

Executive Budget

Fiscal Year 2006-07



January 4, 2006

Submitted by
Mark Sanford
Governor
State of South Carolina

to the
116th General Assembly of South Carolina,
Second Session



State of South Carolina Office of the Governor

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January 4, 2006

To the Citizens of South Carolina and the Members of the South Carolina General Assembly:

It is my pleasure and honor to present to you this administration's FY 2006-07 Executive Budget. Before going into some of the points included in the document, I would like to express my thanks to all of the review and results team members – many of whom were volunteers – who gave time, talents and focus to this effort.

As with our two prior budgets, our objectives for the FY 2006-07 Executive Budget are to present to the General Assembly a balanced state budget that, without raising taxes, further restores monies diverted from trust and reserve funds in recent years while providing essential services to the citizens of South Carolina in the priority areas of education, health care and social services, economic development, public safety, and natural resources. In the submitted budget, you will find that we accomplished not only these tasks, but other important ones as well.

To achieve our objectives, we established nine primary budget goals when we began our work in June 2005. If adopted, this budget will allow us to finish the single greatest goal this Administration has advocated since our first executive budget for FY 2004-05, getting our fiscal house in order. When that budget was introduced, the state had an overlooked \$155 million unconstitutional deficit, nearly \$500 million borrowed from trust and reserve funds, and a \$105 million accounting deficit created by the General Assembly and executive branch beginning in 1991. As of this budget, the \$155 million deficit had been retired and approximately \$324 million has been returned to trust and reserve funds. This budget proposes to completely repay the \$173 million in outstanding balances to trust and reserve funds and eliminate the \$105 million in the accounting deficit that has been on our books beginning 15 years ago.

For the first time, we are also proposing a budget using a spending limitation of *population plus inflation*, because we have revenue projections which will actually exceed that limit for the first time since I took office. Simply put, we believe that spending by the state should not grow faster than the income of the people who are asked to pay for it. Further, we believe that an annual spending limit will foster a more competitive economy that will attract both jobs and investment to the state. As a result,

this budget proposes returning \$151 million in surplus funds back to the taxpayers. Whether our fellow South Carolinians are paying higher property tax bills, higher heating costs, or higher tuition at our colleges and universities, we believe that taxpayers deserve to share in the economic successes that have delivered these increases in tax revenue.

We again call for the General Assembly to enact restructuring legislation that would increase accountability to the taxpayers and reduce duplicative government. Fractured government with limited accountability provides little benefit to the people we are supposed to serve. According to *Governing* magazine's 2005 *Fact Book*, South Carolina government operates with a ratio of 251 state employees per 10,000 residents, 43 percent higher than the U. S. average of 176 state employees per 10,000 in population. The costs associated with this unusually high ratio of state employees take dollars away from direct benefits for the citizens served by South Carolina government and demands more in the way of funding from taxpayers. In addition, we are proposing for a second year, giving agency heads the flexibility to target pay raises to recruit and retain quality employees in high need areas. Building on that proposal, we have also proposed funding a \$63 million merit pay program for teachers in South Carolina. This proposal, which will create a direct link between pay increases and student achievement, will allow school districts to reward the many great teachers who are succeeding and excelling in the classroom.

We also propose fully funding the Base Student Cost, increasing the BSC to \$2,367 for FY 2006-07 which brings total funding per student in South Carolina to an average of \$10,846. In addition, we propose full funding for the Education and Economic Development Act, which we hope will help us improve the abysmal drop out rate in high school.

In total, we believe this budget corrects past fiscal management decisions, while setting the stage for more modest and predictable growth into the future. We also accomplish making major investments in education, health care, law enforcement, and quality of life within the confines of limited spending, by setting budget priorities. We present this budget, the result of hundreds of man hours by citizens from around the state, and urge you to join us in setting a more affordable and accountable government to the taxpayers.

I look forward to working with the General Assembly on ways we can make such initiatives work for the taxpayers of South Carolina.

Mark Sanford

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Executive Summary

Mission Statement

The mission and objectives of this executive budget are similar to the ideas that were laid out in our two previous executive budgets. Our objectives are to present to the General Assembly a balanced state budget that does not raise taxes. In addition, our budget implements greater fiscal discipline by holding spending to the growth of population plus inflation and fully restoring monies diverted from trust and reserve funds in recent years. Finally, we propose the funding of essential services for the citizens of South Carolina in the priority areas of education, health care and social services, economic development, public safety, and natural resources.

Administration Goals

To achieve our objectives, the administration first established nine major budget goals for the FY 2006-07 Executive Budget. Adhering to these goals, we then prioritized and funded the state's critical needs, while retaining the fiscal discipline demanded by both the citizens of the state and the national bond rating companies. Our nine goals for the FY 2006-07 Executive Budget are as follows:

- 1) **Limit the annual growth of recurring general fund spending by not exceeding population growth plus the rate of inflation** – In an effort to provide both stability and sustainability to the state's yearly purchases, we propose limiting the growth of recurring general fund spending to 5.15 percent during FY 2006-07, exempting yearly constitutional funding requirements. This rate is based on recent Bureau of Labor Statistics and United States Census Bureau population data. In addition to preventing a repeat of the state's erratic spending patterns during the past decade, we feel the annual limit will foster a more competitive economy in terms of attracting jobs and investment by ensuring that state government does not grow at a rate faster than the growth in incomes of the South Carolina taxpayers that fund government.

Further, with the excess revenues that exceed the spending limit, we propose using these recurring and/or non-recurring funding sources to repay diverted trust and reserve funds; correct the "embedded" Generally Accepted Accounting Principles (GAAP) deficit that resulted from accounting errors during 1991, 1993, and 2001; accelerate debt repayment; and, fund a tax refund. We believe that such uses are consistent with the goal of fiscal discipline demanded by the taxpayers of South Carolina. For the first time since the beginning of the administration, projected revenues exceed the population plus inflation spending limitation and will do so by \$445 million. Therefore, we propose to:

- a) completely repay diverted trust and reserve funds (\$173 million);
- b) correct the "embedded" GAAP deficit (\$105 million);
- c) accelerate debt repayment (\$16 million); and,

d) return to the taxpayers a share of the excess revenue (\$151 million).

- 2) **Fund property tax relief and return a portion of the surplus to the taxpayers** – Since 1995, the state has returned billions in property tax relief to the people of South Carolina. A decade later, the General Assembly has begun discussions on property tax relief again, and we agree that the burden of being a homeowner has become too great for some of our fellow citizens.

After we fund our priority items, eliminate outstanding trust and reserve balances, and eliminate the accounting deficit, there still remain additional funds. We believe those dollars should be returned to the people who provided that revenue.

a) **Fully Fund Property Tax Relief Trust Fund** – In 1995, the General Assembly passed legislation to provide relief for homeowners through the Trust Fund for Property Tax Relief. Since enacting that broadbased legislation, \$4 billion has been returned in the form of property tax relief. In this budget, we set aside \$515 million for FY 2006-07 in payments back to local governments for property tax relief.

b) **A Surplus Dividend for Taxpayers** – Since our first executive budget, we have advocated restoring our fiscal house by eliminating the unconstitutional \$155 million deficit, restoring the borrowed funds from trust and reserve funds, and finally eliminating the GAAP deficit created by the General Assembly beginning in 1991. In this budget, we propose finishing that goal, while funding our priorities at the same time. However, we believe that the taxpayers should share in good economic times, just as they have to pay through the bad economic times. Whether it is a higher property tax, increased energy costs as a result of Hurricanes Katrina and Rita, or increasing tuition costs for students or parents, we are proposing returning the \$151 million in excess tax revenue to ease the burden of taxpayers.

- 3) **Appropriate funds based on a rational assessment, from the citizen's perspective, of the relative importance of the activities of government** – In an effort to prioritize and then provide for the core needs of the state, we again are utilizing the **Budgeting for Results** process that we established last year. In preparing our budget, in September 2005 we held a series of public discussions, open to the public and the press, with directors of 41 state agencies throughout South Carolina to discuss better and more efficient ways to achieve our state's budgetary goals.

In addition to public budget hearings, we worked with legislative staff and "results teams" made up of over 62 state employees and private volunteers to compile a list of more than 1,614 activities performed in our state. Using the Budgeting for Results process, we then worked with the results teams to rank

all of these activities as they relate to the core outcomes we think government should provide. Instead of “funding” agencies, we “purchased” the activities and outcomes we believed would deliver the greatest results for our citizens.

Through these actions, our proposed budget recommends over **\$113 million in specific general and other fund savings** to the taxpayers through operational efficiencies, savings realized by our cabinet agencies, and by not purchasing approximately \$7 million in lower-priority activities. We are recommending the re-investment of these savings into higher priority activities in the areas of education, health care and social services, economic development, public safety, natural resources and finally constitutional and statewide needs described as follows.

- a) **Education** – To provide for the state’s K-12 needs during FY 2006-07, we propose increasing recurring spending for K-12 education by nearly \$120 million to keep our per pupil expenditures above the national average – at an estimated \$10,846 per pupil. We also maintain our commitment to fund South Carolina teachers at \$300 above the Southeastern average. However, we believe that good teachers should be rewarded for achieving in the classroom. For that reason, we propose a merit pay system to allow local school districts greater discretion in how they pay teachers by rewarding them based on how their students achieve in schools. As with all other components of this budget, we believe tax dollars should buy results. In addition to increased funding, we offer several suggestions for receiving better value for those dollars and providing more flexibility at the local level. It should be noted that our proposed level of education funding for FY 2006-07 meets the state’s education funding requirements for K-12 education established under Proviso 72.1.
- b) **Health care and Protections of Children and Adults** – To provide for the state’s health and human services needs during FY 2006-07, we propose funding Medicaid with \$109 million in recurring and non-recurring dollars (\$101 million recurring) to maintain core health care benefits for the poor, elderly, and persons with disabilities. We also propose a \$5 million increase in recurring funding for the prevention grants program, a \$2 million increase for adoption subsidies for special needs children, and a \$1 million increase for acute psychiatric services.
- c) **Economic Development** – To provide for the state’s economic development needs during FY 2006-07, we propose more than \$11 million in new recurring funds at the Department of Commerce to enhance the state’s ability to compete globally. These items include a first-ever Closing Fund to assist the Executive Branch in finalizing projects that will have a significant economic impact on the state, and

- additional employees focused on marketing the state and recruiting or expanding companies. Additionally, we provide \$2 million in funding for Clemson University's International Center for Auto Research (ICAR), \$400,000 in marketing for the state's agriculture resources and an additional \$1.6 million for advertising and marketing at the Department of Parks, Recreation and Tourism.
- d) **Public Safety** – To provide for the safety of the state's people and property during FY 2006-07, our executive budget adds \$23 million in new recurring funds to support 320 additional law enforcement officers – including 125 new troopers. Also included are 10 new SLED agents for increased enforcement of methamphetamines crimes in South Carolina. Last year our budget provided 425 law enforcement officers. Therefore, over the past two years, we have proposed the funding of nearly 750 new law enforcement officers. We also propose \$3.6 million for the Department of Probation, Parole, and Pardon Services to increase the monitoring of convicted sex offenders. Additionally, our executive budget provides \$26 million in nonrecurring funds to renovate and construct new juvenile and adult penal facilities at the Department of Corrections and the Department of Juvenile Justice, upgrade and construct weigh stations in order to better maintain the state's road system, and make renovations at the criminal justice academy. Finally, we also propose a \$2.2 million increase for additional Criminal Domestic Violence Prosecutors around the state.
- e) **Natural Resources** – To provide for the state's natural resource needs during FY 2006-07, we propose more than \$4 million in new recurring dollars which will: bolster water quality efforts, provide improved permitting services for businesses, and support the cleanup of contaminated hazardous waste sites. In addition, we commit \$65 million to fully restore the Barnwell Long-Term Care Fund for future management of the waste site. We also propose \$10 million to help protect large tracts of timberland for future generations.
- f) **Constitutional/Statewide Obligations** – To provide for constitutional/statewide needs during FY 2006-07, our executive budget funds \$24 million in constitutional items (i.e Capital Reserve Fund; General Reserve Fund) and \$79 million in statewide/statutory items (i.e., Local Government Fund, an employee pay raise, and, the state employee health plan). Like last year, we propose a targeted pay raise for state agencies totaling three percent. This funding level represents a \$30.4 million increase over last year's pay level. Further, we propose a \$29.5 million increase in funding for the state employee health plan marking the second consecutive year that non-smoking

employees will not have premium increases. For five years prior to FY 2005-06, employees saw increases in their health premiums.

- 4) **Decrease the size of state government by consolidating agencies, boards and commissions, and strengthening the cabinet form of government** – This administration has been committed to continuing the legacy of Governor Carroll Campbell by further restructuring state government to increase accountability and reduce duplication and waste. Our state government today is still largely fractured and duplicative, taking dollars that would otherwise go to the citizens of our state. Many agencies are run by boards and commissions comprised of well-intended people who give of their time, typically for little to no pay. While we are grateful to any citizen who is willing to give of their time to serve the people of this state, these are also people with families and jobs that keep them away from the daily operations of state government. We believe that the Cabinet form of government significantly increases accountability, as we have seen with the Cabinet agencies created during Governor Campbell's time in office. We are again proposing the restructuring of state government within the FY 2006-07 Executive Budget. These restructuring proposals, when taken in total, will allow us to eliminate or merge duplicative state offices, departments, agencies, board or commissions. In doing this, the state will realize restructuring savings of \$19 million during FY 2006-07.

As an example of the impact of restructuring, during FY 2005-06, we proposed merging the Office of Appellate Defense and the Office of Indigent Defense because these offices essentially served the same clientele. This merger was adopted by the General Assembly, and as a result, for FY 2006-07 we are proposing annual administrative savings of \$178,321 at the newly created Office of Indigent Defense. These cost savings will assist us in our proposed general fund increases to the agency's Conflict Fund (\$297,351) and the Death Penalty Trial Fund (\$50,000) during FY 2006-07.

- 5) **Honor the promises and obligations of prior years** – When we released our first executive budget in FY 2004-05, the state was coming out of an unprecedented period of revenue decline. This decline strained agency budgets – as agencies endured a series of across-the-board mid-year cuts – and led to the state closing its books with a \$155 million unconstitutional operating deficit during FY 2001-02 as well as the depletion of the state's General Reserve Fund (\$153 million) during FY 2001-02 and FY 2002-03.

As the fiscal crisis persisted, \$209 million was diverted from various trust and reserve funds to mitigate the impact of the mid-year cuts. In addition, there is an "embedded" GAAP deficit of \$105 million that resulted from the General Assembly taking a 13th month of revenues for spending in a 12-month Fiscal Year in 1991, 1993, and 2001. The \$135 million shortfall in the State Health Plan reduced the standard 45-day payout ability down to as low as zero. By

the time we presented our initial FY 2004-05 Executive Budget, the state faced financial obligations of three-quarters of a billion dollars.

With work, we have convinced the General Assembly to join us in restoring most of the diverted and shortfall funds and we believe we can complete that goal this year. Thanks to Comptroller General Richard Eckstrom, who has shown leadership in working to eliminate the \$105 million GAAP deficit, we may finally eliminate a deficit that dates back 15 years. Therefore, as noted earlier, we propose dedicating \$278 million to correcting and fully restoring these items. This amount represents 36.6 percent of the \$758 million in “new” funds available for allocation in our executive budget.

- 6) **Reduce reliance on one-time funding for recurring costs** – The FY 2005-06 Appropriations Act passed by the General Assembly utilized \$201 million in one-time monies for recurring needs (“annualizations”) – creating a significant hole to be filled in the upcoming budget year. Annualizations from last year’s executive budget were significantly lower at \$95 million. In the FY 2006-07 Executive Budget, we propose using \$66 million in one-time monies to fund recurring needs. If adopted, this would be the lowest annualizations level in over a decade.
- 7) **Reduce our recent growth in debt** – From FY 1996-97 to FY 2003-04, South Carolina’s *state* tax supported debt increased 102 percent, from \$1.16 billion to around \$2.34 billion, making South Carolina’s debt expansion the 17th fastest growth rate in the nation. This is in contrast to states such as Wyoming, Colorado, South Dakota, Nebraska and Arizona which carry no state debt whatsoever.

For the same time period, South Carolina’s *local* tax supported debt increased 107 percent, from \$2.4 billion to around \$4.9 billion. Local government borrowing includes obligations of counties, municipalities, special purpose districts, and public school systems. Statewide, local tax supported debt per capita increased 90 percent during the period, from \$614 to \$1,170. Local debt per capita now exceeds \$1,000 in fourteen South Carolina counties, three of which have local debt per capita exceeding \$2,000. Statewide, local debt as a percent of personal income increased 45 percent during the period from 3.1 to 4.6 percent.

As a result of the growth in state and local debt, the average South Carolinian is now responsible for about \$1,728 in debt.

With all bonded indebtedness comes the cost of repayment. The bond costs may seem small, but they ultimately have a tremendous impact on the annual budget. According to the State Treasurer’s Office, our annual obligation for debt service has increased from \$142 million in FY 1996-97 to an estimated \$241 million in the coming FY 2006-07, an increase of nearly \$100 million.

In education terms, this \$100 million annual debt service increase equals roughly \$143 per pupil if added to the Base Student Cost.

As cited earlier, within our budget this year we propose the elimination of \$16 million in outstanding debt from non-recurring revenue sources which exceed the aforementioned spending limit. While certainly a small amount when compared to the state's annual debt service of \$241 million, this prepayment adds \$4.6 million in recurring general funds for FY 2006-07.

- 8) **Improve savings and returns from state assets** – Over the past several years, we have worked with the Budget and Control Board to find surplus property around the state that can be sold over the next 18 months with the proceeds then being converted to non-recurring revenue sources for fiscal year 2006-07. Further, we have looked for other non-real property assets or savings that may be available for the same purpose. In the FY 2006-07 Executive Budget, we propose using \$700,000 in proceeds from the sale of state assets to fund the one-time needs of trust and reserve fund repayment. Additionally, within the FY 2006-07 Executive Budget, we are funding the creation of a Central State Travel Office within the Comptroller General's Office. This \$50,000 budget addition will be used to manage and monitor agency travel and will provide \$726,365 in recurring general fund savings during FY 2006-07.
- 9) **Continue the process of reforming our retirement system so that we can honor our commitment to our state's retirees** – South Carolina's current retirement system crisis parallels the problems faced by other states as aging baby boomers in the nation's state government workforce prompt fears that payouts of defined benefit pension plans – those plans with a guaranteed benefit – will break state budgets. For instance, in the FY 2005-06 Executive Budget, we identified the immediate need to modify the state's defined benefit pension plans due to the fact that from 1999 to 2004, the debt load of these plans increased from \$178 million to \$4.2 billion – a staggering 2,000 percent increase. To alleviate the problems associated with defined benefit plans, we will support legislation expanding the current Optional Retirement Program administered by the South Carolina Retirement System. We believe the plan should be the only state plan extended to new state employees. This would allow new state employees greater control over their retirement account, so that they have the opportunity to earn larger investment returns from their accounts and at the same time reduce the amount taxpayers will have to spend for future retirement benefits.

