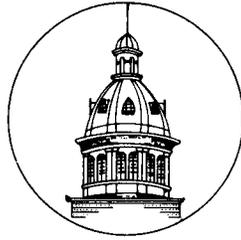


James A. Lander
Comptroller General
of
South Carolina



News Release

WADE HAMPTON STATE OFFICE BUILDING, COLUMBIA SC 29201

August 20, 2002

FOR RELEASE: IMMEDIATELY

Comptroller General James A. Lander announced today that he withdrew the \$63 million balance from the General Reserve, the State's "rainy day fund," in closing the 2001-2002 books for the Budgetary General Fund. The Budgetary General Fund ended the year with a cumulative unreserved fund deficit of \$149 million. The General Assembly must deal with the fund deficit when it returns to Columbia in January, but meanwhile the State has cash available to pay its bills. The Budgetary General Fund and a number of other State funds participate in a cash pool known as the General Deposit Account which, at June 30, 2002, held more than \$200 million in cash.

This year's \$63 million withdrawal from the General Reserve followed last year's \$87 million withdrawal. The State Constitution requires restoration of 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.

Revenue collections falling below estimates, particularly in the Income Tax and Sales Tax categories, primarily caused the deficit. Although the State's woes are not surprising in the context of the nation's deepening economic recession, Lander believes the State could

- more -

improve a few of its budgeting practices to help change the Budgetary General Fund's deficit to a surplus more quickly than would otherwise be possible—and to help prevent future deficits. Specifically, Lander offered the following suggestions for the General Assembly's consideration:

1. Cap the Budgetary General Fund's start-of-year appropriations at the Board of Economic Advisors' revenue estimate or the preceding year's actual revenue collections, whichever is the smaller amount. Until the fund deficit is reversed, any annual operating surplus resulting from this more conservative budgeting practice should be retained and rolled forward to the next fiscal year rather than being appropriated. In more prosperous economic times, the General Assembly could appropriate any operating surplus when it convenes in the following January.

2. Propose a constitutional amendment to direct the Comptroller General to certify that the budget is in balance at each step in the budgetary process. Until 1994, the Comptroller General provided certification that the budget was in balance for every General Appropriations Bill and Supplemental Appropriations Bill. Because the Comptroller General's Office is the only State agency that handles all revenues and expenditures of State government and because the elected status of that office allows that position to act independently, the Comptroller General should be involved in certifying that the budget is in balance during each step of the budgetary process beginning with the Governor's budget and ending with the final appropriation bill.

3. Perform a trend analysis of actual transfers from the Budgetary General Fund to the Tax Relief Trust Fund, and use that analysis to budget a more realistic amount for

these transfers in future years. In the last two years, the actual transfer amounts have exceeded the budgeted amounts by an average of more than \$12 million per year.

4. Perform a trend analysis to determine a more realistic appropriation level for Life Scholarships. In the last two years, actual expenditures for Life Scholarships have exceeded the budgeted amounts by an average of \$9 million per year.

5. Use transfers from other funds and other nonrecurring resources *only* for nonrecurring expenditures. In the fiscal year ended June 30, 2002, transfers from other funds were used to fund *recurring* expenditures. This structural imbalance in the budget puts fiscal pressure on future years.

Lander emphasized that he and fellow members of the State Budget and Control Board made four appropriation reductions during the past year to cut costs. Without those actions, the negative news would have been considerably worse. Actions included reducing the entire \$100 million capital reserve balance in October and reducing agency appropriations totaling \$326 million—a 4% cut in October, a 1% cut in March, and a 1.52% sequestration in March. The sequestration became a cut because the fiscal year's final months did not generate a sufficient improvement in revenue collections to allow return of the sequestered funds to agencies.

* * * * *

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 Comptroller General's Office

Budgetary General Fund The Fiscal Year Ended June 30, 2002

The Completed Fiscal Year—Overview

At the end of the State of South Carolina's 2001-2002 fiscal year, the Comptroller General withdrew the \$63 million balance of 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 \$249 million less than its expenditures, and the cumulative unreserved fund deficit was \$149 million. The General Deposits Account at June 30, 2002, held more than \$200 million in cash.

The Completed Fiscal Year--Other Key Financial Statistics

The Budgetary General Fund's revenue estimate at the start of 2001-2002 as a result of the General Appropriation Act was \$5.530 billion. During the year, the Board of Economic Advisors (BEA) approved net downward revisions that totaled \$415 million. Accordingly, the revenue estimate at June 30, 2002, was \$5.115 billion. The actual revenues of \$4.930 billion were \$185 million below the revised estimate.

