	34,409	289,484	323,893
Vocational Rehabilitation	178,365	825,613	1,003,978
School for the Deaf & Blind	141,433	51,421	192,854
Archives and History	50,249	44,061	94,310
State Library	102,237	78,011	180,248
Arts Commission	47,694	531,114	578,808
Museum Commission	38,789	141,818	180,607
Department of Health & Human Services	4,324,102	13,088,684	17,412,786
Department of Health & Environmental Control	1,229,771	1,132,621	2,362,392
Department of Mental Health	1,956,546	83,249	2,039,795
Department of Disabilities and Special Needs	1,443,096	33,004	1,476,100
Department of Alcohol and Other Drug Abuse Services	128,176	173,779	301,955
Department of Public Safety	1,264,452	1,840,247	3,104,699
Department of Social Services	1,210,265	5,865	1,216,130
John De La Howe School	42,743	83,443	126,186
Commission for the Blind	42,092	41	42,133
Human Affairs Commission	24,666	5	24,671

Agency Appropriation Reductions/Lapses to Avoid a Budgetary Deficit

BUDGETARY GENERAL FUND

Page 3 of 3

Fiscal Year Ended June 30, 2001

Agency Name	1% B&C Board Reduction ¹	Lapsed per Proviso 72.43 ²	Total Reductions
Commission for Minority Affairs	\$ 4,476	\$ 56,253	\$ 60,729
Department of Corrections	3,249,914	20,879	3,270,793
Department of Probation, Parole, and Pardon	268,322	1,557,616	1,825,938
Department of Juvenile Justice	810,832	—	810,832
Forestry Commission	199,420	187,658	387,078
Department of Agriculture	71,862	629,229	701,091
Clemson PSA	540,720	—	540,720
SC State University PSA	2,279	—	2,279
Department of Natural Resources	311,592	283,912	595,504
Sea Grant Consortium	6,508	75,943	82,451
Department of Parks, Recreation & Tourism	339,446	16,141	355,587
Department of Commerce	157,996	602,017	760,013
Workers' Compensation Commission	40,862	33,520	74,382
Department of Insurance	54,470	408,282	462,752
Department of Consumer Affairs	24,642	118,978	143,620
Department of Labor, Licensing & Regulation	69,765	433,333	503,098
Department of Revenue	405,198	131,101	536,299
State Ethics Commission	5,141	9,531	14,672
Employment Security Commission	2,506	—	2,506
Procurement Review Panel	1,277	5,365	6,642
Department of Transportation	5,790	—	5,790
Debt Service	—	1,194,955	1,194,955
Aid to Subdivisions—Comptroller General	124,554	19,470	144,024
Aid to Subdivisions—State Treasurer	48,626	—	48,626
Totals.....	\$ 48,116,969	\$ 45,689,138	\$ 93,806,107

¹ In May 2001, the State Budget and Control Board sequestered 1% of agencies' appropriations. These appropriations were subsequently reduced to help eliminate a budget deficit.

² Proviso 72.43 of the 2001-2002 Appropriations Act allows State agencies to carry forward unexpended appropriations up to 10% of their original appropriations into 2001-2002. However, in accordance with 72.43, this proviso was suspended in order to avoid a fiscal year-end deficit in the State's Budgetary General Fund.

Other Appropriation Reductions/Lapses – By Agency

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2001

Agency Name	H.3649 Part 1A, Sec. 1 Reductions ¹	Proviso 72.110 Lapses ²	Total
Department of Education.....	\$ 12,982,319	\$ 9,000,000	\$ 21,982,319
Debt Service.....	—	3,437,401	3,437,401
Aid to Subdivisions—State Treasurer.....	—	6,700,000	6,700,000
Totals.....	<u>\$ 12,982,319</u>	<u>\$ 19,137,401</u>	<u>\$ 32,119,720</u>

¹ The Department of Education's 2000-2001 appropriations were reduced by \$12,982,319 according to Section 1 of H.3649. However, supplemental appropriations totaling \$34,499,000 were allocated to that agency in Section 3 of H.3649.

² Paragraph A of Proviso 72.110 required these agencies to lapse unspent 2000-2001 appropriations as a source for funding certain fiscal year 2001-2002 appropriations listed in Paragraph B of 72.110. Although the Department of Education was required to lapse \$9,000,000, appropriations totaling \$17,857,385 were awarded to that agency in Paragraph B of 72.110.

Open-Ended Appropriations ¹

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2001

<u>Agency Name</u>	<u>Description of Appropriation</u>	<u>Amount</u>
Budget and Control Board (B&C Board)		
Division of Executive Director	Reimbursement for Legal Fees	\$ 3,209,687
Employee Benefits	Workers' Compensation Insurance	54,360
Commission on Higher Education	LIFE Scholarship Program	6,826,310
Department of Juvenile Justice	Agency Deficit	2,387,385
Department of Revenue	Video Poker Refunds	19,833,790
Aid to Subdivisions—Comptroller General	Personal Property Tax Relief	10,000,000
Aid to Subdivisions—State Treasurer	Aid to Fire Districts - Formula Funded	2,762,534
Total		<u>\$ 45,074,066</u>

¹ Open-ended appropriations result from situations where the General Assembly mandates that an item be fully funded but does not budget a sufficient amount.

Amounts Designated for Appropriation in Fiscal Year 2001-2002 ¹BUDGETARY GENERAL FUND
Fiscal Year Ended June 30, 2001

Item	Agency	Description	Amount
1	Dept. of Education	Summer School & Compensatory Remediation Program Annualization and Expansion	\$ 7,000,000
		Modernize Vocational Equipment	9,000,000
		Continuum of Care	1,857,385
2	Commission on Higher Ed.	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	600,000
		Experimental Program to Stimulate Competitive Research (EPSCOR)	2,500,000
		Leadership Conference	50,000
		Academic Endowment Incentive	2,760,000
3	USC-Columbia Campus	Materials Research Science & Engineering Center (Nano Technology)	1,000,000
4	Medical USC	Alzheimer's Research	10,000
5	Dept. of Parks, Recreation & Tourism	Alternative Funding	2,000,000
6	Legislative Printing & Information	Special Session Costs	168,000
	Technical Research		
7	B & C Board—Retirement	State Employee Adoption Assistance Program	100,000
8	Aid to Subdivisions—Comptroller General	Personal Property Tax Relief	7,000,000
TOTAL			\$ 34,045,385

¹ Proviso 72.110 of the 2001-2002 Appropriations Act awarded specific appropriations and required certain agencies to provide funding for these appropriations either through cash transfers from other budgeted funds during 2000-2001 or by lapsing specific amounts of unspent 2000-2001 Budgetary General Fund appropriations. These amounts are recorded as a designation of unreserved fund balance for the State's Budgetary General Fund at June 30, 2001.