FY 2006-07 Executive Budget Approach

We are again using the Budgeting for Results process – first initiated last year – for the FY 2006-07 Executive Budget. It is our opinion that this budgeting method – an activities and outcome-based model – is superior to budget models historically used by our state in that the other methods have been incremental in scope focusing primarily on new agency spending requests, not the existing activities or programs of an agency. Further, as we strive for permanence with the Budgeting for Results process this year, we want to commend the House of Representatives for adopting a proviso in their budget last year that would have created a study committee to review the feasibility of the General Assembly adopting the activities-based process to write the appropriations act. We recognize also that members of the Senate showed great interest in perfecting our budget process. We, therefore, respectfully ask that both the House and Senate consider adopting our proposed proviso which would again create a joint committee to study activity-based budgeting.

To begin the Budgeting for Results process for the FY 2006-07 Executive Budget, we first asked agencies to lay out their spending based upon activities and outcomes as opposed to traditional spending lines such as “personnel” and “other operating expenses.” We then identified seven broad goals for the state and sorted the 1,614 activities into these goal areas without regard to the agency that submitted them. We divided up into results teams by goal area to analyze these activities and their outcomes and to look for duplication or ways to achieve our goals more efficiently. A large part of that process was the two and ½ hour budget hearing held for each goal area, where agencies with related missions were invited to discuss their activities with the Governor, his staff, and the members of the results teams. We asked the participants to analyze these activities from a citizen and taxpayer perspective, rather than from an agency perspective.

The ideas and suggestions that resulted from this process are numerous and their combined general and other fund savings of over \$113 million will be discussed in the pages to come. The savings process began with the Governor, his staff, and the members of the results teams identifying \$106 million in goal area cost savings. Examples of these savings – which were often broad-based in scope – include our plan to identify a recurring source of general funds from those employees retiring under the Teachers and Employees Retirement Incentive (TERI) plan during the current year and during FY 2006-07.

After deducting the cost savings, we spread the dollars available to us across the goal areas and purchased activities from the top of our priority list down, until we ran out of money. The cumulative result is that because of this activity-based prioritization process, there are 41 activities (or 0.03 percent of our total number of 1,614 activities) totaling \$7 million that we recommend not investing state dollars into this year – the activities that “fell below” the spending line. This is not to say that these activities do not have merit – most, if not all, of them do and some could perhaps continue to exist without our tax dollars funding them. However, budgeting should be about weighing

the relative merits of activities and funding the ones that provide the greatest benefit. In the collective opinion of this administration and our results teams, these activities did not provide as good an investment of the public's resources as the other 99.97 percent of the activities. While some will certainly disagree with our prioritization, we believe this process is the most responsible way to allocate the public's resources and have used it in putting together our recommendations.

FY 2006-07 Executive Budget Summaries

On the following pages we provide a summary of general fund revenue and expenditures for FY 2006-07, including the Capital Reserve Fund. Of particular interest, is the impact of the population plus inflation growth limit on revenue allocation.

Also included within this section are pie graphs illustrating aggregate summaries of the seven goal areas including other statewide obligations and debt service where both general and total funds are allocated in the current FY 2005-06 budget compared with our recommendations for the upcoming FY 2006-07 budget. Although some of the changes may seem small on a fractional basis, it is important to emphasize that each tenth of a percent of spending equates to approximately \$6 million in general funds and \$19 million in total funds.

Finally, we have also provided a one page graphic showing a big picture view of our spending decisions. This page shows all state funding in our proposed budget including the general fund, other funds, federal funds, the Capital Reserve Fund, surplus funds, Education Improvement Act funds, and Education Lottery funds. The line is drawn to provide examples of those activities that we recommend purchasing and those that we do not.

FY 2006-07 Revenue

As noted, our primary budget goal for FY 2006-07 is to limit the state's recurring expenditure growth to a rate which does not exceed population plus inflation growth, exempting yearly constitutional funding requirements. Our calculation of population plus inflation growth for the FY 2006-07 budget is 5.15 percent or \$289,284,845 above the FY 2006-07 base of \$5,617,181,458. This percentage increase comes from an estimate provided by the state's Board of Economic Advisors (BEA) whereby they project population and inflation growth rates for FY 2006-07. Specifically, the BEA uses U. S. Census Bureau data which points to South Carolina population growth of 1.508 percent during FY 2006-07 (under the same methodology as H.3329 – a bill introduced and referred to the Ways and Means Committee in January 2005 which provides that the limitation for a fiscal year is appropriations for the current fiscal year as of February 15, increased by the lesser of 6 percent or a percentage determined by the increase in population and increases in the Consumer Price Index) and a Bureau of Labor Statistics' Consumer Price Index-Urban (CPI-U) increase over the past year of 3.64 percent.

Included within the population plus inflation revenue formula is: (a) the November BEA estimated increase in recurring general fund revenue for FY 2006-07 (\$310,951,671 or 5.54 percent over FY 2005-06 as of November 10, 2005); (b) the BEA's estimated surplus for FY 2005-06 (November 10, 2005, estimate, \$275,666,470); (c) the unobligated surplus from FY 2004-05 (\$118,029,004); (d) the anticipated "Maybank" surplus from FY 2005-06 following distributions from the Grants Review Committee set up under Proviso 63.49 (\$34,050,000); (e) excess debt service (\$3,507,254); (f) taxes and fees redirected from Economic Impact Zones – EIZs (\$8,650,352); (g) taxes and fees redirected from Redevelopment Authorities – RDAs (\$2,829,578); (h) excess agency cash (\$4,000,000); and, (i) the sale of state-owned real estate or other property (\$700,000).

Not included within, or subject to, the population plus inflation formula are the FY 2006-07 non-recurring appropriations of the Capital Reserve Fund (CRF) in the amount of \$102,325,596. Also not subject to the population plus inflation spending limitation are Lottery (\$265,105,841) and EIA appropriations (\$652,342,646) for the upcoming fiscal year.

When the above factors are considered, the state's November 10 projected growth for both recurring and non-recurring revenue sources is \$758,384,429 over the FY 2006-07 base of \$5,617,181,458.

Expenditure items excluded from the formula are the annual incremental constitutional reserve fund spending requirements of the state: Capital Reserve Fund (\$9,495,617 required during FY 2006-07 to fund at constitutional levels) and the General Reserve Fund (\$14,243,425 required during FY 2006-07 to fund at constitutional levels).

When considering the exclusion of the proceeds for the Capital Reserve Fund, Lottery and EIA appropriations, and the yearly funding level requirements of the Capital and General Reserve Funds from the population plus inflation formula, we are assessing a growth rate of no more than *5.57 percent* or \$313,023,887 for FY 2006-07.

Thus, the projected growth of the state's recurring and non-recurring revenue is higher than the population plus inflation requirement by \$445,360,542.

With the \$445,360,542 overage of the population plus inflation limit, we would then: (1) completely repay diverted trust and reserve funds (\$173,281,718); (2) correct the GAAP deficit (\$104,934,400); (3) accelerate debt repayment (\$16,455,000); and, (4) fund a tax refund (\$150,689,424).

In summary, the state's projected revenues for FY 2006-07 are as follows:

FY 2006-07 Executive Budget

REVENUES	FY 2006-07 BASE	FY 2006-07 EXECUTIVE BUDGET	\$ CHANGE
FY 2006-07 BEA Estimate		\$6,432,777,763	
Gross General Fund Revenue (11/10/05)			
Less: Tax Relief Trust Fund		(\$515,396,670)	
Plus: Tax Relief Trust Fund Carryforward		<u>\$10,752,036</u>	
Net General Fund Revenue Estimate	\$5,617,181,458	\$5,928,133,129	\$310,951,671
Revenue Adjustments			
– Use of BEA Certified Surplus Revenue (FY 2005-06)		\$275,666,470	
– Unobligated Surplus from FY 2004-05		\$118,029,004	
– “Maybank” Surplus from FY 2004-05 <i>following Grants Review Committee</i> <i>(Proviso 63.49) distributions</i>		\$34,050,000	
– Excess Debt Service		\$3,507,254	
– Taxes and Fees redirected from Economic Impact Zones		\$8,650,352	
– Taxes and Fees redirected from Redevelopment Authorities		\$2,829,578	
– Excess Agency Cash (DMV)		\$4,000,000	
– Sale of assets		\$700,000	
Revenue Increases	\$5,617,181,458	\$6,375,565,887	\$758,384,429
Spending Limit	\$5,617,181,458	\$5,930,205,345	\$313,023,887
Based on 5.15 percent with spending limitation exclusions:			
– FY 2005-06 Capital Reserve Fund proceeds, \$102,325,596			
– FY 2006-07 Lottery appropriations, \$265,105,841			
– FY 2006-07 EIA appropriations, \$652,342,646			
– General Reserve Fund yearly funding requirements, \$14,243,425			
– Capital Reserve Fund yearly funding requirements, \$9,495,617			
Difference between revenue increases and spending limitation		\$445,360,542	
Uses of revenue in excess of spending limitation			
Trust and Reserve Fund Total Repayment:		\$173,281,718	
Correction of GAAP Deficit		104,934,400	
Debt Repayment		16,455,000	
Tax Refund		<u>150,689,424</u>	
		\$445,360,542	

EXECUTIVE SUMMARY

FY 2006-07 Expenditures (Purchases)

With \$313,023,887 available to us for new agency spending, we first back out those items considered constitutional/statutory/statewide. These total \$102,792,050 and include: (a) Capital Reserve Fund (\$9,495,617); (b) General Reserve Fund (\$14,243,425); (c) Local Government Fund (\$19,115,137); (d) state employee health plan increases (\$29,504,000, which avoids premium increases for non-smoking employees); and, (e) pay plan increases (\$30,433,871, based a three percent targeted increase excluding higher education and non-state employees).

Backing out the constitutional/statutory/statewide requirements (\$102,792,050) from the population plus inflation projected increase (\$313,023,887) yields \$210,231,837 available for new agency spending in FY 2006-07.

Competing for the \$210,231,837 in “new” general funds available were agency general fund requests totaling \$856,209,446 for FY 2006-07. The Department of Education’s general fund request alone was \$465,067,651 or 54.3 percent of all of the agency requests. The following outlines new agency spending by goal area approved and included within the FY 2006-07 Executive Budget:

GOAL AREA	FY 2006-07 NEW AGENCY SPENDING (Recurring General Funds)
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Improve K-12 Student Performance

Department of Education	
– EFA and Fringe (BSC Projection \$2,367)	\$58,127,911
– Education & Economic Dev. Act.	14,871,640
– K-5 Reading, Math & Science Program	36,575,984
– Student Health & Fitness Act of 2005	4,140,340
– <u>Teaching Standards</u>	<u>6,214,500</u>
Total Department of Education:	\$119,930,375
Total Improve K-12 Student Performance:	\$119,930,375

**Improve the Health and Protections of
Our Children and Adults**

Department of Health & Human Services	
– Medicaid Annualization and Program Growth	\$101,100,000
– Increase Personal Care by \$1 per hr.	950,000
– Add 500 slots to elderly/disabled waiver	1,209,394
– <u>Partnership Grants</u>	<u>5,000,000</u>
Total Department of Health & Human Services:	\$108,259,394

Note: *In addition to general funds, Hospital Services, a Medicaid line within the Department of Health & Human Services, is being funded with \$8,000,000 in Tobacco Dellocation proceeds during FY 2006-07.*

FY 2006-07 Executive Budget

Dept. of Alcohol & Other Drug Abuse Services	
– Community Based Treatment Services	\$750,000
– <u>Targeted Case Management</u>	<u>8,000</u>
Total Dept. of Alcohol & Other Drug Abuse Services:	\$758,000
Department of Social Services	
– Child Welfare Services Program Improvements (350 FTEs)	\$14,334,646
– <u>Targeted Case Management</u>	<u>480,400</u>
Total Department of Social Services:	\$14,815,046
Medical University of South Carolina (MUSC)	
– Hollings Cancer Center	\$500,000
– Hypertension Initiative	250,000
– <u>Targeted Case Management</u>	<u>200</u>
Total Medical University of South Carolina:	\$750,200
Vocational Rehabilitation	
– <u>State/Federal Fund Match (Direct Client Services)</u>	<u>\$659,629</u>
Total Vocational Rehabilitation:	\$659,629
Department of Mental Health	
– Colleton County Veterans Nursing Home	\$3,600,000
– Acute Psych	1,300,000
– Long Term Inpatient Psych	400,000
– Inpatient Alcohol & Drug	100,000
– Community Residential Housing Support	600,000
– <u>Targeted Case Management</u>	<u>85,200</u>
Total Department of Mental Health:	\$6,085,200
Department of Disabilities & Special Needs	
– Agencywide/Early Intervention (Medicaid Match Requirements)	\$1,968,000
– Head and Spinal Cord Injury Waiver Services	112,000
– Mental Retardation Community Training Homes	2,242,351
– Autism Community Training Homes	219,795
– Head and Spinal Cord Injury Community Training Homes	29,222
– <u>Targeted Case Management</u>	<u>322,500</u>
Total Department of Disabilities & Special Needs:	\$4,893,868
Department of Health & Environmental Control	
– General Sanitation Program	\$365,000
– Immunization Program	449,705
– Infectious Disease Prevention	323,000
– Maternal and Infant Health	333,605
– Minority Health	36,700
– <u>Targeted Case Management</u>	<u>3,400</u>
Total Department of Health & Environmental Control (Health):	\$1,511,410
Lieutenant Governor's Office	
– <u>Loan Forgiveness Program (Geriatric Physicians)</u>	<u>\$140,000</u>
Total Lieutenants Governor's Office:	\$140,000

EXECUTIVE SUMMARY

FY 2006-07 Executive Budget

Commission for the Blind	
– Prevention of Blindness	\$129,990
– <u>Targeted Case Management</u>	<u>100</u>
Total Commission for the Blind:	\$130,090
Continuum of Care, DJJ, School for Deaf and Blind	
– <u>Targeted Case Management</u>	<u>100,200</u>
Total Continuum of Care, DJJ, Deaf and Blind:	\$100,200
Total Improve the Health and Protections of Our Children and Adults:	\$138,103,037

Improve the Safety of People and Property

State Law Enforcement Division (SLED)	
– Agents for methamphetamine Enforcement (10 FTEs)	\$1,100,000
– Abuse, Neglect & Exploitation Allegations – <u>DDSN & DMH Facilities (7 FTEs)</u>	<u>450,000</u>
Total State Law Enforcement Division:	\$1,550,000
Department of Public Safety	
– Hwy Patrol Replacement Trooper Class (100 FTEs)	\$5,023,781
– Advancement of Troopers & TCOs	1,248,904
– BPS Additional Law Enforcement Officers (5 FTEs)	226,733
– <u>Criminal Justice Academy/Registrar</u>	<u>91,448</u>
Total Department of Public Safety*:	\$6,590,866

(*New Class of STP Officers (25 FTEs) totaling \$1,332,600 funded with other funds during FY 2006-07)

Department of Corrections	
– Operating Funds – 192 Bed Turbeville (28 FTEs)	\$2,250,000
– Substance Abuse Programs (4 FTEs)	2,000,000
– <u>Improve Mental Health Services (9 FTEs)</u>	<u>1,500,500</u>
Total Department of Corrections:	\$5,750,500

Department of Juvenile Justice	
– Intensive Probation & Parole Supervision (42 FTEs)	\$2,065,049
– Alternate Placements & Intensive PPS	581,160
– Re-Open Omega Dorm (24 FTEs)	1,246,346
– Video Conferencing	155,000
– Girl's Transition Home (11 FTEs)	493,149
– Sex Offender Treatment Program	160,500
– <u>Electronic Monitoring (3 FTEs)</u>	<u>571,505</u>
Total Department of Juvenile Justice:	\$5,272,709

Dept. of Probation, Parole & Pardon Services	
– Sex Offender Programming – <u>Community Supervision (47 FTEs)</u>	<u>\$3,694,311</u>
Total Dept. of Probation, Parole & Pardon Services:	\$3,694,311

FY 2006-07 Executive Budget

Adjutant General's Office	
– EMD – Homeland Security – Natural Hazards Preparation & Response (12 FTEs)	\$776,724
– EMD – Homeland Security (Security & Operations Support)	100,974
– <u>Air Guard Operations & Maintenance (2.25 FTEs)</u>	<u>115,272</u>
Total Adjutant General's Office:	\$992,970
Department of Natural Resources	
– <u>Law Enforcement Officers (12 FTEs)</u>	<u>\$600,000</u>
Total Department of Natural Resources:	\$600,000
Prosecution Coordination Commission	
– <u>Criminal Domestic Violence Prosecutors</u>	<u>\$2,200,000</u>
Total Prosecution Coordination Commission:	\$2,200,000
Total Improve the Safety of People and Property:	\$26,651,356

Improve the Conditions for Economic Growth

Department of Commerce	
– Agency Operating/Agency Wide	\$700,000
– Business Dev., Business Solutions, Community & Rural Dev.	256,000
– CDC Initiative	1,000,000
– Governor's Closing Fund	7,000,000
– Competitive Enhancements (12 FTEs)	2,253,750
– <u>Hydrogen/Fuel Cell</u>	<u>367,640</u>
Total Department of Commerce:	\$11,577,390

Note: Capital Access Program totaling \$3,000,000 funded with other funds during FY 2006-07

Department of Parks, Recreation & Tourism	
– <u>Advertising</u>	<u>\$1,600,000</u>
Total Department of Parks, Recreation & Tourism:	\$1,600,000

Tech & Comp. Education	
– <u>Center for Accelerated Tech. Training</u>	<u>\$1,500,000</u>
Total Tech & Comp. Education:	\$1,500,000

Department of Insurance	
– Electronic Doc. Image Management & Workflow System	\$100,000
Total Department of Insurance:	\$100,000

Clemson University	
– <u>International Center for Auto Research (ICAR)</u>	<u>\$2,000,000</u>
Total Clemson University:	\$2,000,000

Department of Agriculture	
– <u>South Carolina Quality Program/Marketing & Promotions</u>	<u>\$400,000</u>
Total Department of Agriculture:	\$400,000

Total Improve the Conditions for Economic Growth: **\$17,177,390**

EXECUTIVE SUMMARY

FY 2006-07 Executive Budget

Improve Our Higher Education System and Cultural Resources

South Carolina State University	
– <u>Transportation Center</u>	\$748,365
Total South Carolina State University:	\$748,365
Commission on Higher Education	
– Higher Ed. (Barnwell)	\$738,317
– <u>Academic Program Review</u>	250,000
Total Commission on Higher Education:	\$988,317
State Library	
– <u>DISCUS Content Enhancement</u>	\$250,000
Total State Library:	\$250,000
Total Improve Our Higher Education System and Cultural Resources:	\$1,986,682

Improve the Quality of Natural Resources

Department of Health & Environmental Control	
– Water Pollution Control Program/Reduce Pollutant Loading (26 FTEs)	\$2,236,885
– <u>Land & Waste Management/Cleanup Fund (13 FTEs)</u>	1,954,870
Total Department of Health & Environmental Control:	\$4,191,755
Total Improve the Quality of Natural Resources:	\$4,191,755

Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively

Budget & Control Board	
– <u>South Carolina Enterprise Information System Project (8 FTEs)</u>	\$2,790,000
Total Budget & Control Board:	\$2,790,000
Comptroller General's Office	
– <u>State Travel Office (1 FTE)</u>	\$50,000
Total Comptroller General's Office:	\$50,000
Total Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively:	\$2,840,000

Statewide – Legislative, Judicial, and Transportation

Commission on Indigent Defense	
– Conflict Fund Increase	\$297,351
– <u>Death Penalty Trial Fund</u>	50,000
Total Commission on Indigent Defense:	\$347,351

FY 2006-07 Executive Budget

Legislative Audit Council	
– <u>Sunset Commission</u>	\$585,570
Total Legislative Audit Council:	\$585,570
 Total Statewide – Legislative, Judicial, and Transportation:	 \$932,921

New General Fund Agency Spending:	\$311,813,516
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FY 2006-07 Executive Budget

FY 2006-07 Cost Savings and Below-the-Line Reductions

As the above approved increased spending totals \$311,813,516 (or 36.4 percent of agency recurring general fund requests for FY 2006-07) versus \$210,231,837 in new general funds available for increased agency spending, we cut \$101,581,679 in marginal activities in order to balance the state's recurring general fund budget for FY 2006-07.