Original appropriations for the Budgetary General Fund in 2001-2002 were approximately \$5.551 billion, and agencies were allowed to bring forward another \$56 million into 2001-2002 from 2000-2001. Various supplemental appropriations (from the 2000-2001 budgetary surplus) totaling \$34 million posted during 2001-2002. Decreases in appropriations were recorded to reflect the Budget and Control Board's actions to eliminate the \$100 million Capital Reserve and to reduce agency budgets by a total of \$326 million (a 6.52% cut for most agencies). Appropriation increases totaling \$26 million were posted. At year-end, therefore, total appropriations were \$5.241 billion. Of this \$5.241 billion, the State spent \$5.179 billion, and agencies carried forward \$50 million of appropriations from 2001-2002 to 2002-2003. These carried forward appropriations resulted from specific provisos enacted by the General Assembly. The remaining \$12 million balance represents net lapses of unexpended appropriations, primarily in the debt service category.

The General Reserve began the year with \$61 million and received an additional \$2 million during 2001-2002. Accordingly, the \$63 million withdrawal at year-end left the Reserve with a zero balance at the end of 2001-2002. \$39 million was deposited into the General Reserve Fund at the beginning of fiscal year 2002-2003. 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.

About This Report

This report represents the best financial data available as of August 20, 2002, regarding the State's financial position and operations for the fiscal year ended June 30, 2002. Information in

State of South Carolina Comptroller General's Office

Budgetary General Fund The Fiscal Year Ended June 30, 2002

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, 2002. 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
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Fiscal Year Ended June 30, 2002

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Budgetary Results—What Happened?

BUDGETARY GENERAL FUND
Fiscal Year Ended June 30, 2002

DECREASES:

Original Appropriations in Excess of Estimated Revenues.....	\$ (24,626,480) ^a	
Revenue Shortfall (Actual vs. Original Estimated Revenue).....	(599,903,294)	
"Open-Ended" Appropriations.....	<u>(25,792,963)</u>	
TOTAL DECREASES.....		\$ (650,322,737)

INCREASES:

Budget & Control Board Actions—October 2001:

Capital Reserve Reduction.....	100,134,739	
Cut Agency Appropriations by 4%.....	204,714,953	

Budget & Control Board Actions—March 2002:

Cut Agency Appropriations by 1%.....	48,308,733	
Sequestered Agency Appropriations by 1.52%.....	73,429,274 ^b	

Lapsed Agency Appropriations.....	<u>12,394,394</u>	
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TOTAL INCREASES.....		<u>438,982,093</u>
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NET DECREASE.....		(211,340,644)
-------------------	--	---------------

Transfer From General Reserve.....		<u>62,809,101</u>
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UNRESERVED FUND BALANCE—JUNE 30, 2002.....		<u><u>\$ (148,531,543)</u></u>
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^a The original budget, net of Governor vetoes sustained by the General Assembly, was out of balance by this amount. To make up this negative balance, the State's colleges and universities transferred \$28.5 million of funds appropriated to them in Proviso 72.109 (to offset their base reductions) to the General Fund. The General Assembly approved these transfers in Part XII, Section 4 of the 2002-2003 Budget Proviso Codification Act.

^b These appropriations were reduced prior to the closing of the State's books due to a year-end budgetary deficit.

Changes in Budgetary Fund Balance

BUDGETARY GENERAL FUND
Fiscal Year Ended June 30, 2002

	General Reserve	Appropriations Carried Forward	Capital Reserve	Unreserved	Total Fund Balance
Fund Balance--July 1, 2001	\$ 60,523,390	\$ 56,159,744	\$ —	\$ 34,045,385	\$ 150,728,519
Revenues.....				4,929,959,859	4,929,959,859
Expenditures.....				(5,178,774,787)	(5,178,774,787)
Intrafund Transfers:					
Contribution To General Reserve	2,285,711			(2,285,711)	
Transfer From General Reserve to Offset Deficit.....	(62,809,101)			62,809,101	
Appropriations:					
Brought Forward From Last Year.....		(56,159,744)		56,159,744	
Carried Forward to Next Year.....		50,445,134		(50,445,134)	
Fund Balance--June 30, 2002	<u>\$ —</u>	<u>\$ 50,445,134</u>	<u>\$ —</u>	<u>\$ (148,531,543)</u>	<u>\$ (98,086,409)</u>