Using the Budget for Results process, this shortfall was made up by: (1) identifying general fund cost savings opportunities within agency budgets (\$94,443,412) and (2) eliminating lesser ranked general fund activities (\$7,138,267). K-12 was exempted from this exercise due to the educational "funding test" requirements established under Proviso 72.1 of which we will be able to meet during FY 2006-07. The following outlines cost savings and below-the-line reductions by goal area within the FY 2006-07 Executive Budget:

GOAL AREA	Cost Savings & Below-The-Line Reductions
Improve the Health and Protections of Our Children and Adults	
– Cost Savings Opportunities	\$20,612,408
– <u>Below-The-Line Savings Opportunities</u>	<u>957,708</u>
Total Improve the Health and Protections of Our Children and Adults:	\$21,570,116
 Improve the Safety of People and Property	
– Cost Savings Opportunities	\$21,658,360
– <u>Below-The-Line Savings Opportunities</u>	<u>342,954</u>
Total Improve the Safety of People and Property:	\$22,001,314
 Improve the Conditions for Economic Growth	
– Cost Savings Opportunities	\$1,747,056
– <u>Below-The-Line Savings Opportunities</u>	<u>1,317,590</u>
Total Improve the Conditions for Economic Growth:	\$3,064,646
 Improve Our Higher Education System and Cultural Resources	
– Cost Savings Opportunities	\$16,413,372
– <u>Below-The-Line Savings Opportunities</u>	<u>873,062</u>
Total Improve Our Higher Education System and Cultural Resources:	\$17,286,434

FY 2006-07 Executive Budget

Improve the Quality of Natural Resources

– Cost Savings Opportunities	\$4,831,604
– <u>Below-The-Line Savings Opportunities</u>	<u>1,576,422</u>
Total Improve the Quality of Natural Resources:	\$6,408,026

Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively

– Cost Savings Opportunities	\$28,998,451
– <u>Below-The-Line Savings Opportunities</u>	<u>2,074,371</u>
Total Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively:	\$31,072,822

Statewide – Legislative, Judicial, and Transportation

– <u>Cost Savings Opportunities (Office of Indigent Defense)</u>	<u>\$178,321</u>
Total Statewide – Legislative, Judicial, and Transportation:	\$178,321

General Fund Cost Savings Opportunities	\$94,443,412
General Fund Below-the Line Savings Opportunities	7,138,267
Total General Fund Savings Opportunities:	\$101,581,679

FY 2006-07 Executive Budget

FY 2006-07 Capital Reserve Fund

In addition to recurring revenue, the state has \$102,325,596 in Capital Reserve Funds available for capital purchases during FY 2006-07. Items funded under this source by goal area for FY 2006-07 include:

GOAL AREA	FY 2006-07 CAPITAL RESERVE FUND
Improve K-12 Student Performance	
Department of Education	
– <u>School Buses/Transportation</u>	\$6,993,546
Total Department of Education:	\$6,993,546
Total Improve K-12 Student Performance:	\$6,993,546
Improve the Health and Protections of our Children and Adults	
Department of Social Services	
– <u>Automation of Child Support Enforcement System</u>	\$16,500,000
Total Department of Social Services:	\$16,500,000
University of South Carolina – Columbia	
– <u>Palmetto Poison Center</u>	\$200,000
Total University of South Carolina – Columbia:	\$200,000
Department of Health & Environmental Control	
– <u>Equipment (Vehicles)</u>	\$206,631
Total Department of Health & Environmental Control (Health):	\$206,631
Department of Mental Health	
– <u>Equipment (Vehicles)</u>	\$48,657
Total Department of Mental Health:	\$48,657
Total Improve the Health and Protections of Our Children and Adults:	\$16,955,288
Improve the Safety of People and Property	
State Law Enforcement Division (SLED)	
– Datamaster Equipment	\$1,920,000
– 800 MHz Statewide User Fee	\$250,000
– <u>Vehicle Funding</u>	\$2,000,000
Total State Law Enforcement Division:	\$4,170,000
Department of Public Safety	
– Hwy Patrol Replacement Trooper Class/ Vehicles & Equipment	\$3,828,085
– STP New Class of Officers/ Vehicles & Equipment	1,361,325

FY 2006-07 Executive Budget

– BPS Additional Law Enforcement Officers/ Equipment	39,148
– Criminal Justice Academy/Registrar Equipment	580,000
– Criminal Justice Academy Renovations/Upgrades	1,000,000
– Vehicle Purchases for Existing Officers	3,000,000
– Equipment	129,489
– <u>Weigh Station Upgrades/Renovations</u>	<u>5,000,000</u>
Total Department of Public Safety:	\$14,938,047

Department of Corrections	
– Facility Maintenance	\$7,000,000
– Computer Upgrades	489,850
– Improve Mental Health Services/ Equipment	1,100,000
– Multi-Purpose Buildings	600,000
– Equipment	422,900
– <u>Construction of Food Service Warehouse</u>	<u>4,887,005</u>
Total Department of Corrections:	\$14,499,755

Department of Juvenile Justice	
– Intensive Probation & Parole Supervision/ Equipment	\$89,648
– Re-Open Omega Dorm/ Equipment	44,166
– Electronic Monitoring/ Equipment	4,722
– Equipment	113,400
– Replacement of Dormitories at Willow Lane & J.G. Richards	4,961,871
Total Department of Juvenile Justice:	<u>\$5,213,807</u>

Dept. of Probation, Parole & Pardon Services	
– Sex Offender Programming – <u>Community Supervision/Equipment</u>	\$248,186
Total Dept. of Probation, Parole & Pardon Services:	<u>\$248,186</u>

Adjutant General's Office	
– EMD – Homeland Security (Natural Hazards <u>Preparation & Response)/Equipment</u>	\$203,088
Total Adjutant General's Office:	<u>\$203,088</u>

Department of Natural Resources	
– <u>Law Enforcement Equipment</u>	\$2,250,000
Total Department of Natural Resources:	\$2,250,000

Total Improve the Safety of People and Property:	\$41,522,883
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Improve the Conditions for Economic Growth

Department of Commerce	
– <u>Hydrogen/Fuel Cell</u>	\$81,230
Total Department of Commerce:	\$81,230

EXECUTIVE SUMMARY

FY 2006-07 Executive Budget

Department of Parks, Recreation & Tourism	
– <u>Beach Renourishment</u>	<u>5,000,000</u>
Total Department of Parks, Recreation & Tourism:	\$5,000,000

Tech & Comp. Education	
– <u>Center for Accelerated Tech. Training/Equipment</u>	<u>\$3,000,000</u>
Total Tech & Comp. Education:	\$3,000,000

Department of Insurance	
– Electronic Doc. Image Management & Workflow System	\$996,000
Total Department of Insurance:	<u>\$996,000</u>

Total Improve the Conditions for Economic Growth:	\$9,077,230
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Improve Our Higher Education System and Cultural Resources

Dept. of Archives & History	
– <u>Digitization Project</u>	<u>\$217,000</u>
Total Department of Archives & History:	\$217,000

Total Improve Our Higher Education System and Cultural Resources:	\$217,000
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Improve the Quality of Natural Resources

Department of Natural Resources	
– Timber Conservation Fund	\$10,000,000
– Information Technology	2,800,000
– <u>Infrastructure Repairs</u>	<u>1,500,000</u>
Total Department of Natural Resources:	\$14,300,000

Department of Health & Environmental Control	
– Water Pollution Control Program/Reduce Pollutant Loading/Equipment	\$666,000
– <u>Conservation Mapping</u>	<u>350,000</u>
Total Department of Health & Environmental Control:	\$1,016,000

Forestry Commission	
– <u>Wildland Fire Suppression</u>	<u>\$860,839</u>
Total Forestry Commission:	\$860,839

Total Improve the Quality of Natural Resources:	\$16,176,839
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Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively

Budget & Control Board	
– <u>South Carolina Enterprise Information System Project</u>	<u>\$5,700,000</u>
Total Budget & Control Board:	\$5,700,000

EXECUTIVE SUMMARY

FY 2006-07 Executive Budget

Election Commission	
– <u>2006 General Election</u>	<u>\$3,125,000</u>
Total Election Commission:	\$3,125,000

Total Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively:	\$8,825,000
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Statewide – Legislative, Judicial, and Transportation

Ports Authority	
– <u>Harbor Dredging</u>	<u>\$2,400,000</u>
Total Ports Authority:	\$2,400,000

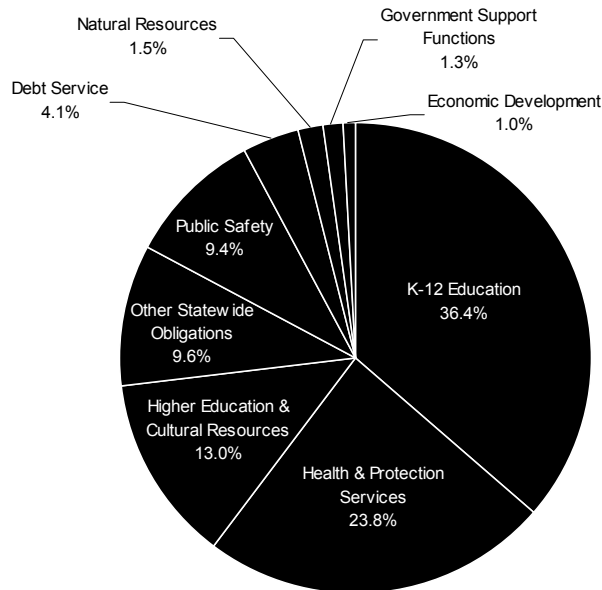
Statewide License Plate Legal Bill	
– <u>SCDC, DSS, DMV</u>	<u>\$157,810</u>
Total Statewide License Plate Legal Bill:	\$157,810

Total Statewide – Legislative, Judicial, and Transportation:	\$2,557,810
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New Capital Reserve Funding Spending:	\$102,325,596
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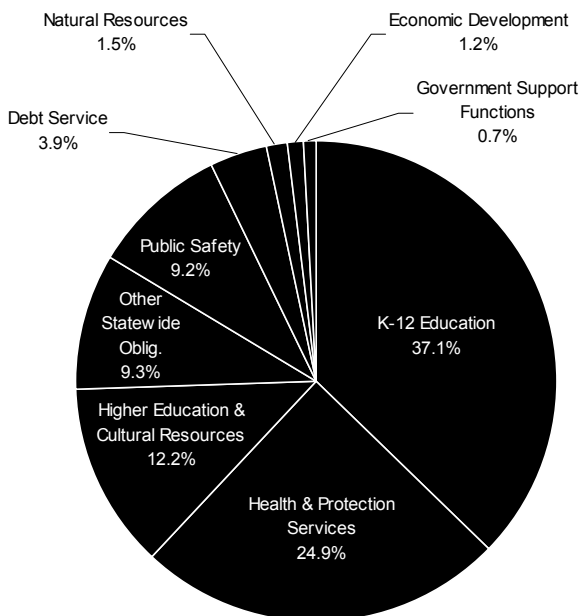
Summary Comparison of General Fund Expenditures

Current Budget – FY 2005-06 General Fund Expenditures



Category	Dollars in Millions
K-12 Education	2,044.5
Health & Protection Services	1,336.7
Higher Education & Cultural Resources	728.8
Other Statewide Obligations	539.7
Public Safety	528.3
Debt Service	228.4
Natural Resources	86.7
Government Support Functions	70.7
Economic Development	53.4
TOTAL	5,617.2

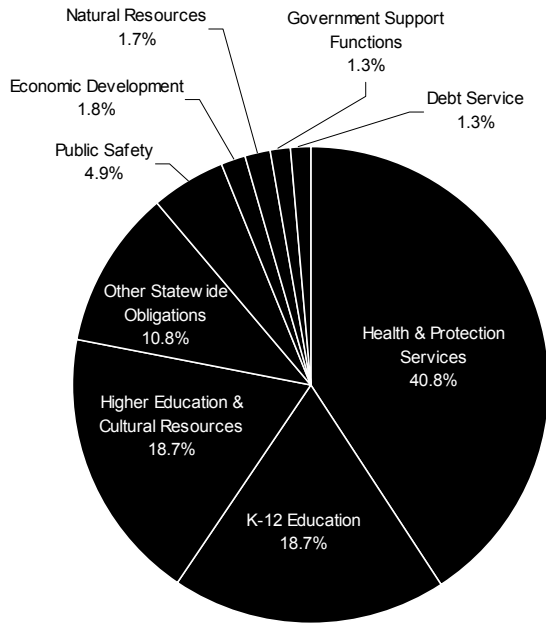
Governor's Purchase Plan – FY 2006-07 General Fund Expenditures



Category	Dollars in Millions
K-12 Education	2,164.4
Health & Protection Services	1,453.2
Higher Education & Cultural Resources	713.5
Other Statewide Obligations	540.4
Public Safety	533.0
Debt Service	228.4
Natural Resources	84.5
Economic Development	67.5
Government Support Functions	42.5
TOTAL	5,827.4

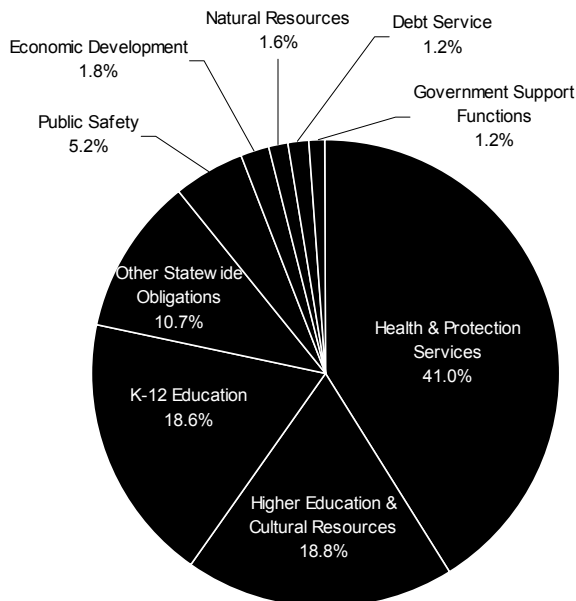
**Summary Comparison of
Total Fund Expenditures**

Current Budget – FY 2005-06 Total Fund Expenditures



Category	Dollars in Millions
Health & Protection Services	7,434.2
K-12 Education	3,407.1
Higher Education & Cultural Resources	3,404.2
Other Statewide Obligations	1,975.0
Public Safety	889.5
Economic Development	334.1
Natural Resources	304.1
Government Support Functions	244.2
Debt Service	240.4
TOTAL	18,232.8

Governor's Purchase Plan – FY 2006-07 Total Fund Expenditures



Category	Dollars in Millions
Health & Protection Services	7,801.3
Higher Education & Cultural Resources	3,574.1
K-12 Education	3,543.8
Other Statewide Obligations	2,029.2
Public Safety	979.2
Economic Development	349.8
Natural Resources	296.9
Debt Service	228.4
Government Support Functions	223.3
TOTAL	19,026.0

\$20.1 Billion

Includes all funding such as the General Fund, Other & Federal Funds, Capital Reserve Fund, Surplus, EIA, Lottery, other Revenue Adjustments

Higher Priorities

Lower Priorities

What Our Plan Buys:

\$7.80 billion	Health care and protection for nearly a million children and adults.
\$3.58 billion	Higher education for over 170,000 students & cultural resources.
\$3.54 billion	K-12 education for over 670,000 students
\$2.03 billion	Statewide Obligations – Including 66,252 miles of roadways (Transportation)
\$979 million	Public safety, including 320 new officers
\$515 million	Property Tax Relief Fund.
\$350 million	Economic development
\$297 million	Protection of our natural resources
\$228 million	Debt service for General Obligation Bonds
\$223 million	Government Support Services
\$173 million	Replenishing of trust and reserve funds
\$151 million	Tax rebate
\$105 million	Correction of GAAP deficit resulting from accounting oversight from 1991, 1993, and 2001
\$60 million	Increased resources for state employee pay and benefits
\$43 million	Constitutional/statutory funding requirements
\$16 million	Accelerated Debt Repayment
\$20.1 billion	TOTAL

Examples of what our plan does not buy:

\$23.7 million	Employees being hired or rehired at the prevailing TERI salary when a TERI employee vacates a position. (Instead, we purchase at the agency's average salary)
\$19.2 million	Duplicative administrative costs that can be saved from restructuring.
\$12.9 million	Result area spending inefficiencies
\$11.1 million	DMV activities with recurring general funds
\$9.4 million	Less cooperation and collaboration at the state's higher education institutions
\$8.4 million	Lottery retailer commissions above the national average
\$7.1 million	Agency activities ranked lower by our budget results teams
\$6.3 million	One-time equipment with recurring funds
\$4.6 million	Annual debt payments that can be saved by prepaying bonds.
\$3.3 million	Pharmacy reimbursement significantly above the Southeastern average
\$3.0 million	State Transport Police activities with recurring general funds
\$2.7 million	County detention for juvenile offenders with state funds
\$1.5 million	Non-competitively awarded pass-through funds
\$113.2 million	TOTAL

\$113.2 Million

(\$11.6 million in Other Funds and Lottery cost savings)

Additional Information

More details of agency activities can be found at the Office of State Budget's website at <http://www.budget.sc.gov/OSB-agency-activity.phtml>. Further specific highlights of the Governor's Purchasing Plan for each goal area can be found later in this document starting with Improving K-12 Student Performance on page 120. The Governor's complete Purchasing Plan by goal area can be found in Appendix B-2; the complete Purchasing Plan by agency can be found in Appendix B-3; and the complete Savings Proposals can be found in Appendix C.