Assets, Liabilities, and Fund Balances

BUDGETARY GENERAL FUND

At June 30, 2002, With Comparative Amounts at June 30, 2001

	<u>2002</u>	<u>2001</u>	<u>Increase (Decrease)</u>
Assets			
a Cash and Investments.....	\$ —	\$ —	\$ —
b Taxes Receivable.....	211,371,876	203,995,542	7,376,334
c Thirteenth Month Revenue.....	14,651,709	33,732,048	(19,080,339)
Due From Other Funds.....	7,570,000	28,735,099	(21,165,099)
Total Assets.....	<u>\$ 233,593,585</u>	<u>\$ 266,462,689</u>	<u>\$ (32,869,104)</u>
Liabilities and Fund Balance			
Liabilities:			
Deferred Revenue.....	\$ 16,498	\$ 16,498	\$ —
d Tax Refunds Payable.....	661,004	546,399	114,605
e Thirteenth Month Expenditures.....	56,886,545	99,731,232	(42,844,687)
a Due To General Deposit Account.....	274,115,947	15,440,041	258,675,906
Total Liabilities.....	<u>331,679,994</u>	<u>115,734,170</u>	<u>215,945,824</u>
Fund Balance:			
General Reserve.....	—	60,523,390	(60,523,390)
Reserve for Appropriations Carried Forward.....	50,445,134	56,159,744	(5,714,610)
Capital Reserve.....	—	—	—
Unreserved:			
Designated.....	—	34,045,385	(34,045,385)
Undesignated.....	(148,531,543)	—	(148,531,543)
Total Fund Balance.....	<u>(98,086,409)</u>	<u>150,728,519</u>	<u>(248,814,928)</u>
Total Liabilities and Fund Balance.....	<u>\$ 233,593,585</u>	<u>\$ 266,462,689</u>	<u>\$ (32,869,104)</u>

^a The negative Cash and Investments balance at June 30 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.

^b 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 purposes. All other revenues are recognized on the cash basis.

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

^d Tax Refunds Payable – tax refunds paid during July that relate to those tax revenues recognized on the modified accrual basis.

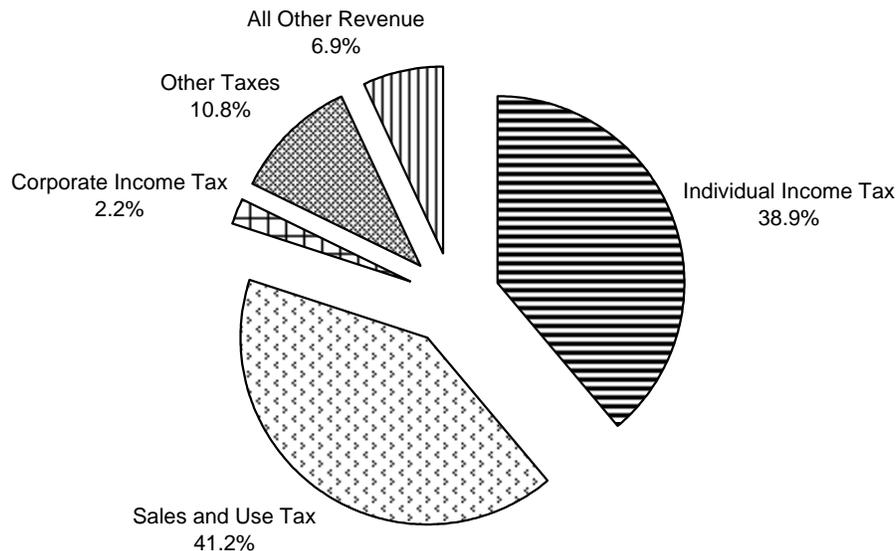
^e Thirteenth Month Expenditures – expenditures incurred prior to June 30 and paid in July.

Revenues by Source
 BUDGETARY GENERAL FUND
 Fiscal Year Ended June 30, 2002

	<u>2002</u>	<u>% of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>% Increase (Decrease)</u>
Tax Revenues ¹	\$ 4,590,906,192	93.1%	\$ (239,072,650)	(4.9%)
Motor Vehicle Licenses.....	50,974,145	1.0%	(6,129,042)	(10.7%)
Earned on Investments.....	72,648,954	1.5%	(4,660,557)	(6.0%)
Departmental Revenue.....	61,968,661	1.3%	5,405,227	9.6%
Other Revenues.....	153,461,907	3.1%	94,093,138	158.5%
Total Revenues.....	\$ 4,929,959,859	100.0%	\$ (150,363,884)	(3.0%)

¹ **Tax Revenues**

Individual Income.....	\$ 1,920,136,736	38.9%	\$ (207,150,163)	(9.7%)
Sales and Use	2,026,514,449	41.2%	26,305,970	1.3%
Corporate Income.....	110,828,520	2.2%	(69,585,175)	(38.6%)
Insurance.....	113,144,159	2.3%	4,821,058	4.5%
Beer and Wine.....	89,764,172	1.8%	1,368,943	1.5%
Alcoholic Liquors.....	45,189,453	0.9%	(3,844,095)	(7.8%)
Corporate Licensing.....	59,171,873	1.2%	(5,260,201)	(8.2%)
Business License.....	29,154,727	0.6%	(342,245)	(1.2%)
Other Taxes.....	197,002,103	4.0%	14,613,258	8.0%
Total Tax Revenues.....	\$ 4,590,906,192	93.1%	\$ (239,072,650)	(4.9%)



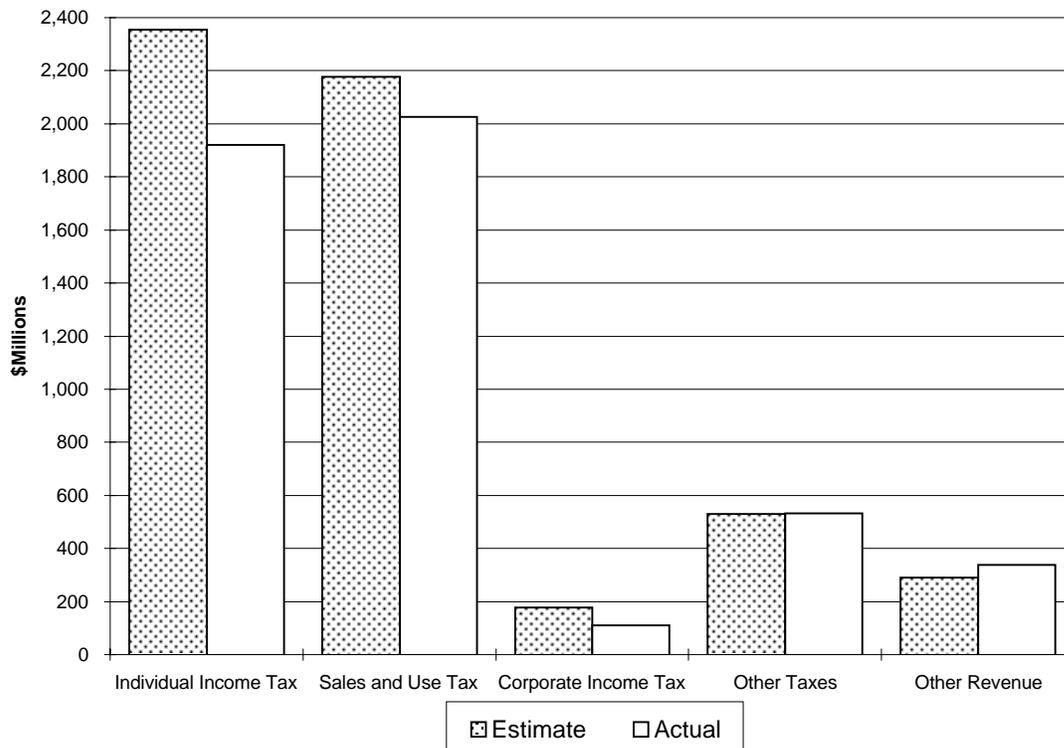
Estimated vs. Actual Revenues

BUDGETARY GENERAL FUND
Fiscal Year Ended June 30, 2002

	Original Estimate	Actual	Actual Over/(Under) Estimated	Actual as % of Estimate
Tax Revenues ¹	\$ 5,238,904,233	\$ 4,590,906,192	\$ (647,998,041)	87.6%
Motor Vehicle Licenses.....	49,228,152	50,974,145	1,745,993	103.5%
Earned on Investments.....	64,850,000	72,648,954	7,798,954	112.0%
Departmental Revenue.....	56,343,360	61,968,661	5,625,301	110.0%
Other Revenues.....	120,537,408	153,461,907	32,924,499	127.3%
Total Revenues.....	\$ 5,529,863,153	\$ 4,929,959,859	\$ (599,903,294)	89.2%

¹ Tax Revenues

Individual Income.....	\$ 2,353,988,655	\$ 1,920,136,736	\$ (433,851,919)	81.6%
Sales and Use	2,178,000,237	2,026,514,449	(151,485,788)	93.0%
Corporate Income.....	176,766,415	110,828,520	(65,937,895)	62.7%
Insurance.....	106,795,536	113,144,159	6,348,623	105.9%
Beer and Wine.....	96,215,462	89,764,172	(6,451,290)	93.3%
Alcoholic Liquors.....	44,057,639	45,189,453	1,131,814	102.6%
Corporate Licensing.....	55,516,515	59,171,873	3,655,358	106.6%
Business License	28,800,884	29,154,727	353,843	101.2%
Other Taxes.....	198,762,890	197,002,103	(1,760,787)	99.1%
Total Tax Revenues.....	\$ 5,238,904,233	\$ 4,590,906,192	\$ (647,998,041)	87.6%