Budgeting for Results

Continuing the Budgeting for Results Process

Those charged with creating a budget need to see themselves as buyers, or purchasing agents, for the citizens... As such, these buyers cannot be tied to any potential supplier – whether an agency, a department, or a private contractor. Instead, they must be impartial figures who can take a government-wide perspective... their charge is to develop a purchasing plan that will give citizens the best results for their money

– David Osborne & Peter Hutchinson, *The Price of Government*

On January 5, 2005, we presented to the General Assembly and the public our FY 2005-06 Executive Budget. We described this budget as:

A balanced, “activity-based” spending plan designed to focus spending on “critical needs” and “core” government functions while limiting the growth of government and not raising taxes. At the end of the day we believe that approach is central to protecting the taxpayers of this state and providing them with the maximum return on their investment.

Our FY 2005-06 Executive Budget was a vast departure from the traditional state budgeting practices of the past. Discouraged with the traditional or “incremental” budget method of examining new or expanded programs only, and ignoring the “base” budget, we initiated an innovative budget process called “Budgeting for Results” (BFR) that examined the entire budget – virtually every activity, and its associated funding, performed by state government.

The BFR process included input from ordinary citizens and subject-matter experts, designated as Results Teams, who first identified primary indicators of success associated with the pre-set goals established by the Governor’s Office and then developed purchase strategies to achieve these indicators of success. Using these “purchase strategies,” the Results Teams then prioritized all state governmental activities, looking where possible for cost-savings, consolidations, and process improvements. This extensive information became the blueprint for our FY 2005-06 Executive Budget.

Definition of Terms
Goal Areas – Seven broad result or priority areas that the governor believes South Carolinians most want from their state government.
Indicators – Key measures or indices that provide the best evidence to the citizen that a statewide goal area is being achieved.
Strategies – Proven or promising approaches, influences or factors for achieving goals or results.
Activities – Individual or discrete actions taken by state government to accomplish goals and objectives. For the citizen, “What is the state doing, for whom, and does this accomplish something that is both valuable and needed?” “Precisely, why are we doing it?” “And at what cost?”

Overall, the new executive budget process was a success. For the FY 2005-06 budget, some 1,500 government activities were scrutinized and prioritized, and in many cases, adjustments or improvements were proposed in an executive budget comprising 346 pages. Eliminating 67 activities, the potential savings amounted to \$162 million.

The new budget process, according to most observers and experts, was creative, cutting-edge, and forward-thinking. For example, Charleston’s *Post and Courier* editorial on January 7, 2005, stated:

Governor Mark Sanford deserves the high marks he’s getting from legislative leaders for his new approach to budget writing... it is an impressive piece of work... It bolsters essential services by redirecting the state’s limited resources and offers surprising economies through a fresh examination of how government services can be streamlined. It seeks strong support for public education, public safety, natural resources and health care. Notably, the governor’s budget states that the approach he has taken is “free from the old-fashioned bureaucracy-driven emphasis on self-preservation.”

Given the success of the executive budget approach for FY 2005-06, we have renewed the BFR process for FY 2006-07. Lessons learned from the first year’s efforts have been used to enhance and improve the second year’s executive “activity-based” budget process.

Budgeting for Results vs. Traditional Budgeting Approaches

Traditional governmental budget processes are often uninformative, marginal and, *counterproductive*. They were, and continue to be financial decision-making systems

that do little more than nominally control the growth of government – thereby preserving the status quo of the bureaucracy.

Why is this so? It is because the state budget is traditionally built on the preceding year's "appropriation's base." This incremental approach allows narrow, marginal discretion for the spending of state funds. This discretion or emphasis is focused on "new money" alone, that is, on those funds that result from revenue growth over the previous year. Thus, public policy is made in incremental or successive steps, resting on decisions – good or bad – made in prior years.

Agency programs, found within the appropriations base, are not examined generally, but are "automatically" funded. New agency programs, or increases to existing programs, are those funding areas given analytical attention and, as a consequence, compete for new funding dollars above the base.

Therefore, when using "incremental or traditional" budgeting processes, South Carolina's total budget of over \$19 billion is essentially "unexamined." Concentration is mainly on the approximate \$5.9 billion of the General Fund, and then only the marginal, new monies amounting to 5 to 10 percent of the General Fund.

Traditional Budgeting vs. Budgeting for Results	
Incremental or Traditional Budgeting	Results-based Budgeting
Focus is on the allocation of "new monies" only (5 percent of budget total)	Focus is on nearly all monies or the entire budget amount (excepting certain obligations such as debt service, reserve fund requirements, etc.)
Concentration is on inputs (what you buy), i.e. "objects of expenditure"	Concentration is on outputs (what results are expected)
Narrow or marginal decision making	Comprehensive or enterprise-wide decision making
Subjective based	Objective based
Preserving the status quo	Determining new, creative approaches to problems and needs
Agency or bureaucracy driven	Outcome driven
Promotes restraints, restrictions, and red-tape	Encourages flexibility and ingenuity
Control orientation	Planning and management orientation
Emphasizes compliance and preserving legality	Emphasizes performance and innovation
Stresses audit trails and conformity	Stresses program evaluation and improvement
Involves agency heads, elected officials and advocacy groups	Involves everyone wanting to participate, especially those wearing a "citizen's hat"
Encourages and perpetuates single agency programs	Encourages intra- and inter-agency cooperation among programs and activities

It is a budget process that concentrates on outcomes and results. It establishes priorities. It measures performance. To be precise, it sets statewide goals, identifies strategies to achieve those goals, and determines indicators to measure performance or progress towards these pre-established, wide-ranging goals.

Our budgeting approach is detailed, transparent, and rational. Overall, its focus is aimed towards bringing about positive consequences, both for the short- and long-term. In effect, the purpose of BFR and our executive budget for FY 2006-07 is: *To build and present a coherent, comprehensive spending plan for South Carolina based on clearly articulated statewide goals, effective strategies, creative and insightful thinking. To focus on the “keeps,” not the cuts. To underscore “results” in order to ensure that citizens – not agencies, special interest groups, or lobbyists – get their full money’s worth from state government.*

The main structural components of BFR are units or “teams.” These organizational units consisted of (a) a Guidance Team, (b) seven Review Teams, and (c) seven Results Teams.

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- 1) **The Guidance Team (GT)** was established chiefly to plan, support, and monitor the BFR process. The Guidance Team consisted of our deputy chief of staff and budget director as well as senior staff of the Office of State Budget. The GT also actively worked to energize the BFR process and met regularly to coordinate and maintain the efforts of the seven Results Teams.

- 2) **The Review Teams** were designed to review each agency's detailed activities before the activities were submitted to the Results Teams. Staffing consisted of personnel from the Office of State Budget, the House Ways and Means Committee, the Senate Finance Committee, and the Governor's Office. Each of these members had knowledge of the agency budgets within the various goal areas.

- 3) **The Results Teams (RTs)** were the workhorses of the entire BFR process. They were made up of groups of typically five to eight persons who possessed some expertise in relevant subject matter, but were asked to think like citizens, setting aside any agency or advocacy bias. Their chief roles and responsibilities were to identify and make understandable, those indicators that showed progress toward their respective goal areas. They also established key purchase strategies on how to best achieve each goal area. Most important, the RTs were then responsible for ranking and prioritizing agency or governmental activities that best met some aspect of their particular goal area. Finally, the RTs each prepared a *final* purchase plan detailing those activities to be funded to achieve their respective goal. These were subsequently submitted to the Governor's Office for consideration for inclusion in the budget.

For example, the RT for "Strengthening Government's Ability to Achieve Results Efficiently and Effectively" studied and analyzed best management practices, systems, and organizational constructs that were being utilized in government, non-profit and/or private sector organizations. Their goal was to recommend to the Guidance Team *enterprise-wide* ("government-wide") strategies or systems that, based on compelling evidence or research, were proven to enhance the overall functioning of state government organizations and operations, including those that resulted in the reduction of costs.

Executive Budget Process Schedule (FY 2006-07)	
June 17, 2005	Finalized Goal Areas
June 24–September 2	Budget Requests Submitted and Completed
July 1–25	Result Teams Appointed and Orientation Completed
July 23–August 2	Developed and Refined Activity Inventory
July 25–September 15	Result Teams Developed Indicators and Strategies and Result Teams Developed Initial Plans
September 13-30	Budget Hearings Conducted
October 3	Result Teams Final Purchase Plan and Report to Governor
November 10	BEA Preliminary Revenue Estimate
November 11-December 9	Developed and Completed Governor's Executive Budget for FY 2006-07
January 4	Submitted Governor's Executive Budget to the General Assembly

The Budgeting for Results Process

The BFR process consists basically of six steps: (1) setting major goal or result areas, (2) developing of agency activity inventories, (3) developing chief indicators of progress and key strategies for achieving results, (4) holding public budget hearings for each result area, (5) sorting and prioritizing agency or governmental activities and identifying savings, and (6) distributing resources among goal areas, i.e., the finalization of the purchase plans by result areas.

Step #1 – Setting major goal or result areas. The first step was to set major goals or results that we felt were needed in the state in the short- and/or long-term. To do this, we took several approaches. We revisited and studied the ideas and concepts contained in our State of the State addresses, the previous year’s executive budget, the MAP Commission Report, and other information and data. We ultimately came to the conclusion that seven statewide goals would represent what the citizens of South Carolina wanted to see in terms of results and progress made. Incidentally, these seven goal areas roughly coincide to the focus areas of the subcommittees of the House Ways and Means Committee and the Senate Finance Committee.

The following seven, wide-ranging goals or results areas were identified:

- Improve Conditions for Economic Growth;
- Improve the Health and Protections of Our Children and Adults;
- Improve the Safety of People and Property;
- Improve the Quality of Natural Resources;
- Improve K-12 Student Performance;
- Improve Our Higher Education System and Cultural Resources; and
- Strengthen Government’s Ability to Achieve Its Results Efficiently and Effectively.

Step #2 – Developing agency activity inventories. The next step was to develop an all-inclusive inventory of the activities that state government in South Carolina provides. For each activity, three main elements were required – a description of the activity, its expected outcome, and its cost.

To acquire this activity information and data, working in conjunction with the State Budget Office, we requested that each agency breakdown their budgets into “discrete and definitive activities.” Each agency was instructed to provide a description of each and every activity they provided to serve directly or indirectly the citizens of South Carolina. An activity was defined as something an organization does to accomplish its goals and objectives and which consumes resources and produces a product, a service or outcome. Most importantly, an activity should describe in a citizen-oriented way the following: What is done; for whom; why; at what cost; and, what is to be expected or accomplished.

Over approximately a three-month period, agency activities were submitted by state agencies to the Office of State Budget, where they were then entered into an existing database. Next, the Review Teams reviewed the activities to evaluate the quality of the activity descriptions and outcome measures. Those activities requiring more work or improvement were sent back to agencies for appropriate corrections and enhancements. Once this was completed, the Office of State Budget sorted the activities to correspond to the seven goal areas. For example, those activities – regardless of agency or department – that appeared to fall within the goal area of K-12 improvement were placed there; those activities that related to the improvement of health were directed there... and so forth.

Thus, the final product of this second step was the formation of a comprehensive inventory of activities, numbering over 1,614 separate and distinct activities that comprised the ‘entirety’ of what state government does, for whom, why, at what cost, and for what effects or outcomes.

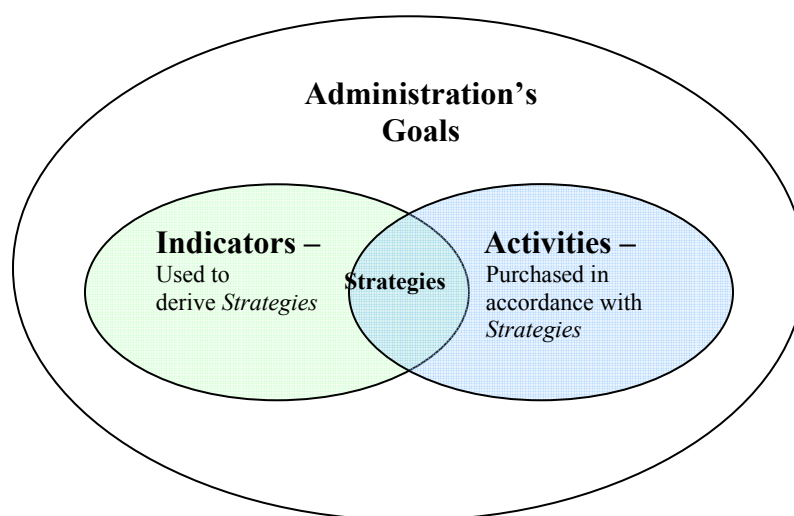
Step #3 – Developing chief indicators of progress and key strategies for achieving results. Again, seven Results Teams were put together consisting of experts, by varying degrees, versed in the subject matter of each goal area. Each RT was headed by a team leader from the Governor’s Office. The Office of State Budget provided financial, subject matter, and research expertise for each RT. Step 3 required each RT to develop chief *indicators* of progress and key *strategies* for achieving results. These indicators and, more importantly, the strategies would be later utilized by the RTs as the basis or criteria to review, analyze, and ultimately prioritize and rank activities which advanced the state towards the goals of improving economic growth, education, health, public safety, natural resources, higher education, and government efficiency.

Generally, through thoughtful and probing discussions, each RT began to formulate or list indicators and strategies. For instance, the Results Team for K-12 improvement decided that those indicators or measures that would best identify progress were: (1) high school completion rates, (2) increased participation and achievement in rigorous courses, (3) reduction in the “achievement gap” while improving the academic performance of all students, and (4) improvement in the efficiency with which education dollars are spent. From this point, the RT for K-12 improvement started to think about and discuss what major purchase strategies or approaches were keys to achieving progress. The question here was, “What does our experience and research tell us about those factors most critical to the success of student achievement?”

This year each Results Team repeated the efforts of teams last year in identifying indicators for each major goal. The indicators are key to the BFR effort and will allow the state – particularly our Office, the General Assembly, state agencies, and the public at-large – the opportunity to gauge the progress of accomplishing statewide policy goals, more specifically the seven goals designated in this FY 2006-07 Executive Budget. Also, these indicators will allow our Office, the General Assembly, and the public to determine if the strategies we have identified in achieving the statewide goals are effective, especially for both short-term and, more importantly, *long-term* evaluative purposes.

While RTs were identifying indicators and strategies, a new resource became available – a Web-based indicators system developed by the Institute for Public Service and Policy Research of the University of South Carolina. The *South Carolina Indicators (SCI) Project* was unveiled in September 2005. The site includes 91 indicators across eight major areas of public policy; including, the economy, education, the environment, public safety, health, social policy, culture and recreation, and government administration. Primarily, these indicators measure the relative status and position of South Carolina’s performance and provide useful trend analyses. SCI represents the first major comprehensive effort to measure South Carolina’s performance across all policy areas and, as such, will continue to serve as an invaluable resource for our Office, the General Assembly, and the public.

Diagram of Interrelationships of Goals, Indicators, Activities and Strategies



Step #4 – Holding public budget hearings for each result area. This step involved the opportunity for our Office, appropriate RT members, and other interested parties – including the general public – to meet with agency heads and personnel to discuss governmental activities particular to a goal area. There were, therefore, seven meetings corresponding to the aforementioned statewide goals. Additionally, budget hearings were held around the state this year to provide for greater public access and input. Meetings were held in Rock Hill, Columbia, Charleston, Greer, and Beaufort.

The hearings typically lasted two to three hours and can be accurately depicted as interactive, providing a forum for conversation rather than formal presentations by agencies. A total of 41 agencies participated in the budget hearings, beginning on September 13, 2005, in Rock Hill, with discussions about the goal to “improve our higher education system and cultural resources,” and concluding September 30, 2005,

in Beaufort with the goal “to improve the safety of people and property.” Generally, the discussions centered on how agency governmental activities were contributing to the results or goals set by our Office. Agencies were queried about their “most beneficial, highest priority activities as well as those that were marginal or less productive.”

Executive Budget Hearings by Goal Areas with Appropriate Agency Participants for FY 2006-07	
Goal Areas	Primary Agencies
<i>Improve our higher education system and cultural resources</i>	Commission on Higher Ed., TECH Board, Tuition Grants, Museum Commission, Arts Commission, Library, Archives & History
<i>Strengthen government’s ability to achieve its results efficiently and effectively</i>	Department of Revenue, Lottery, Budget and Control Board
<i>Improve the health and the protections of our children and adults</i>	Health & Human Services, Mental Health, DAODAS, Disabilities & Special Needs, Dept. of Social Services, Vocational Rehabilitation, Commission for the Blind
<i>Improve K-12 student performance</i>	Department of Education, First Steps, ETV, Ed. Oversight Committee
<i>Improve the quality of natural resources</i>	Dept. of Natural Resources, DHEC-Environmental, Dept. of Agriculture, Forestry Commission, Clemson PSA, PRT-Parks
<i>Improve the conditions of economic growth</i>	Commerce, Dept. of Insurance, PRT, Labor, License, and Review
<i>Improve the safety of our people and property</i>	Corrections, Juvenile Justice, SLED, Public Safety, PPP, DMV, DNR, Department of Transportation

Step #5 – Sorting and prioritizing agency or governmental activities and identifying savings. This step basically involved the RTs prioritizing or ranking – “purchasing,” so to speak – governmental activities. The product or deliverable here was the development of a preliminary purchase plan of prioritized activities – an initial budget for each goal area.

Early on, the Office of State Budget had sorted activities by the seven goal areas (Step #2 – the developing of agency activity inventories). During the interim steps above, OSB had then sorted activities by strategies which were developed by the RTs in Step #3 (i.e., the developing of chief indicators of progress and key strategies for achieving results). At this point, each RT was now charged with reviewing the activities, heretofore not seen by the RTs, and deciding which *linked most closely* to their respective goal area and strategies. Eventually, these activities would be ranked (and assigned an equivalent

numerical value) distinguishing those according to the following increments: those which were considered “absolutely essential,” those that were “very important,” those that were “important,” those “while perhaps important, not vital,” and finally, those designated as “non-essential.” Obviously, some activities would appear unrelated or non-important to the goal area or especially to the major purchase strategies. They would be abolished, placed on a wish list, or sent to a more appropriate goal area or RT.

Prioritization or Ranking Scale	
Ranking Values and Definitions	
5	= Activity is absolutely essential and is best and most effective way to accomplish this strategy.
4	= Activity is very important to accomplishing this strategy.
3	= Activity is important to accomplish this strategy.
2	= Activity, while it may be important in and of itself, is not vital or perhaps not the best way to accomplish this strategy.
1	= Activity does not contribute to this strategy.

Each RT ranked or prioritized its share or portion of the 1,614 activities to complete a goal-specific preliminary purchase plan, one which was – by all accounts – perceived as both thorough and complete. The RTs also reviewed all costs associated with the activities regardless of the funding source (i.e., state General Fund, federal and “other” monies). Most importantly, perhaps, this step was an opportunity for RT members to challenge their previous assumptions and rationales for prioritization and to look for creative and innovative ways to do things differently and, hopefully, better. Central questions at this stage were, “As a citizen of South Carolina, are these activities the most efficient and effective ways to achieve the designated goal area(s)?” “Does this budget plainly make sense... can it *be easily understood* that it produces the results South Carolinians want and at the right price?” Equally important, other questions that required answers, to the extent possible, included:

- Can these activities (those ranked, at a minimum, as “important”) realistically be measured in terms of performance or outcomes, and how?
- For those activities *not* purchased, what are likely to be the consequences?
- Can those activities that obviously appear to be duplicative, in and across agency structures, be eliminated or merged? If so, where can the cost savings be targeted in terms of other activities?
- What activities appear to be antiquated, no longer relevant to today’s citizenry? Can or should they be salvaged or should they simply be abolished freeing up funds for more important, under-funded activities?
- What activities appear to be excessively funded, especially those ranked on the lower end of the prioritization list?

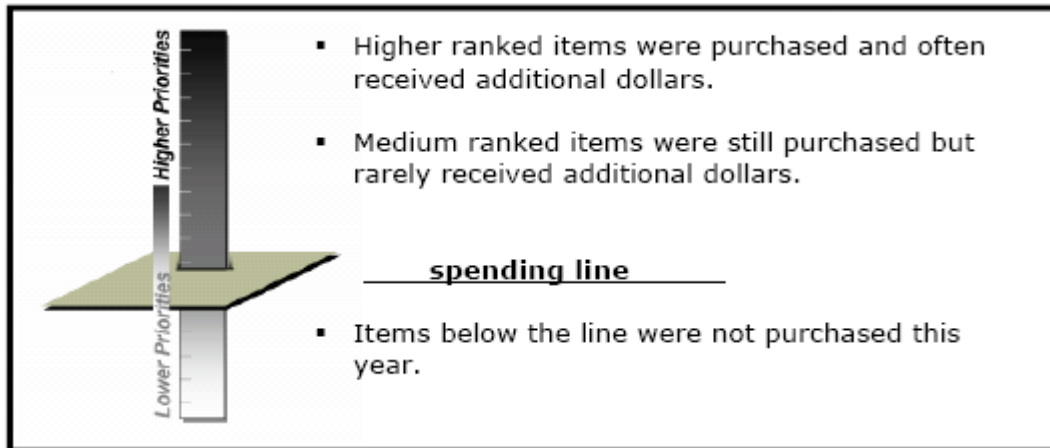
- In the final analysis, is this purchase plan for education, health, etc. the best possible budget – given the circumstances – for purposes of advancing the quality of life for all South Carolinians? Generally speaking, what more needs to be done in the future to make South Carolina great?

Step #6 – Distributing resources among goal areas, i.e., finalizing the purchase plans by result areas. The heart or quintessence of Step #6 was the methodical and careful review by our Office of the preliminary purchase plans by the RTs, and the finalization of a completed purchase plan reflecting our philosophy and policies. Ultimately, this final purchase plan took the form and substance of the FY 2006-07 executive budget.

It is noteworthy that the review of the RTs rankings or preliminary purchase plans and our Office's finalization of priorities was not, by any means, an easy task. As was the case for the FY 2005-06 budget, many governmental activities were of nearly equal importance relative to purchase strategies and statewide goals. Further, we clearly stated that even though one activity was ranked one space or even a few spaces below another activity, it was not correct to assume that the activity to be of lesser value or importance than those a few above it. We did point out, however, that activities ranked in the upper 15 to 20 percent of a goal area were clearly of the greatest significance and that those at or near the bottom of the rung were "perhaps not as valuable."

Further, during Step # 6, the distribution of resources – available funds and FTEs – were spread, based on historical spending patterns and our preferences, across the seven goal areas. This was done, of course, only after constitutional and statutorily mandated expenditures were met (e.g., debt service, aid to subdivisions, and property tax relief). After this spread among the goal areas, we then began – using the information and data from the RT preliminary purchase plans, along with other research and materials – *to purchase* activities of the highest priority until the funds allocated to the specific goal areas were exhausted. The result was that those governmental activities that were of the greatest importance, or moderately so, to respective goal areas were funded. Those activities that fell below the "spending line" were not funded.

The “Spending Line”



Finally, some concluding observations about Step # 6. As based on zero-base budgeting precepts, we evaluated new activities on equal grounds as old or existing activities. The evaluation of a governmental activity was based again on purchase strategies as related to the achievement of statewide goals. In other words, purchasing was done on the basis of anticipated outcomes rather than historical precedent. Additionally, once all ranking and the spending (“purchasing”) of resources were completed, we revisited the entire purchase plan to ensure that all cost-efficiencies were maximized. It should be noted, as well, that this year, we emphasized a greater delineation between cost savings recommendations and below-the-line-items.

As was the case last year, during this process, there were some activities that fell below the purchase line that gave us pause. However, given the priority ranking, the question that we had to ask ourselves was what activity above the purchasing line we would not purchase so that we could switch it with an activity below the line. This process, while difficult and tedious at times, helped us to prioritize our spending in a world of finite resources. The resulting budget recommendations represent this new focus on maximizing results for the citizens of South Carolina.

A Shift in Paradigms

The first year of the Budgeting for Results process proved to be successful and was well-received by the Legislature, the media, and the public. Indeed, we believe that the process was a landmark innovation in budgeting which was praised for its logic, execution, and positive outcomes.

This year’s BFR effort was for us, as we stated last year, “a shift in paradigms.” The outdated traditional budgeting approaches of concentrating on apportioning new monies only, the concentrating on inputs alone, and the continuing “bureaucracy-driven emphasis simply on self-preservation” were, like the French philosopher Rene Descartes said, “like dolls turned on their heads.” No longer were we wedded to past budget

decisions, ones that remain unexamined year after year. Additionally, no longer was there emphasis on merely cuts, but rather “keeps.”

In conclusion, we feel assured that the Budgeting for Results process for FY 2006-07 was another excellent step forward in the setting of goals and priorities critical to South Carolina. In light of this, and the willingness among many members of the General Assembly to find ways to improve and enhance budgetary processes and decision making, we propose that a similar proviso be introduced as was initiated by Rep. Dan Cooper last year and adopted by the House. We recognize also that members of the Senate showed great interest in perfecting our budget process. We, therefore, respectfully ask that both the House and Senate consider seriously the following new proviso for FY 2006-07:

NEW PROVISIO (GP: Joint Committee on Activity-Based Budgeting). *There is established the Joint Committee on Activity-Based Budgeting composed of nine members. The nine members shall be appointed as follows: three Senators appointed by the Chairman of the Senate Finance Committee; three members of the House of Representatives appointed by the Chairman of the House Ways and Means Committee; and three members appointed by the Governor. The Governor shall appoint the committee chairman. The terms of members shall be coterminous with the term of their appointing authority. Members of the Senate and House of Representatives shall serve ex officio. The committee shall study activity-based budgeting processes and how they may apply to the budget and appropriations processes for the State. Because the intent is to reduce duplication of government services, maximize cost-efficiencies, and still continue to provide excellent customer services, all costs of implementing a new budgeting system must be considered, including technological and human resource applications. Further, the committee will consider those budget processes that incorporate zero-based principles, particularly those which examine the entirety of government and state funding. Such budget processes must additionally emphasize, to the extent possible, the establishment of clearly delineated statewide goals; activity outcomes and results; spending strategies and priorities; and the measurement of performance.*

The committee may propose by majority vote, a budget process not inconsistent with to matters relating to the discharge of its duties. This proposal shall be reported to the Senate Finance Committee and the House Ways and Means Committee by no later than May 1, 2006.

Professional and clerical services for the committee must be made available from the staffs of the General Assembly, the Budget and Control Board, and other state agencies and institutions as needed. The members of the committee are not entitled to receive the per diem, mileage, and subsistence allowed by law for members of boards, committees, and commissions when engaged in the exercise of their duties as members of the committee. All other costs and expenses of the committee must be paid in equal proportion by the Senate, the House of Representatives, and the Office of the Governor, but only after the expenditures have been approved in advance by the President Pro Tempore of the Senate, the Speaker of the House, and the Governor.

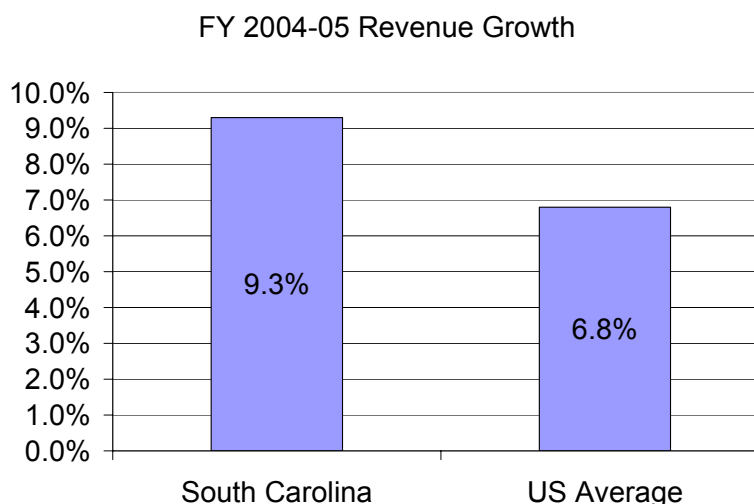
Revenue

Revenue

Economic Growth Spurs Revenues

This past year the Comptroller General reported year-ending revenues showing a state economy that was on the rise. The state closed the fiscal year ending June 30, 2005, with total state revenues that were up \$475 million from the previous year – creating an operating surplus. In fact, the state's three major sources of revenue showed consumer spending is up, workers are seeing more money in their paychecks, and corporate profits are increasing – with sales tax revenue up 5.2 percent, individual income tax revenue up 10.4 percent, and corporate income tax up 23.2 percent.

State revenues are also climbing nationwide. According to the National Conference of State Legislatures, average revenues across the nation grew at a rate of 6.8 percent. Comparing this to our growth rate, South Carolina's economy has proven to be stronger, outpacing the nation by growing at 9.3 percent this past fiscal year.



The South Carolina Board of Economic Advisors (BEA) has the responsibility to forecast the economic conditions in the upcoming budget year. In setting the FY 2006-07 revenue estimate this past November, the BEA believed the economy is sound once again and even stated that rising revenues are not matching up with the unemployment numbers in our state. The BEA forecasts general fund revenue for FY 2006-07 at \$5.917 billion, an 8.4 percent increase over the FY 2005-06 appropriations. And while this estimate proves that the state economy is growing, we strongly urge the General Assembly to display fiscal conservatism by holding expenditures to a population plus inflation cap.

We are also glad the BEA adopted the policy of forecasting revenues 10 years into the future during the November meeting. This was an issue that we advocated realizing it will add predictability to budgets while demonstrating fiscal responsibility to credit rating agencies. Instead of projecting only one year forward, a long-term forecast will allow us to be better prepared from a fiscal standpoint well into the future as we continue to protect the financial security of South Carolina.

Increases to General Fund Revenue

In last year's executive budget, we believed it was time to take an in-depth look at the benefit of the Job Development Fees that continue to be dedicated for the

Redevelopment Authorities (RDA) of Charleston and Myrtle Beach. These monies have been dedicated since 1994 in response to previous base closings from the Base Alignment and Closure Commission. These RDA's have done effective jobs of redeveloping the former military bases and bringing other jobs back to these areas. However, these entities have fulfilled their original mission and we believe it is time the taxpayers stop supplementing a project that is already complete. To this end, we recommend these RDA income tax withholdings remain in the general fund which will lead to **an increase of \$2,829,578 in general fund revenue next year.**

We also believe it time to look at the benefits of the Economic Impact Zone (EIZ) investment tax credits that were also created in conjunction with the base closures of Charleston and Myrtle Beach. These tax breaks for new investment have been on the books since the mid-1990's and still exist even though the lost jobs in this part of the state have been made up for. But even more surprising, the incentive package is available in 27 of the 46 counties of the state. Under the current scenario, a company in Richland County will receive a tax break for a capital investment while the same company in Greenville cannot. This type of incentive structure – applying to only half the state – does not make good business sense. Therefore, as this administration continues to strive for policies that will strengthen the economic playing field for the entire state, we recommend repealing the EIZ credit for any future investments and instead use these revenues in a more effective manner within the Department of Commerce. This recommendation will lead to **an increase of \$8,650,352 in general fund revenue next year.**

In addition, the state budget for the current fiscal year includes proviso 73.17 which appropriates monies from increased enforced collections (or the so-called “Maybank Money”) within the Department of Revenue. Within this proviso, any excess revenue above the appropriated \$61 million in special projects is to be credited to a legislatively-controlled Grants Review Committee in the Budget and Control Board. We have consistently stated the need for a structured and merit-based grants review process but not one of legislative control. Instead, this process would be much more competitive if administrated from the executive branch and would allow a process that removes influences from special legislative interests – which is bound to happen under the current structure. During the current fiscal year, the dollars associated with this proviso are on pace to bring in \$183 million – leaving a possible \$122 million for the Grants Review Committee. Considering the excessive amount of dollars that will be available and the lack of accountability within the committee, it is our recommendation to the current Grant Committee to restrain from appropriating these dollars until a more accountable structure can be formed. We are specifically recommending any unappropriated dollars by the committee at the end of this current fiscal year become available in FY2006-07 for debt repayment and a newly created contingency fund for DSS (discussed later in the *Improve the Health and Protection for Our Children and Adults* section). To this end, the Department of Revenue conservatively predicts this recommendation will generate at least **\$70 million in nonrecurring revenue** for FY2006-07.

We continue to believe the state can do a better job at disposing property and assets that are being kept with little or no positive return to the taxpayers that pay for them. An example of this is a piece of property currently in the possession of DHEC located on Sullivan's Island. This real estate on the inter-coastal waterway was formally used as a shellfish management station. However, this operation has been abandoned and the property serves as a mere boat ramp and storage facility. We believe it is time to liquidate this underutilized piece of property. It is estimated this real estate could sell for \$1 million. Under our proposed proviso, this sale will generate **\$250,000 in nonrecurring revenue** for FY2006-07. In addition, a recent vehicle study by Mercury Associates suggests that there are over 800 state agencies vehicles that have reached the end of their life-cycle. These vehicles are costly to the state and over time have created a financial burden for agencies to maintain. The selling of these assets will generate \$1.8 million in FY 2006-07. Under our proposed proviso, the sale of these vehicles will generate **\$450,000 in nonrecurring revenue** for the upcoming fiscal year.

It is also estimated in the upcoming year there will be a carry-forward in excess revenue from debt service payments allocated in FY2005-06. The state Treasurer's Office estimates lapsed debt service payments from the previous year will generate **\$3,507,254 in nonrecurring revenue** for FY2006-07.

During the late 1990's, the four largest cigarette manufacturers reached an agreement with 46 states to settle state suits to recover costs associated with treating smoking-related illnesses known as the Tobacco Master Settlement Agreement (MSA). South Carolina began securitizing its MSA payments in FY2000-01. In the past five fiscal years, the tobacco settlement has produced almost \$350 million in revenue – primarily dedicated toward health care purposes. It is estimated that the tobacco settlement will generate **\$8 million in revenue** for FY2006-07.

Revenue Estimates

A detailed listing of the BEA's current estimate for FY 2006-07 and the change in growth from the previous year is provided below.