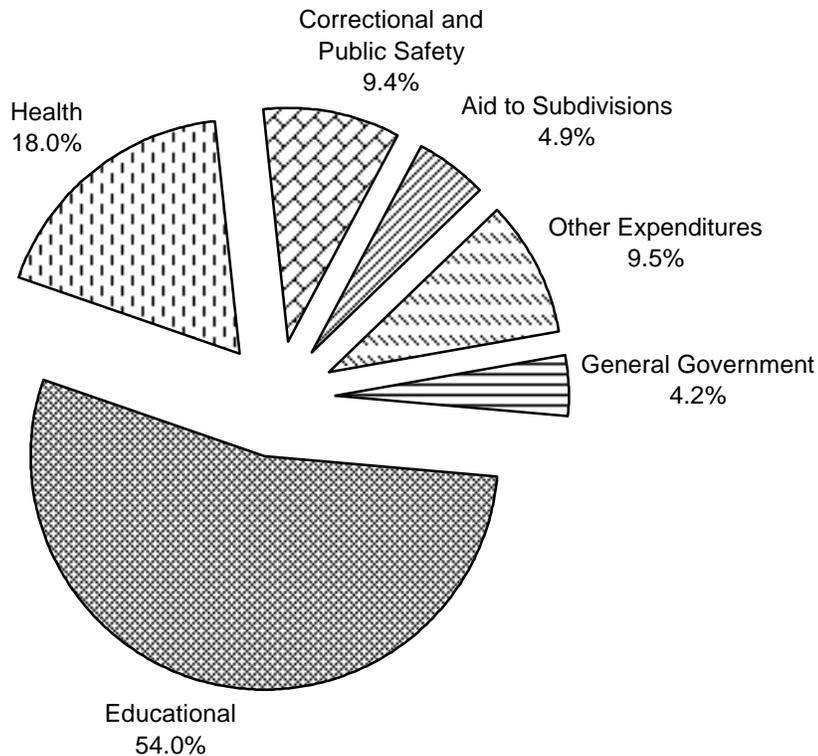
Expenditures by Function

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2002

	<u>2002</u>	<u>% of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>% Increase (Decrease)</u>
General Government ¹	\$ 215,330,142	4.2%	\$ (46,438,054)	(17.7%)
Educational.....	2,794,374,879	54.0%	(11,595,260)	(0.4%)
Health.....	932,681,949	18.0%	(11,365,205)	(1.2%)
Social Rehabilitation.....	113,092,322	2.2%	(17,964,668)	(13.7%)
Correctional and Public Safety.....	491,571,559	9.4%	(80,799,344)	(14.1%)
Conservation, Resources, and Development.....	147,702,920	2.9%	(24,545,228)	(14.2%)
Regulatory.....	50,893,968	1.0%	(30,425,813)	(37.4%)
Debt Service.....	179,145,838	3.4%	8,883,355	5.2%
Aid to Subdivisions.....	252,132,490	4.9%	(30,467,254)	(10.8%)
Transportation Department.....	1,848,720	0.0%	628,632	51.5%
Total Expenditures.....	<u>\$ 5,178,774,787</u>	<u>100.0%</u>	<u>\$ (244,088,839)</u>	(4.5%)

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



Expenditures vs. Appropriations

BUDGETARY GENERAL FUND
Fiscal Year Ended June 30, 2002

<u>Expenditures by Function</u>	²		Appropriations	
	Adjusted Appropriations	Total Expenditures	Carried Forward	Lapsed
General Government ¹	\$ 231,750,346	\$ 215,330,142	\$ 16,127,142	\$ 293,062
Educational.....	2,825,198,502	2,794,374,879	30,589,383	234,240
Health.....	933,264,942	932,681,949	474,488	108,505
Social Rehabilitation.....	113,169,906	113,092,322	40,018	37,566
Correctional and Public Safety.....	491,663,939	491,571,559	87,519	4,861
Conservation, Resources, and Development.....	150,630,546	147,702,920	2,871,147	56,479
Regulatory.....	51,228,509	50,893,968	255,437	79,104
Debt Service.....	190,710,377	179,145,838	—	11,564,539
Aid to Subdivisions.....	252,148,528	252,132,490	—	16,038
Transportation Department.....	1,848,720	1,848,720	—	—
Subtotal.....	\$ 5,241,614,315	\$ 5,178,774,787	\$ 50,445,134	\$ 12,394,394
Capital Reserve Transfer.....	—			
Total	\$ 5,241,614,315			

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

² **Adjusted Appropriations:**

Original Appropriations per Appropriations Act	\$ 5,551,903,922 *
Increases:	
Appropriations Brought Forward From Last Year	\$ 56,159,744
Supplemental Appropriations:	
Proviso 72.110	34,045,385
Proviso 72.111	300,000 *
Open-Ended Appropriations	<u>25,792,963</u>
Total Increases	116,298,092
Decreases:	
<u>October 2001</u>	
Capital Reserve Reduction	(100,134,739)
4% Agency Reductions	(204,714,953)
<u>March 2002</u>	
1% Agency Reductions	(48,308,733)
1.52% Agency Reductions	<u>(73,429,274)</u>
Total Decreases	(426,587,699)
Total Adjusted Appropriations	\$ 5,241,614,315

* Amounts shown net of Governor's vetoes.