PERSONAL INCOME GROWTH	GENERAL FUND REVENUE FORECAST					
FY06 – 5.7%; FY07 – 4.7%	FISCAL YEARS FY2005-06 TO FY2006-07					
	(DOLLARS)					
	APPROPRIATION ACT ESTIMATE FY 2005-06		WORKING ESTIMATE FY 2006-07	PERCENT CHANGE FY05/FY06	PERCENT CHANGE FY06/FY07	
REVENUE CATEGORIES						
RETAIL SALES TAX 1/	2,421,781,348		2,530,682,708	5.4	4.5	
EXCISE, CASUAL SALES TAX	22,192,478		23,235,525	5.7	4.7	
INDIVIDUAL INCOME TAX	2,816,247,286		2,893,742,901	4.6	2.8	
CORPORATION INCOME TAX	219,638,090		224,030,852	2.0	2.0	
SALES AND INCOME TAXES	5,479,859,202		5,671,691,986	4.9	3.5	
ADMISSIONS/BINGO TAX	32,837,820		34,282,685	4.4	4.4	
AIRCRAFT TAX	5,262,556		5,367,808	2.0	2.0	
ALCOHOLIC LIQUOR TAX	56,324,664		58,014,404	3.0	3.0	
BANK TAX	29,547,064		30,277,979	2.5	2.5	
BEER AND WINE TAX	96,835,214		98,965,589	2.2	2.2	
BUSINESS LICENSE TAX	29,550,887		29,491,785	-0.2	-0.2	
COIN-OPERATED DEVICES	2,066,569		1,900,000	10.8	-8.1	
CORPORATION LICENSE TAX	77,405,421		80,424,232	3.9	3.9	
DEPARTMENTAL REVENUE 3/	45,467,697		44,467,697	-10.2	-2.2	
DOCUMENTARY TAX	71,208,349		77,617,101	9.0	9.0	
LESS: CONSERVATION BANK TRUST FUND	(17,802,087)		(19,404,275)			
EARNED ON INVESTMENTS	51,000,000		51,000,000	95.6	0.0	
ELECTRIC POWER TAX	26,357,048		27,253,187	3.4	3.4	
ESTATE AND GIFT TAXES	60,563,991		61,714,707	1.9	1.9	
LESS: FEDERAL CHANGE TO ESTATE TAX	(59,200,000)		(61,714,707)			
INSURANCE PREMIUM TAX	139,412,489		146,940,764	4.7	5.4	
INSURANCE LICENSE TAX	9,763,130		21,967,041	-50.0	125.0	
INSURANCE RETALIATORY & OTHER TAX	5,900,000		6,300,000	-25.6	6.8	
LESS: INSURANCE CREDITS	(16,000,000)		(16,000,000)	22.9	0.0	
MOTOR TRANSPORT FEES	10,000		18,000	-49.0	80.0	
MOTOR VEHICLE LICENSES	123,177,682		125,641,235	2.0	2.0	
LESS: INFRASTRUCTURE BANK TRANSFER-TRUCK	(58,100,000)		(59,790,000)			
LESS: HIGHWAY FUND TRANSFER- CAR	(6,900,000)		(7,100,000)			
LESS: TRANSFER TO NON-FED HWY FUND	(15,571,467)		(40,511,423)			

FY 2006-07 Executive Budget

PERSONAL INCOME GROWTH	GENERAL FUND REVENUE FORECAST			
FY06 – 5.7%; FY07 – 4.7%	FISCAL YEARS FY2005-06 TO FY2006-07			
	(DOLLARS)			
PETROLEUM INSPECTION TAX	9,035,036	9,242,842	2.3	2.3
PRIVATE CAR LINES TAX	2,435,418	2,481,691	1.9	1.9
PUBLIC SERVICE AUTHORITY	13,267,988	14,170,211	6.8	6.8
RETAILERS LICENSE TAX	937,193	946,565	1.0	1.0
SAVINGS & LOAN TAX	2,877,924	2,978,651	3.5	3.5
SOFT DRINKS TAX	0	0	N/A	N/A
WORKERS COMP. INSURANCE	14,914,193	15,644,989	4.9	4.9
CIRCUIT/FAMILY COURT FINES	9,717,932	9,912,290	2.0	2.0
DEBT SERVICE TRANSFERS	2,161,082	1,953,928	-15.9	-9.6
INDIRECT COST RECOVERIES	18,052,819	18,052,819	0.0	0.0
MENTAL HEALTH FEES	3,800,000	3,800,000	0.0	0.0
PAROLE / PROBATION FEES	3,392,808	3,392,808	0.0	0.0
UNCLAIMED PROPERTY FUND	10,000,000	10,000,000	25.0	0.0
WASTE TREATMENT REPAYMENT	0	0	N/A	N/A
OTHER BASE SOURCES	761,685,130	761,085,777	-2.4	-.1
TOTAL GENERAL FUND REVENUE	6,241,544,333	6,432,777,763	3.9	3.1
APPROPRIATION ACT REVENUE	5,965,877,763		6.6	
LESS: TAX RELIEF TRUST FUND	(513,870,537)	(513,396,670)	1.7	0.3
PLUS: TAX RELIEF FUND CARRYFORWARD	7,589,618			
EXCLUDING TRUST FUND	5,459,596,844	5,917,381,093	7.3	8.4
CAPITAL RESERVE FUND (2%)	102,325,596	111,821,213	3.0	9.3
GENERAL RESERVE FUND (3%)	153,488,394	167,731,819	104.2	9.3
TOTAL RESERVES	255,813,990	279,553,032	46.6	9.3
REVENUE EXCESS / SHORTAGE	275,666,570			
EDUCATION IMPROVEMENT ACT 2/	612,859,456	640,199,558	4.7	4.5
EIA FUND	610,993,456	638,479,558	4.6	4.5
EIA INTEREST	1,866,000	1,720,000	89.0	-7.8
1/: Excludes (1%) Education Improvement Act and (2%) Accommodations Taxes. 2/: Includes interest earnings. 3/: Includes former Dept. of Agriculture agency revenue other than the Petroleum Inspection Tax now shown separately.				

Source: Board of Economic Advisers – 11/10/2005

Education Lottery Revenues

Our main objective for the Education Lottery is for it to run in the most efficient manner possible while making sure that each and every lottery dollar is going to the most effective educational program. This has never been more important as the North Carolina lottery is set to begin next year and is estimated to reduce South Carolina lottery profits by over nine percent.

For this reason, we propose to change the current retail commission of seven percent to a commission of six percent – which is in line with the national average. Lottery numbers show that there is no correlation between retailer commissions and lottery

FY 2006-07 Executive Budget

sales – as the top ten lotteries in the nation have a commission that averages only six percent. A lower commission will generate more lottery revenue to benefit our education system. While this recommendation will provide new lottery dollars, we still will be lacking the available lottery revenue seen in last year's budget.

The BEA has estimated that the North Carolina lottery will reduce lottery profits in our state while there also will not be last year's carry-forward revenue in the upcoming budget. We have an estimated \$265,105,841 to appropriate in total lottery dollars in FY 2006-07 – this includes revenues generated from reducing retailer commissions by one percent. However, this amounts to \$24 million less than the total appropriated amount in the FY 2005-06 budget.

LOTTERY REVENUES	FY 2005-06	FY 2006-07
BEA Revenue Estimate*	277,000,000	252,400,000
BEA Interest Estimate	6,000,000	4,300,000
Unappropriated FY 2004-05 Interest Earnings Estimate	5,000,000	
DAODAS Remittance of Unspent FY2004-05 Appropriation	1,000,000	
Limit Retailer Commissions to 6% of Sales		8,405,841
Education Lottery Revenue	289,000,000	265,105,841
*Includes Unclaimed Prizes		

Run a Fiscally Disciplined Government

Run A Fiscally Disciplined Government

Of course, a good many proposals are made by people that have very excellent things that they would like to have the Government do, but they come from people that have no responsibility for providing ways and means by which their proposals can be carried out. I don't think in all my experience, which has been very large with people that come before me in and out of Government with proposals for spending money, I have ever had any proposal from anyone as to what could be done to save any money.

– Calvin Coolidge, 30th President of the U. S.

Nothing focuses the mind better than the constant sight of a competitor who wants to wipe you off the map.

– Wayne Calloway, Former President and CEO of the Pepsi Corporation

When we presented our first executive budget (FY 2004-05), South Carolina was mired in a \$750,000,000 financial hole. This budget crisis was caused by legislative and executive branch overspending in FY 2001-04 (\$512 million), by accounting errors in 1991, 1993 and 2001 (\$105 million) and by underfunding of the State Health Plan (\$135 million).

This crisis led to questions about how we spend as a state and how we intend to address such challenges going forward. As a first step, in June 2004, we signed into law the Fiscal Discipline Act which set us on a path to repay the unconstitutional deficit and the General Reserve Fund over a three-year period. Further, the Act – a joint effort by the executive branch and the Legislature – required us to hold spending growth at three percent annually in an effort to restrain government spending and maintain our AAA Bond Rating.

We believe that the reestablishment of the state's prestigious AAA rating will only occur through favorable economic conditions and with a fiscally disciplined government as prescribed by legislation such as with the Fiscal Discipline Act. Unfortunately, the Fiscal Discipline Act was short lived.

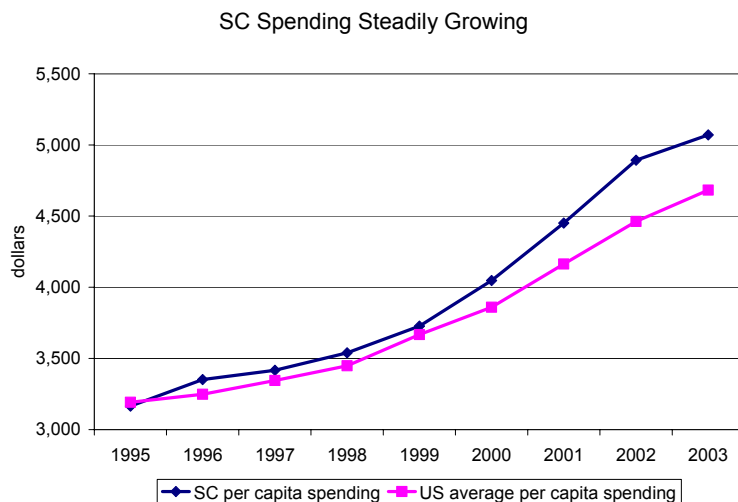
For instance, as soon as the deficit and the General Reserve Fund were restored, the General Assembly soon reverted back to the spending patterns which helped lead to the recent fiscal crisis in the first place. In the FY 2005-06 budget year as revenues came in higher than expected, the General Assembly had an unprecedented opportunity to use

the monies to help further replenish depleted trust funds and help restore fiscal order to our state budget and finances. When presented with a budget that increased spending by 9.1 percent, we followed through on our pledge to limit spending growth until the trust funds were replenished and consequently we vetoed over \$95 million in new spending items in the FY 2005-06 budget. We believe that we were acting consistent with the spirit of the Fiscal Discipline Act.

The Need for Permanent Fiscal Discipline

The business cycle of up and down is a constant in any market-based economy. We, therefore, believe that when economic times are good, government must resist the temptation to spend greater sums of money on new programs that cannot be sustained when times are not so good. For example, in two short years (FY 1998-00) state revenues and subsequent spending grew by 25 percent. However, as revenues fell in subsequent years, this extra spending had to be curbed by a series of across-the-board mid-year cuts totaling \$800 million and the use of trust and reserve funds. Across-the-board cuts hit effective programs the same as marginal ones. Using trust funds and reserve funds to compensate for agency reductions is an inappropriate use of these accounts. And, while the repayment of the fund diversions or shortfalls has been a priority of our administration over the past several years, the inevitable nature of the business cycle requires of us a long term and permanent strategy to address our fiscal deficiencies.

The economic good times have also led to above average spending in our state. Currently, South Carolinians are paying more for government than our counterparts in other states. Across the nation, the average person can expect to see the equivalent of a little less than 15 percent of their paycheck being spent on state government. In South



Carolina, however, more than 19 percent of the average person's income is being spent on state government. This is particularly troubling when South Carolinians only earn about 83 percent of the national average. In addition, growth in South Carolina's per capita spending has gone from being below the national average in 1995 to being almost \$400 more than the national average today. We feel in order to maximize our competitive business environment we must reduce South Carolina's out of

line spending on state government – especially as it compares to the national average. Therefore, in addition to continuing the Budgeting For Results process and seeking the structural changes to state government that provide for the greatest level of

accountability, we propose the following five actions to enhance the state's financial position:

First, we believe that trust and reserve funds must be restored in the near future. While the General Assembly is to be commended for its efforts to restore many of these accounts in last year's budget, with government growth of 9.1 percent last year, we believe they could have repaid more.

Second, we maintain a commitment to reducing our reliance on annualizations, and in this budget we propose the lowest level of annualization spending in over a decade.

Third, we propose taking funds from the FY 2005-06 projected surplus and using them to pay off some of the state's outstanding debts. In total, we propose \$16 million dollars to retire outstanding obligations.

Fourth, we will support legislation expanding the current Optional Retirement Program administered by the South Carolina Retirement System. We believe the plan should be the only state plan extended to new state employees. In the FY 2005-06 Executive Budget, we identified the immediate need to modify the state's defined-benefit pension plans due to the fact that from 1999 to 2004, the debt load of these plans increased from \$178 million to \$4.2 billion – a staggering 2,000 percent increase. Our approach would allow new state employees greater control over their retirement account, so that they have the opportunity to earn larger investment returns from their accounts and at the same time reduce the amount taxpayers will have to spend for future retirement benefits.

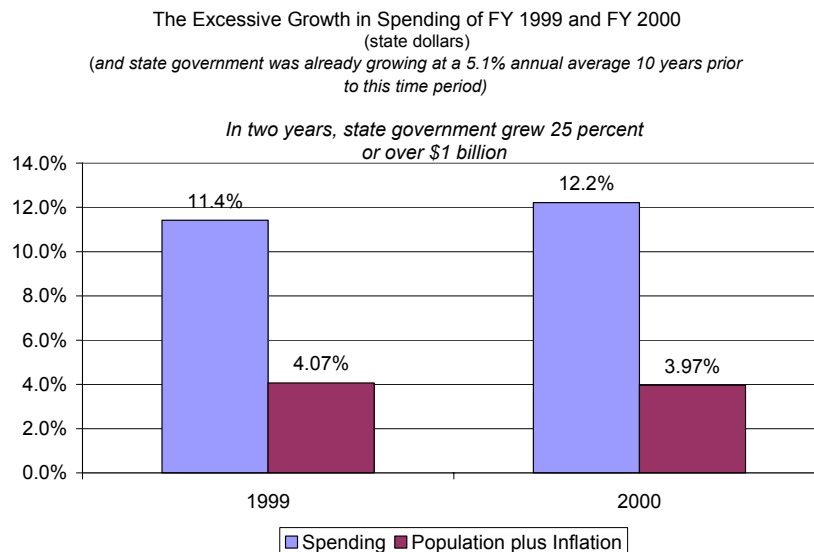
Fifth, and at the core of this year's appropriation act, we propose limiting increases in the annual budget to population plus inflation. We believe that the primary driver of the economy is in the hands of the private sector of this state. For this reason, we must maximize the financial resources that are being directed in this area and recognize that excessive growth in the public arena will not allow this to happen. The estimated revenue in the upcoming year has provided an excellent opportunity to do this. The estimated \$6.3 million in the FY2006-07 budget will allow us to fund government priorities while refunding surplus dollars over the spending cap – or **\$151 million back to the taxpayers**. The economic upswing gives us the chance to rebate dollars back to citizens during times of rising gas and energy prices, high property taxes, and increasing tuition cost for students. These refunded dollars mean families across the state will receive a **rebate of approximately \$150 in the upcoming year**. This proposal speaks directly to the policy incorporated in our Taxpayer Empowerment Amendment (TEA). To restore fiscal integrity to our state and ensure long term economic growth, we are proposing to ask South Carolina voters on the November 2006 ballot if they want to amend the state constitution to limit annual state spending to population plus inflation.

**Refund Per
Family**

\$150

The Taxpayer Empowerment Amendment

This administration has always believed in the fundamental concept that excess revenues coming into government would be better invested back in the hands of the hard working taxpayers of this state. Unfortunately, the Appropriations Act passed by the General Assembly last year spent over \$700 million in new revenue and grew government at a rate of 9.1 percent.



The FY 2005-06 Appropriations Act exemplifies a long standing practice in our state where we spend whatever new revenue comes in creating an up and down pattern of budgeting. This lack of fiscal discipline also occurred between FY 1997-98 and FY 1999-00 as government grew at a rate of 25 percent. This two year pattern also shows government growing at a rate that is substantially higher than the growth of inflation and population – in fact at a rate that is almost triple that of inflation and population. This period of excessive government expansion resulted in significant shortfalls and cutbacks when revenue growth slowed. The extra spending from FY 1997-98 to FY 1999-00 resulted in mid-year cuts of over \$800 million during the next four years. Now that revenues are once again rising, we have an opportunity to restore fiscal order and stability.

Last year we recommended replenishing depleted trust and reserve funds with excess revenues. But instead, the General Assembly chose to continue an irresponsible pattern of budgeting by funding expanded or new services that must continue to be funded in years to come. Without fiscal accountability, we risk running into the same fiscal troubles again in the future.

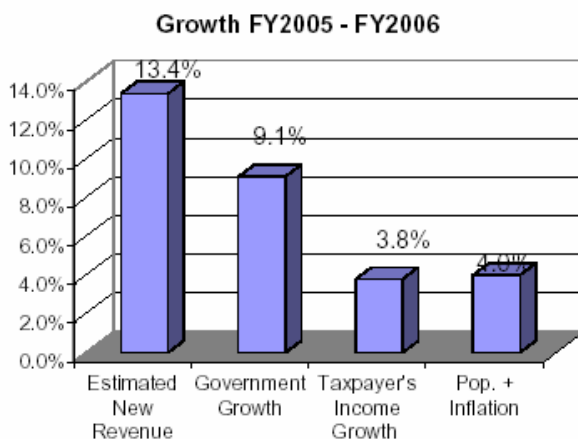
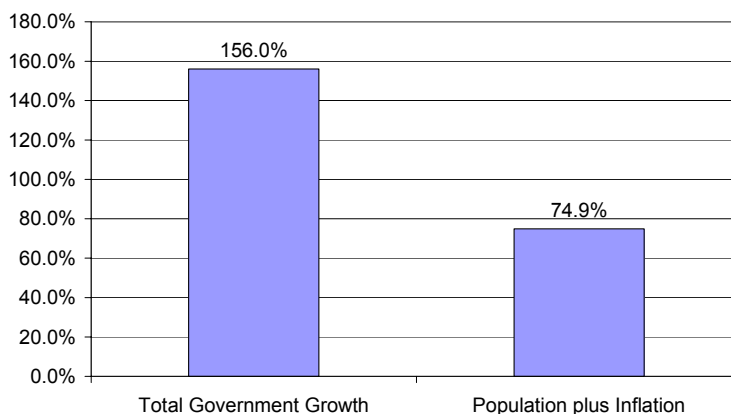
We believe it is time for government to be held more accountable to the taxpayers of this state. Continuing concerns about the future of the economy in this state and across the nation highlight the need for fiscal responsibility. The federal deficit is roughly \$400 billion and deteriorating while gas prices are at unprecedented levels. For this reason,

we feel that it is time to prepare ourselves for the future. We believe our fiscal future will be protected better by enacting a population plus inflation spending limit known as the Taxpayer Empowerment Amendment.

Limiting Government Growth

Our state has seen government grow by over \$11 billion since FY 1989-90 or an annual increase of over 6 percent. This type of growth represents an ongoing problem. We are spending tax dollars at a rate that is much greater than the rate the economy is growing (inflation) and much greater than the growth in population. In fact, total government grew more than double the rate of population plus inflation during this time period.

Total Government Growth more than Double that of Population plus Inflation from FY 1990 to FY 2006



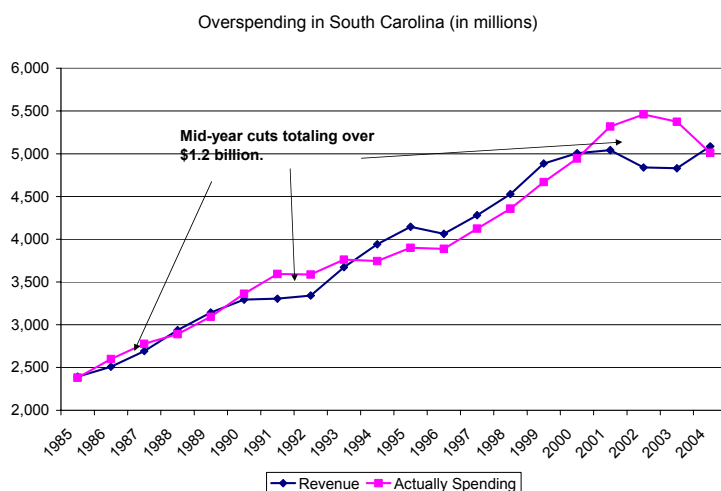
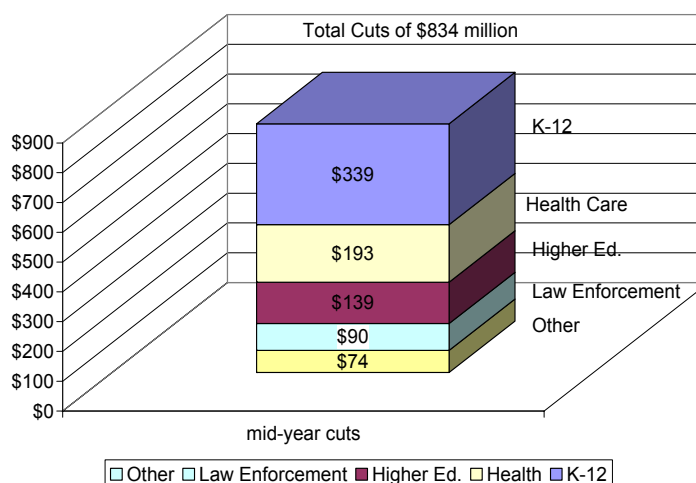
When taking a more detailed look at what happened in this past year's budget, the same excessive spending continues to be seen. While the taxpayer's income is only expected to grow 3.8 percent and population plus inflation is expected to around four percent during FY2005-06, government is projected to see more than 13 percent growth in state revenue. To this end, the General Assembly decided to use these new dollars to grow government by over nine percent. We ask the same

question now as we did last year – with these kinds of dollars coming into the state, are we being fair to the taxpayers? The answer is no. It is unfair to ask the people of this state to grow government at a rate that is over three times the growth of their paychecks. A population plus inflation spending limit will help keep this from happening.