Capital Reserve

BUDGETARY GENERAL FUND

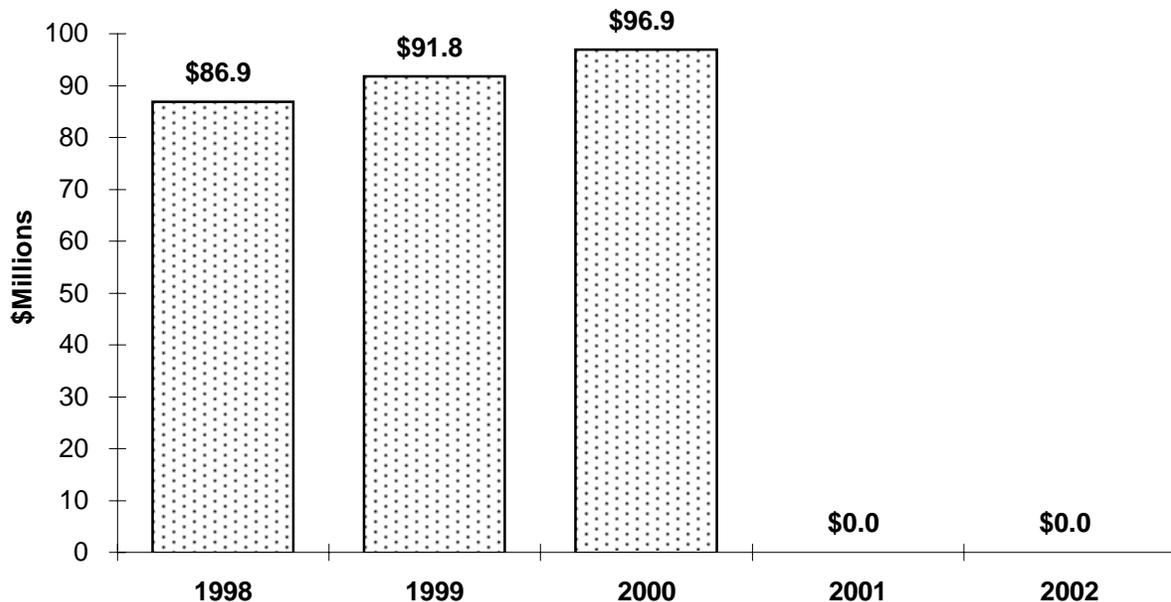
Last Five Fiscal Years

<u>Year</u>	<u>Beginning Balance</u>	<u>Original Appropriations</u>	<u>Appropriation Reductions</u>	<u>Transferred to Agencies</u>	<u>Ending Balance</u>
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)	-
2002	-	100,134,739	(100,134,739)	-	-

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 2001-2002, the Budget and Control Board implemented a mid-year cut of the Reserve appropriations by \$100,134,739 because of anticipated revenue shortfalls.



General Reserve

BUDGETARY GENERAL FUND

Last Twelve Fiscal Years

Year	Beginning Balance	Net Additions (Reductions)	Ending Balance	Full Funding Requirement	Over/(Under) Funded
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)
2002	60,523,390	(60,523,390)	–	* 152,409,712	(152,409,712)

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 requires that it be restored to full funding within three years.

During the fiscal year 2001-2002, \$2,285,711 was transferred to the General Reserve in accordance with Section 71 of the Appropriation Act. At year-end, \$62,809,101 was withdrawn from the Reserve to help offset a year-end budgetary deficit.

* In August 2002, \$38,797,374 was transferred to the General Reserve in accordance with Section 71 of the fiscal year 2002-03 Appropriation Act.

Appropriation Reductions - By Agency

BUDGETARY GENERAL FUND

Page 1 of 3

Fiscal Year Ended June 30, 2002

Agency Name	Appropriation	B&C Board		Total
	Act Base Reductions ¹	Mid-Year Reductions	Lapsed	Reductions
The Senate.....	\$ 1,610,232	\$ 655,974	\$ —	\$ 2,266,206
House of Representatives.....	1,813,690	765,440	—	2,579,130
Codification of Laws & Legislative Council.....	138,517	174,496	—	313,013
Legislative Printing, Information & Technology Systems....	124,703	221,533	—	346,236
Legislative Audit Council.....	62,292	75,942	6,762	144,996
Legislative Information Systems.....	53,629	—	—	53,629
Judicial Department.....	2,990,164	2,631,055	—	5,621,219
Sentencing Guidelines Commission	5,000	11,309	—	16,309
Administrative Law Judges.....	277,331	109,253	179	386,763
Governor's Office—Executive Control of State.....	281,557	100,607	3,559	385,723
Governor's Office—State Law Enforcement Division.....	3,200,000	2,178,684	—	5,378,684
Governor's Office—Office of Executive Policy & Programs.	2,349,666	644,807	34,175	3,028,648
Governor's Office—Mansion & Grounds.....	51,433	32,207	—	83,640
Lieutenant Governor.....	17,449	21,843	127	39,419
Secretary of State.....	102,322	80,816	—	183,138
Comptroller General.....	550,410	318,106	821	869,337
State Treasurer.....	275,473	217,659	29,391	522,523
Attorney General.....	983,219	538,870	2,191	1,524,280
Prosecution Coordination Commission.....	1,581,176	664,253	—	2,245,429
Commission on Appellate Defense.....	150,000	72,224	1	222,225
Commission on Indigent Defense.....	1,590,000	299,461	2,481	1,891,942
Adjutant General.....	889,521	523,171	—	1,412,692
Election Commission.....	260,511	96,697	54,362	411,570
Budget and Control Board—Div. of Executive Director.....	1,285,013	482,275	34,843	1,802,131
Budget & Control Board—Div. of Operations.....	1,334,992	374,796	46	1,709,834
Budget & Control Board—Div. of Budget & Analyses.....	1,577,130	995,552	76	2,572,758
Budget & Control Board—Regional Development.....	977,744	39,137	—	1,016,881
Budget & Control Board—State Auditor.....	703,324	255,968	55,634	1,014,926
Budget & Control Board—Employee Benefits.....	630,787	229,467	68,414	928,668
Commission on Higher Education.....	1,428,044	4,569,904	5,173	6,003,121
Higher Education Tuition Grants Commission.....	43,000	1,382,678	63,400	1,489,078
The Citadel.....	—	1,200,770	—	1,200,770
Clemson University	—	7,363,605	—	7,363,605
College of Charleston.....	—	2,217,634	—	2,217,634
Coastal Carolina University.....	—	960,324	—	960,324

Appropriation Reductions - By Agency

BUDGETARY GENERAL FUND

Page 2 of 3

Fiscal Year Ended June 30, 2002

Agency Name	Appropriation Act Base Reductions ¹	B&C Board Mid-Year Reductions	Lapsed	Total Reductions
Francis Marion University.....	\$ —	\$ 1,081,062	\$ —	\$ 1,081,062
Lander University.....	—	777,154	—	777,154
S C State University.....	—	1,708,979	—	1,708,979
University of South Carolina-Columbia Campus.....	—	12,692,241	—	12,692,241
University of South Carolina-Aiken.....	—	800,806	—	800,806
University of South Carolina-Spartanburg.....	—	902,330	—	902,330
University of South Carolina-Beaufort.....	—	171,069	—	171,069
University of South Carolina-Lancaster.....	—	197,981	—	197,981
University of South Carolina-Salkehatchie.....	—	166,644	—	166,644
University of South Carolina-Sumter.....	—	317,850	—	317,850
University of South Carolina-Union.....	—	77,500	—	77,500
Winthrop University.....	—	1,672,374	—	1,672,374
Medical University of South Carolina.....	—	6,996,039	—	6,996,039
Medical University of South Carolina-Extension Program.....	—	1,251,204	—	1,251,204
State Board for Technical & Comprehensive Education.....	—	12,234,449	—	12,234,449
Department of Education.....	—	127,077,214	116,782	127,193,996
Educational Television Commission.....	1,867,458	1,245,254	—	3,112,712
Wil Lou Gray Opportunity School.....	—	226,694	—	226,694
Vocational Rehabilitation.....	1,937,500	1,054,361	113	2,991,974
School for the Deaf & Blind.....	—	932,164	—	932,164
Archives and History.....	566,255	293,622	1,238	861,115
State Library.....	1,156,834	585,753	—	1,742,587
Arts Commission.....	257,606	292,945	—	550,551
Museum Commission.....	464,059	220,800	47,533	732,392
Department of Health & Human Services.....	—	33,491,544	87	33,491,631
Department of Health & Environmental Control.....	10,292,629	7,544,545	88,024	17,925,198
Department of Mental Health.....	18,300,000	12,205,773	9,303	30,515,076
Department of Disabilities and Special Needs.....	5,810,046	9,902,200	11,091	15,723,337
Department of Alcohol and Other Drug Abuse Services....	2,242,642	748,015	1	2,990,658
Department of Public Safety.....	14,034,440	7,641,790	—	21,676,230
Department of Social Services.....	19,775,000	7,004,483	—	26,779,483
John De La Howe School.....	—	282,731	1,037	283,768
Commission for the Blind.....	411,386	249,659	—	661,045