Preventing Budget Deficits and Mid-year Cuts

Past spending habits have unfortunately hindered the long term fiscal security of the state – and ultimately reduced our ability to compete at the national and international level. While times were good from a revenue perspective during the mid to late 1990's, dollars were appropriated to create new programs and grow existing services. This, however, created a fundamental problem during the following years. As the economy turned and revenues began to slow, legislators found they were unable to fully fund these new and bigger government programs – creating large budget deficits and over \$800 million in mid-year cuts from FY 2000-01 to FY 2003-04. In fact, we asked the core services of our state to make the majority of these cuts – our schools were forced to cut \$339 million, our health care system almost \$200 million, our colleges \$139 million, and our law enforcement officers \$90 million. However, all of these cuts leading to layoffs and reduced services could have been avoided. By implementing a population plus inflation spending limit in the late 1990's, jobs and core government services would have been preserved – while not one dollar would have been removed from trust and reserve funds.

The Mid-Year Cuts of FY 2001 to FY 2004 that Would Not Have Occurred with TEA (million of \$)



This administration consistently supports budgeting practices that exemplify responsibility and display accountability to the taxpayers of this state – such as the Budgeting For Results model. While this would help prevent budget shortfalls and cuts, this has not been the practice in South Carolina over the last 20 years. The General Assembly has over-appropriated revenues numerous times during this time period leading to 14 different mid-year cuts and over \$1.2 billion being cut

from agencies and the services they provide. A spending cap would have added budget

stability and allowed government to grow at a reasonable annual average rate of 4.4 percent – but most importantly it would have helped prevent mid-year budget cuts during times of economic distress.

Stimulating Economic Growth

This administration believes that the private sector is more efficient and effective at allocating capital for productive uses than government. And while last year's income tax reduction for small business was a step in the right direction, we must continue to push for policies that will further encourage business growth and greater consumer spending. Every excessive dollar that we put into government is a dollar that we take away from expanding our economy in this manner. The whole notion of freeing up dollars for the private sector is critical to our state's ability to become more competitive.

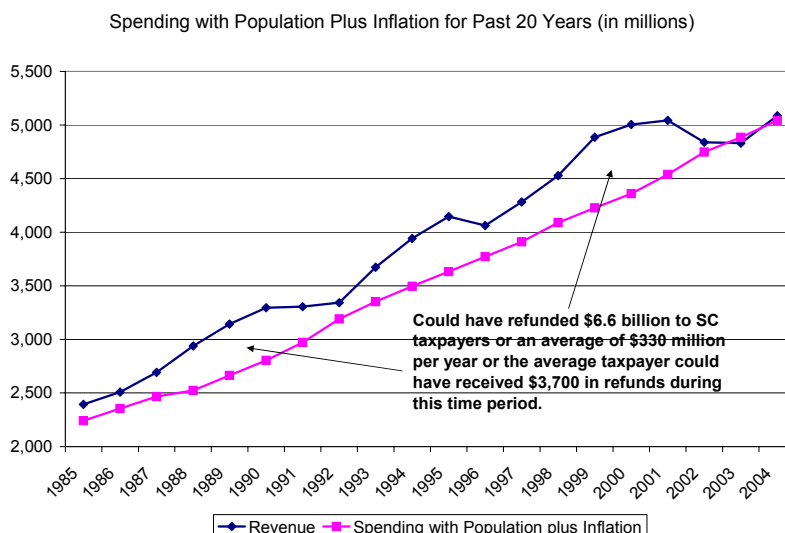
In exploring ways to boost the economic growth of this state, we are constantly pushing for changes that will improve the state's per capita personal income (PCPI). The fact remains that the average worker in South Carolina earns only 83 percent of the national average – ranking us 44th in the nation and 9th among our Southeastern counterparts. These statistics clearly show not only that we are not successfully competing in the United States, but that we are also not competitive in our own region.

Southeast Per Capita Personal Income		
Rank	State	2004
1	Virginia	35,477
2	Florida	31,455
3	Georgia	30,051
4	Tennessee	30,005
5	North Carolina	29,246
6	Alabama	27,795
7	Kentucky	27,709
8	Louisiana	27,581
9	South Carolina	27,172
10	West Virginia	25,872
11	Arkansas	25,725
12	Mississippi	24,650
	Southeastern Average	28,562

If our goal is to be more competitive at a national and global level, we must continue to look at ways to increase business activity in our state and find ways to get more tax dollars back in the hands of the hard working people who ultimately pay for state government. A spending limitation will do this, just as it did in Colorado – a state that had arguably the most stringent and effective spending limit in the nation. Since the implementation of Colorado's population plus inflation spending limit (named TABOR for the Taxpayer's Bill of Rights) in 1992, the state has outpaced South Carolina and the nation when it comes to per capita income growth. While Colorado citizens have seen their paychecks increase by more than 71 percent since 1992, neither South Carolina citizens nor the average United States citizen has seen their paychecks grow over 61 percent – a full 10 percentage points less.

We believe that to achieve economic growth, better jobs, and higher income levels, we must reduce the proportional amount that government makes up in our economy. In fact, if South Carolina had implemented a population plus inflation spending limit 20

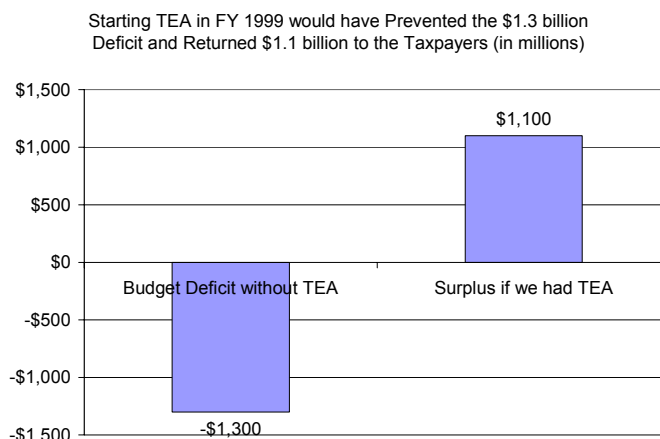
years ago, more than \$6.6 billion could have been reinvested in the private sector back of this state – translating into each taxpayer receiving an average return of almost \$3,700 over this time period. Every unnecessary dollar that South Carolina citizens put into government is a dollar that would be better served investing in new businesses and empowering the taxpayers of this state.



Empowering the People

The Taxpayer Empowerment Amendment is about more than just limiting government spending – it is about asking the hard working people who pay for state government if they are satisfied with their return on investment. This administration continues to believe in the fundamental concept that the voters know how best to spend their money. Currently many politicians have the mindset to spend other people’s hard-earned tax dollars on programs that may not be of the greatest merit to the entire state – often leading to cumbersome, invasive, and ever-growing government programs. Considering the excessive spending of last year and in years past, we believe it is time we ask the voters of the state if they want to restrict government spending and hold elected officials accountable when it comes to appropriating their taxpayer dollars.

If the people of the state had been given the opportunity to weigh the merits of a spending limit during the late 1990’s and had approved such a limit, the financial security of the state would have been in much better shape. In fact, trust and reserve funds would have remained untouched, no mid-year cuts would have occurred, and state government would have grown at a very reasonable rate of 3.5 percent.



A Taxpayer Empowerment Amendment implemented in FY 1998-99 would have prevented a budget deficit of over \$1.3 billion – and instead would have returned over \$1.1 billion into the hands of the taxpayers.

Money is power – giving more of it back to a state or nation’s citizenry is fundamental to positive reform of a republic. At the same time, giving power to the people of South Carolina is a fundamental concept of democracy. That is why over a dozen states are looking to implement a Taxpayer Empowerment-type spending cap and want to do so by putting the question on the ballot in November 2006. In fact, Ohio has shown voter support by collecting over 500,000 signatures to put a population plus inflation spending limit question on their November 2006 ballot. The bottom line is voters across the country are showing they want to hold government more accountable. We think it is only fair to give our voters the same opportunity.

Proposed FY 2006-07 Tax Empowerment Act

We would propose asking the South Carolina voters on the November 2006 ballot if they want to amend the state constitution to limit annual state spending to population plus inflation. We are recommending that the ballot question address spending at the state, county, and city level of government. The following is a summary of the core details of our proposal:

The Taxpayer Empowerment Amendment	
How are the state limits determined and where do they apply?	Annual spending is limited to population plus inflation. The limitation will apply to all appropriations in the annual budget and any supplemental budgets in a year – excluding the Capital Reserve Fund.
What happens to the excess revenue – the taxpayers’ money?	It is deposited into a Taxpayer Relief Fund and held until the next fiscal year to be refunded to the taxpayer.
Who will the spending cap apply to?	Population plus inflation would apply at the state and local level.
How are the County and City limits determined and how are they applied?	By annual inflation growth and annual local population growth. This limit would apply to all local spending.
What if there is a revenue shortfall following a year with excess revenue?	The excess revenues sitting in the Taxpayer Relief Fund will be the first means used to fill the budget deficit and will not be refunded to the taxpayers.
What if citizens are unhappy with the services they are getting under the spending cap?	Every other November, we will ask the voters on the ballot if they want to continue to operate government under this spending limit.
When would the Taxpayer Empowerment Amendment be on the ballot?	November 2006

Trust and Reserve Fund Repayment

Trust funds are collected and used by the state for carrying out specific purposes and programs in accordance with the terms and conditions of a trust agreement or statute. Reserve funds are funds set aside to fulfill obligations or liabilities for very specific needs. We believe these funds should be used for the purposes for which they are collected and, therefore, should not be utilized for the general operations of government. If, under extraordinary circumstances these funds are used, the fund accounts should be repaid in a timely manner.

Noting this, within our executive budget last year we proposed dedicating \$157.9 million to restoring diverted money from trust and reserve funds. This amount represented 37 percent of the \$414 million in “new” funds available to us at the time of our executive budget. Trust and reserve funds included:

<u>Trust/Reserve Fund</u>	<u>Amount</u>	<u>Source</u>
General Reserve Fund:	78,333,866	BEA Surpl. (Cert.)
Barnwell Trust Fund:	25,000,000	BEA Surpl. (Cert.)
Pinewood Trust Fund:	942,290	BEA Surpl. (Cert.)
Insurance Reserve Fund:	2,113,041	BEA Surpl. (Cert.)
Insurance Reserve Fund:	6,552,030	CRF
<u>State Health Plan Reserve</u>	<u>45,000,000</u>	<u>“Maybank”</u>
Total Trust/Reserve Fund	\$157,941,227	

The General Assembly – notwithstanding a sizable increase in estimated revenue – proposed trust and reserve repayment of \$113.6 million. For instance, the Legislature used only 17 percent of the \$707 million available to them as “new” funds for such repayments. Trust and reserve funds included:

<u>Trust/Reserve Fund</u>	<u>Amount</u>	<u>Source</u>
General Reserve Fund:	\$78,333,866	BEA Surplus. (Cert.)
Barnwell Trust Fund:	20,472,134	“Maybank”
Barnwell Trust Fund:	4,527,866	CRF
Pinewood Trust Fund:	942,290	“Maybank”
Repay. of Various Tr. Funds	<u>9,326,854</u>	<u>“Maybank”</u>
Total Trust/Reserve Fund	\$113,602,810	

Had we been afforded the increased revenue estimate as used by the Conference Committee budget, we would have paid down nearly \$95 million more in trust and reserve funds. In fact, as mentioned earlier, our veto message was aimed primarily at the Legislature’s reduced level of trust and reserve fund restoration in relation to the

new funds, as we sought to divert funding away from the non-essential projects spelled out within the Conference Committee budget to trust and reserve accounts.

By not adopting our proposals last year, the state has a substantial amount of diverted trust and reserve funds that it still must repay. The following chart represents funds diverted to pay for the general operation of government – such as trust and reserve funds – and shortfalls since FY 2001-02:

Uses:						
	Unconstitutional Deficit	GRF ¹	Various Earmarked & Restricted Sub- Funds to GF	Other Ins. Reserve Fund Diversion	State Health Plan Under- Funded (Goal of 45 day cash reserve)	GAAP Deficit ³
FY 01-02:	\$155,000,000	\$153,488,194	\$42,500,000	\$0	\$67,500,000	\$104,934,400
FY 02-03:	\$0	\$0	\$104,410,737	\$27,900,000	\$67,500,000	\$0
FY 03-04:	\$0	\$0	\$26,240,125	\$0	\$0	\$0
FY 04-05:	\$0	\$0	\$7,500,000 ²	\$0	\$0	\$0
	\$155,000,000	\$153,488,194	\$180,650,862	\$27,900,000	\$135,000,000	\$104,934,400

- 1) During FY 2001-02 and FY 2002-03, the state realized zero year-end balances in its General Reserve Fund (GRF). As the GRF balance must equal three percent of the General Fund revenue of the latest completed year – unless, this balance is withdrawn for the purpose of covering an operating deficit at which time the state has three years to restore the balance – the state realized a fund deficit of approximately \$153 million during FY 2001-02 that remained for FY 2002-03. By FY 2005-06, the GRF had been fully restored.
- 2) H.3847 is a bill, which among other things, outlines the General Assembly's repayment of funds that were diverted from trust and reserve funds in recent years. The amount cited for repayment is \$180 million. Of the amount to be repaid, \$7.5 million is in accordance with the use of these funds prescribed by Proviso 73.8 of the FY 2004-05 Appropriations Act. However, it should be noted that the use of these funds is consistent with our FY 2004-05 Executive Budget whereby we proposed spending \$10 million in excess cash available at select agencies for recurring operational needs. This practice was continued during FY 2005-06 when we proposed using \$6 million in one-time cash from the Department of Motor Vehicles to assist with the recurring operational needs of agencies. While using one-time cash for recurring operations contributes to larger annualizations for the state, we view the use of excess, unencumbered special revenue (typically, subfund 3035) to be a legitimate non-recurring revenue source until: (a) fees/fines associated with this source may be lowered to reconcile to agency expenditures or (b) "needed" agency services are expanded to approximate the revenue. As such, in the FY 2006-07 Executive Budget, we are proposing the use of \$4 million in excess cash available to the Department of Motor Vehicles to repay trust and reserve funds. In following the spirit of H.3847, we seek the repayment of the \$7.5 million removed from operating sources during FY 2004-05; however, we will not seek the repayment of special revenue accounts which have generated excess cash, and for which that cash is unencumbered, beyond FY 2004-05.
- 3) The FY 2001-02 revenue deficit of \$105 million represents an "embedded" GAAP deficit brought forward from prior fiscal years. For instance, when the state faced fiscal problems during 1991, 1993, and 2001, former office holders included \$105 million of additional revenues in the state's operating budget by picking up an additional month (i.e., Fiscal Month 13) of certain taxes and fees of one or the other of those years. By doing this, since 1991, the state's budgetary records used by the General Assembly have been artificially inflated. Further, this condition has produced chronic deficit fund balances in the state's audited financial statements since that time.

Thus, since FY 2001-02, the state has realized total annual fund diversions and shortfalls as follows:

FY 2006-07 Executive Budget

	<u>Total Diversions & Shortfalls/ Year</u>
FY 2001-02:	\$523,422,594*
FY 2002-03:	\$199,810,737
FY 2003-04:	\$ 26,240,125
<u>FY 2004-05:</u>	<u>\$ 7,500,000</u>
Total	\$756,973,456

* \$104,934,400 of the FY 2001-02 diversion is from the GAAP deficit, described above. This deficit occurred prior to FY 2001-02.

Meanwhile, since coming to office, we have remained diligent in our efforts to repay these encumbrances. As a result of collaborative efforts between the executive branch and the Legislature, most of the fund diversions and shortfalls have now been restored through appropriations. For instance, the following represents fund diversions and shortfalls restoration since FY 2004-05:

Sources:

	Unconstitutional Deficit	GRF	Various Earmarked & Restricted Sub- Funds to GF	Other Ins. Reserve Fund Diversion	State Health Plan Under- Funded (Goal of 45 day cash reserve) ¹	GAAP Deficit ²
FY 04-05:	\$155,000,000	\$75,154,528	\$0	\$0	\$0	\$0
FY 05-06:	\$0	\$78,333,666	\$35,269,144	\$0	*\$135,000,000	\$0
1)	With rate increases and several cost saving mechanisms (i.e., deductible increases and changes to co-payments) implemented during calendar year 2005, the State Health Plan – as of 9/30/05 – had a reserve of 53.2 days, making the plan fully funded for the first time since July 1999.					
2)	At the close of FY 2005-06, the Comptroller General used \$104.9 million – of the \$118 million available to the state as surplus funds from FY 2004-05 – to address the “embedded” GAAP deficit, described earlier. A 12/2/05 ruling by the Attorney General’s office points out that the Comptroller General’s office lacked the authority in using the surplus funds for this purpose. Nevertheless, when considering the importance of addressing this issue due to its impact on the state’s credit rating – whereby support has been exhibited in press releases and comments from the Governor’s office as well as top Ways and Means and Senate Finance Committee members – within the FY 2006-07 Executive Budget we propose using \$104.9 million to address the “embedded” GAAP deficit.					

Thus, since FY 2001-02, the state has realized the following encumbrances related to fund diversions and shortfalls:

	<u>Total Encumbrances</u>
FY 2001-02:	\$523,422,594
FY 2002-03:	\$723,233,331
FY 2003-04:	\$749,473,456
FY 2004-05:	\$526,818,928
FY 2005-06:	\$278,216,118

Proposed FY 2006-07 Trust and Reserve Fund Restoration

Within our executive budget this year, we propose dedicating \$278 million to fully restoring money diverted from trust and reserve funds (\$173 million) and the aforementioned GAAP deficit (\$105 million). This amount represents 36.7 percent of the \$758 million in “new” funds available to us at the time of our executive budget. Please see Appendix F for a schedule of trust and reserve funds that we propose paying towards during FY 2006-07.