Appropriation Reductions - By Agency

BUDGETARY GENERAL FUND

Page 3 of 3

Fiscal Year Ended June 30, 2002

Agency Name	Appropriation Act Base Reductions ¹	B&C Board Mid-Year Reductions	Lapsed	Total Reductions
Human Affairs Commission.....	\$ 238,872	\$ 147,088	\$ 2	\$ 385,962
Commission for Minority Affairs.....	—	29,280	36,527	65,807
Department of Corrections.....	37,277,988	18,987,036	—	56,265,024
Department of Probation, Parole, and Pardon.....	3,200,000	1,568,745	4,861	4,773,606
Department of Juvenile Justice.....	6,244,077	4,915,390	—	11,159,467
Forestry Commission.....	1,331,864	1,228,229	12,167	2,572,260
Department of Agriculture.....	842,146	418,151	2,809	1,263,106
Clemson PSA.....	5,253,845	3,227,667	—	8,481,512
SC State University PSA.....	132,664	90,658	—	223,322
Department of Natural Resources.....	4,046,946	1,791,551	7,888	5,846,385
Sea Grant Consortium.....	99,107	36,405	37	135,549
Department of Parks, Recreation & Tourism.....	2,590,000	2,181,327	6,137	4,777,464
Department of Commerce.....	2,202,816	888,627	27,441	3,118,884
Workers' Compensation Commission.....	395,765	244,204	—	639,969
Department of Insurance.....	556,927	322,126	2	879,055
Department of Consumer Affairs.....	335,174	140,527	349	476,050
Department of Labor, Licensing & Regulation.....	647,443	417,120	573	1,065,136
Department of Revenue.....	6,500,911	2,247,487	78,140	8,826,538
State Ethics Commission.....	26,382	32,176	40	58,598
Employment Security Commission.....	23,611	14,569	—	38,180
Procurement Review Panel.....	6,554	7,984	—	14,538
Department of Transportation.....	54,561	33,663	—	88,224
Debt Service.....	—	—	11,564,539	11,564,539
Aid to Subdivisions—Comptroller General.....	—	995,856	16,038	1,011,894
Aid to Subdivisions—State Treasurer.....	—	3,933,348	—	3,933,348
Totals.....	<u>\$ 176,461,837</u>	<u>\$ 326,452,960</u>	<u>\$ 12,394,394</u>	<u>\$ 515,309,191</u>

¹ Per Part 1A of the 2001-2002 Appropriations Act.

Supplemental Appropriations

BUDGETARY GENERAL FUND

Fiscal Year Ended June 30, 2002

Item	Agency	Description	Amount
Supplementals per Proviso 72.110 (From Last Year's Designated Fund Balance)			
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, Info. & Tech. Systems	Special Session Costs	168,000
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
Supplementals per Proviso 72.111			
	Adjutant General	Horse Guard and Caisson Detachment	\$ 100,000
	Dept. of Parks, Recreation & Tourism	Hunley HVAC	100,000
	Dept. of Commerce	World Trade Center	100,000
TOTAL			\$ 300,000

Open-Ended Items

BUDGETARY GENERAL FUND
 Fiscal Year Ended June 30, 2002

<u>Agency Name</u>	<u>Description</u>	<u>Amount</u>
Open-Ended Appropriations: ¹		
Governor's Office–SLED.....	Homeland Security	\$ 687,854
Budget and Control Board (B&C Board)–		
Employee Benefits.....	Workers' Compensation Insurance	59,662
Commission on Higher Education.....	LIFE Scholarship Program	10,615,498
Public Safety.....	Homeland Security	2,592,387
Debt Service.....	State School Facilities - Bond Payments	2,808,971
Aid to Subdivisions–Comptroller General.....	Personal Property Tax Relief	995,856
Aid to Subdivisions–State Treasurer.....	Aid to Fire Districts - Formula Funded	401,418
Agency Deficits Approved by the B&C Board:		
Prosecution Coordination Commission.....	Agency Deficit	331,861
Commission on Indigent Defense.....	Agency Deficit	741,405
Adjutant General.....	Agency Deficit	499,069
Corrections.....	Agency Deficit	6,056,489
Procurement Review Panel.....	Agency Deficit	2,493
Total Open-Ended Appropriations		<u>25,792,963</u>
Tax Relief Payments in Excess of Original Estimate: ²		
Aid to Subdivisions–Comptroller General.....	Tax Relief Trust Fund	<u>13,188,152</u>
Total Open-Ended Items		<u>\$ 38,981,115</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. In these instances, appropriations are increased to allow for the additional expenditures.

² The State's Tax Relief Trust Fund is required by law to be fully funded, but the General Assembly did not budget a sufficient amount. The Trust Fund is funded by income tax revenues. These additional tax relief payments resulted in less income tax revenues being credited to the State's Budgetary General Fund than was anticipated.