Annualizations (Non-recurring Dollars)

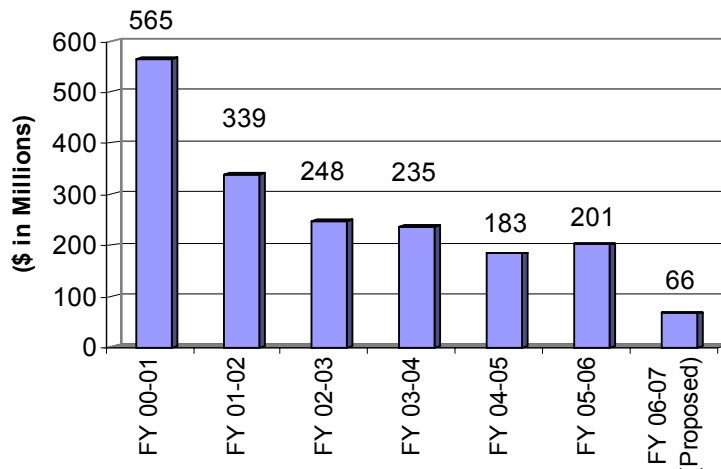
Annualizations are items that will require funding in next year’s budget because they were either partially funded in the current year or were funded with non-recurring funds. It is important that we continue to address the problems associated with annualizations because these one-time funds may not be available in the next fiscal year for ongoing activities.

In many cases, these are important statewide core items. As an example, during FY 2004-05, \$90 million dollars in non-recurring revenues were appropriated to core functions within many agencies, including 20 percent for critical frontline services at the Department of Social Services.

Such practices highlight the poor fiscal management of the state as it is hard to imagine a commercial banker so misaligning the recurring revenue stream with recurring expenses, when underwriting a loan for a business. Nevertheless, in the FY 2005-06 Appropriations Act, the General Assembly relied on \$201 million in annualizations to balance their budget as follows:

- \$157.8 million – Nonrecurring Part IA appropriations;
- \$19.7 million – Employee Health Insurance;
- \$12.3 million – Constitutional/Statutory; and
- \$11.5 million – Agency Items (\$7.4 million tobacco deallocation)

It should be pointed out that such one-time revenue usage, as spelled out within the FY 2005-06 Appropriations Act, provided for the first annualizations increase in five years. By contrast, within our proposed budget, we project \$66 million in annualizations, a significant reduction, as shown below:



Proposed FY 2006-07 Annualizations

As noted, in this budget, we propose using approximately \$66 million in one-time revenue dedicated to the budget as follows:

- \$7.7 million – Employee Health Insurance;
- \$15.0 million – Constitutional/Statutory; and
- \$9.8 million – Agency Items (\$8.0 million tobacco deallocation)
- \$33.0 million – Targeted Case Management Items

If adopted, annualizations will be at their lowest level in over a decade.

Managing South Carolina's Statewide Debt

State Tax Supported Debt

From 1997 to 2004, South Carolina's *state* tax supported debt increased 102 percent, from \$1.16 billion to around \$2.34 billion, making South Carolina's debt expansion the 17th fastest growth rate in the nation. For the same time period, statewide tax supported debt per capita and tax supported debt as a percent of personal income, both of which measure taxpayer debt burden, increased 81 percent and 38 percent, respectively. At \$558, South Carolina's debt per capita ranked 34th in the nation, but grew at the 19th fastest rate among the 50 states. Likewise, at 2.2 percent, the state's debt to personal income ranked 29th in the nation, but grew at the 17th fastest rate among all states. This is in contrast to states such as Wyoming, Colorado, South Dakota, Nebraska and Arizona which carry no state debt whatsoever.

Local Tax Supported Debt

From 1997 to 2004, South Carolina's *local* tax supported debt increased 107 percent, from \$2.4 billion to around \$4.9 billion. Local government borrowing includes

obligations of counties, municipalities, special purpose districts, and public school systems. Statewide, local tax supported debt per capita increased 90 percent during the period, from \$614 to \$1,170. Local debt per capita exceeded \$1,000 in fourteen South Carolina counties, three of which have local debt per capita exceeding \$2,000. Statewide, local debt as a percent of personal income increased 45 percent during the period from 3.1 to 4.6 percent. On a combined state and local basis, the average South Carolinian is responsible for about \$1,728 in debt.

South Carolina's tax supported debt per capita, excluding local debt, ranks 9th of the twelve states in the Southeast, but grew during the period at the 5th fastest rate – only Mississippi, West Virginia, Arkansas and North Carolina grew faster. The state's tax supported debt as a percentage of personal income ranks 8th among the twelve Southeastern states, but grew during the period at the 4th fastest rate, behind West Virginia, Arkansas and North Carolina.

Proposed FY 2006-07 Debt Repayment

With all bonded indebtedness comes the cost of repayment. The bond costs may seem small, but they ultimately have a tremendous impact on the annual budget. According to the state Treasurer's Office, our annual obligation for debt service has increased from \$142 million in FY 1996-97 to an estimated \$241 million in the coming FY 2006-07, an increase of nearly \$100 million. In education terms, this \$100 million annual debt service increase equals roughly \$143 per pupil if added to the Base Student Cost.

In this budget, we propose taking funds from the FY 2005-06 projected surplus using them to pay off some of those outstanding debts. In total, we propose \$16 million dollars to retire outstanding obligations. Although this spending represents a small percentage of the overall debt burden held by the state, as cited above, it is a down payment on a policy we believe is critical to making us more competitive and easing the overall burden to South Carolina's taxpayers. If implemented, our proposal to better manage statewide debt will free up \$4.6 million in recurring monies for FY 2006-07.

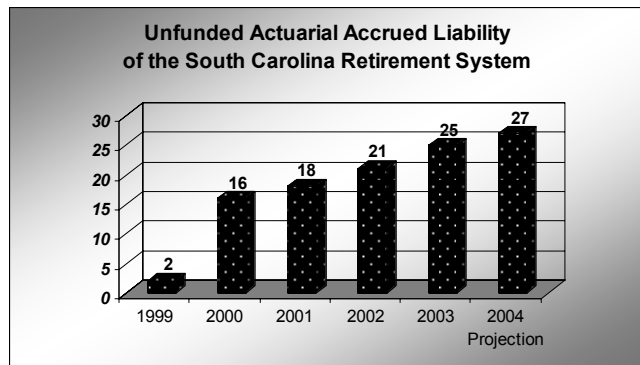
We also seek the maintenance of the state's overall debt to at least the constitutionally-mandated five percent, with a longer-term aim of getting to the four percent level in the coming years. The state constitution sets a five percent cap on the annual debt service, but gives the General Assembly authority to lower it to four percent or to increase it to as much as seven percent. Over the past few years, the General Assembly has increased the debt service limit from five percent to six percent in two separate pieces of legislation.

Retirement System Crisis

South Carolina's current retirement system crisis parallels the problems faced by other states as aging baby boomers in the nation's state government work force, prompt fears that payouts of defined-benefit pension plans – those plans with a guaranteed benefit – will break state budgets. Nationwide, states, counties and cities are facing shortfalls of

nearly \$300 billion promised through their public employee retirement systems, making them time bombs for state and/or local budgets.

For instance, in Oregon where the unfunded liability grew to \$17 billion, its Legislature suspended cost of living adjustments (COLAs) for some retirees, limited the amount the state contributed for employee retirement accounts, and updated the state's life expectancy tables. Similarly, Governor Schwarzenegger proposed that California roll back benefits for newly hired state employees to 1999 levels, while property taxes have been raised 44 percent and 50 percent in Syracuse, New York, and Hanover, Pennsylvania, respectively, to cover pension costs.



In the FY 2005-06 Executive Budget, we identified the immediate need to modify the state's defined-benefit pension plans due to the fact that from 1999 to 2004 debt load of these plans increased from \$178 million to \$4.2 billion – a staggering 2,000 percent increase.

This increase stems from the structural problems typical of defined-benefit plans when facing a large retiring population – the baby boomer population – as well as the benefit increases made by the Legislature in recent years. For example, since 1999, the state's retirement system has been strained by the addition of the Teacher and Employee Retention Incentive (TERI) program, the reduction of the years of service required to retire from 30 years to 28 years, and the continued payment of COLAs. Another factor that has strained the state's retirement system is the reduced investment yield during FY 2000-01.

The result of these events is that SCRS went from strong financial soundness to near its constitutional limit within a handful of years. Governmental accounting standards require that the unfunded portion of future liabilities be amortized within 30 years. As a result of the debt load increase, cited above, the retirement system's unfunded liability skyrocketed from a two year unfunded liability in 1999 to 27 years in 2004.

As an attempt to mitigate this, Senate Bill 618 (S.618) – a retirement reform bill – was passed by the General Assembly and signed into law by the Governor on June 10, 2005. At the time of our signing, we wrote that S.618 provides the retirement system with “temporary breathing room,” but that “it does not secure the long term health of the system.”

In our FY 2005-06 Executive Budget, we wrote that the state had few options afforded to it under existing law for dealing with the enormous unfunded liability of the

Retirement System. We noted that the state could increase employer and/or employee contributions to the system, reduce or eliminate benefits, or obtain increased investment returns on the current assets of the system. In essence, S.618 tweaked each of these items. The following highlights the major changes associated with S.618:

Contributions

S.618 changes both employee and employer contributions for SCRS. Effective July 1, 2005, SCRS members began contributing 6.25 percent of their gross pay (up from 6 percent) into SCRS. After July 1, 2006, the rate will be further increased to 6.5 percent. This action, in effect, offsets a portion of the pay increases to state employees during FY 2006-07.

Meanwhile, SCRS-covered employers – state agencies, counties, municipalities – will continue to contribute 7.55 percent until July 1, 2006, at which time their contribution rate rises to 8.55 percent. This rate increase alone will cost state agencies and thus the taxpayers around \$15 million in general funds during FY 2006-07.

In addition to current employees and their SCRS-covered employers, effective July 1, 2005, retired SCRS and Police Officer Retirement System (PORS) members who work for a covered employer began making active member contributions for the duration of their covered employment. This includes SCRS members who participate in TERI.

Benefits

Like contributions, there are several benefit changes associated with S.618. For instance, effective July 1, 2005, eligible SCRS members began receiving an annual guaranteed cost-of-living adjustment of up to one percent if the Consumer Price Index as of the prior December 31 is at least one percent. S.618 also allows the state Budget and Control Board to grant a COLA in excess of one percent if the unfunded liability amortization period for SCRS does not exceed 30 years.

S.618 also removes the \$50,000 service retiree earnings limitations for SCRS retirees who return to covered employment after a 15-day break in service.

The new law also eliminates the unused annual leave payout at retirement for state retirees who begin TERI participation on or after July 1, 2005, and requires the recalculation of the TERI participant's average final compensation and annuity to include the payment made at termination for unused annual leave. In addition, a second payment for unused annual leave is no longer made to state retirees rehired on or after July 1, 2005.

Other benefit changes provide for any retired employee who worked for a state agency on or after July 1, 2005, to be exempt from the State Employee Grievance

Act. Additionally, after June 6, 2005, new TERI participants are exempted from the Grievance Act.

Investments

Finally, the new law provides for changes to the System's equity investment structure. Under S.618, equity investment can now reach 70 percent of the total investment portfolio. Prior to enactment, the equity target allocation could not exceed 40 percent.

The above changes – while substantial – were essentially implemented to support the payment of COLAs for retirees and do little to reduce the unfunded actuarial liability impact. For instance, while the amortization period for the system's unfunded liability will move from 27.9 years to 22.8 years with the implementation of S.618, with just a series of COLA payments, the retirement system will again be near its 30 year constitutional limit.

While we view S.618 as an incremental step at reforming the state's defined-benefit plans, we believe that it will neither solve nor contain our state's retirement problems. For example, while S.618 essentially ends the attractiveness of the TERI retirement option by requiring employee contributions of these individuals and by eliminating their double leave payments, the legislation fails to move the system back to a 30 year retirement level for newly hired employees – an essential first step toward the long-term viability of a defined-benefit plan.

Moreover, the legislation does not adequately address how future COLAs will be funded. A one percent COLA is provided for under S.618, but the system has paid an average COLA over the past twenty years of 3.06 percent. The legislation allows the Budget & Control Board to approve COLAs above one percent as long as the system's amortization period is under 30 years. In the FY 2005-06 Executive Budget, we indicated that the total cost of COLAs should be reflected in the system's funding formula. COLAs granted from 2001 to 2003 added seven years to the amortization period. If this trend continues, it will only take us three years or so before the system is right back to the brink of financial unsoundness.

Perhaps most importantly, the difficulty in successfully amending a defined-benefit plan, as exhibited by S.618, begs the questions of whether we should seek to retain this type of retirement plan at all.

The enormous costs of defined-benefit pension plans have resulted in many corporations abandoning them. Nationwide, only 17 percent of private sector workers are covered by a defined-benefit plan (versus a defined-contribution plan). Among South Carolina state employees, this figure is reversed as only 17 percent of those eligible employees for the defined-contribution plan participate in them.

It is our view that state employees should have more options and control over their retirement accounts. Nothing amplifies this as much as the legal battle shaping up over the impact of S.618. In essence, this battle is between the funding of COLAs for the state's retirees on the one hand, and the level of benefits received and contributions required of the state's TERI employees on the other. Regardless of the eventual winner, the losers will likely be the taxpayers of South Carolina.

Proposed FY 2006-07 Retirement System Initiative

As a move toward greater control, we will support legislation expanding the current Optional Retirement Program administered by the SCRS. This program is a defined-contribution retirement plan for state, public school, and higher education employees. Under the Optional Retirement Program the employee makes the investment decisions regarding his/her retirement account. The funds can be transferred to other eligible retirement plans if the employee leaves state service. We believe the plan should be the only state plan extended to new state employees. This would allow new state employees greater control over their retirement account, so that they have the opportunity to earn larger investment returns from their accounts and at the same time reduce the amount taxpayers will have to spend for future retirement benefits.

Several governors around the nation have recently proposed such private sector solutions to move their state employees from defined-pension plans – with a guaranteed payout – to a defined-contribution plan, such as the Optional Retirement Program, where the employer and/or employee contributes a set amount each month to an employee's investment fund. When employees retire or leave the system, the money in the fund is theirs.

One such governor is Alaska Governor Frank Murkowski. Recently Governor Murkowski proposed, and the state adopted, a mandatory defined contribution plan for all state employees, beginning with those hired after July 1, 2006. This action was prompted by the nearly \$6 billion shortfall owed to Alaska's public employees and teachers when they retire.

"Employers know up-front their costs, rather than having costs determined down the road. ... It adds certainty to the system," says Murkowski spokeswoman Becky Hultberg.

As was discovered by the private sector years ago – and is now being discovered by the public sector in states such as Alaska – the long-term requirements of defined-benefit plans are so great as to jeopardize the financial integrity of a corporate or public retirement system. This is certainly the case in South Carolina where the ability to Consumer Price Indexed-COLAs for state retirees is now directly at odds with a financially sound retirement system.

Restructure and Streamline Government

Restructure and Streamline Government

Boards and Commissions are not very well suited for administrative work.... It diffuses accountability and responsibility for decision making. This inherent clumsiness of boards and commissions as governing agents is often described in common language as ‘building a racehorse by a committee – you wind up with a camel!’

- **Chairs David Wilkins and Nick Theodore, *Modernizing South Carolina State Government for the 21st Century*, September 1991**

This administration has been committed to continuing the legacy of Governor Carroll Campbell by further restructuring state government to increase accountability and reduce duplication and waste. Our state government today is still largely fractured and duplicative, taking dollars that would otherwise go to the citizens of our state. Many agencies are run by boards and commissions comprised of well-intended people who give of their time, typically for little to no pay. While we are grateful to any citizen who is willing to give of their time to serve the people of this state, these are also people with families and jobs that keep them away from the daily operations of state government. We believe that the Cabinet form of government significantly increases accountability, as we have seen with the Cabinet agencies created during Governor Campbell’s time in office. We are again proposing the restructuring of state government within the FY 2006-07 Executive Budget. These restructuring proposals, when taken in total, will allow us to eliminate or merge duplicative state offices, departments, agencies, board or commissions. In doing this, the state will realize restructuring savings of \$19 million during FY 2006-07.

Becoming more efficient, effective, and accountable to the taxpayer ultimately results in South Carolina obtaining a competitive edge in creating jobs and small businesses. The need for more accountability is especially important in light of the significant growth of state government. Our state currently spends nearly 130 percent of the national average on the cost of government. In 1995, South Carolina’s total budget was \$10.650 billion. By 2005, it had increased 57 percent to \$16.818 billion.

In extending these efficiencies, *we propose the following three changes to create a centralized, accountable management structure:*

- 1) Restructure the executive branch’s management structure.
- 2) Streamline and create more accountability.
- 3) Make the support functions of government accountable to the governor rather than part-time boards or commissions.

I. Restructure the Executive Branch's Management Structure

It may appear that having multiple executive branch officers empowers the people; however, this structure really serves to erode any real accountability. As Alexander Hamilton noted, "One of the weightiest objections to a plurality in the executive...is that it tends to conceal faults, and destroy responsibility." For that reason, we propose the reduction and restructuring of the constitutional officers as follows:

Put the Governor and Lieutenant Governor on the same ticket.

In the long-standing tradition of the federal executive branch, where the President and Vice President run on the same ballot, we propose having the Governor and Lieutenant Governor run together as a team (as they do in 24 other states).

Make the following cabinet positions appointed by the Governor, with advice and consent of the Senate:

1. **Adjutant General** – In an effort to streamline the state's administrative offices and to provide a greater degree of accountability, we propose having the Adjutant General appointed by the governor (as they do in 48 other states).
2. **Commissioner of Agriculture** – As with the Adjutant General, in an effort to provide greater accountability, we propose having the Commissioner of Agriculture appointed by the governor (as they do in 30 other states).
3. **State Superintendent of Education** – As part of our plan to provide a centrally accountable management structure for the state's public education system, we propose having the state Superintendent of Education appointed by the governor (as they do in 11 other states).
4. **Secretary of State** – In the tradition of the federal executive branch, where the Secretary of State is an integral part of the president's cabinet, we propose having the Secretary of State appointed by the governor (as they do in seven other states).

The idea of inter-branch checks and balances requires three separate, but equal, branches of government; however, intra-branch checks and balances can cripple a branch's ability to perform its constitutional duties. The South Carolina Constitution, ratified in 1895 at a time when all women and most African Americans did not have the right to vote, established a very weak executive branch of government with the governor sharing the executive branch power with eight other elected statewide constitutional officers. Having such a large number of elected officials in the executive branch frequently results in our government working at cross-purposes and producing inconsistent public policy.

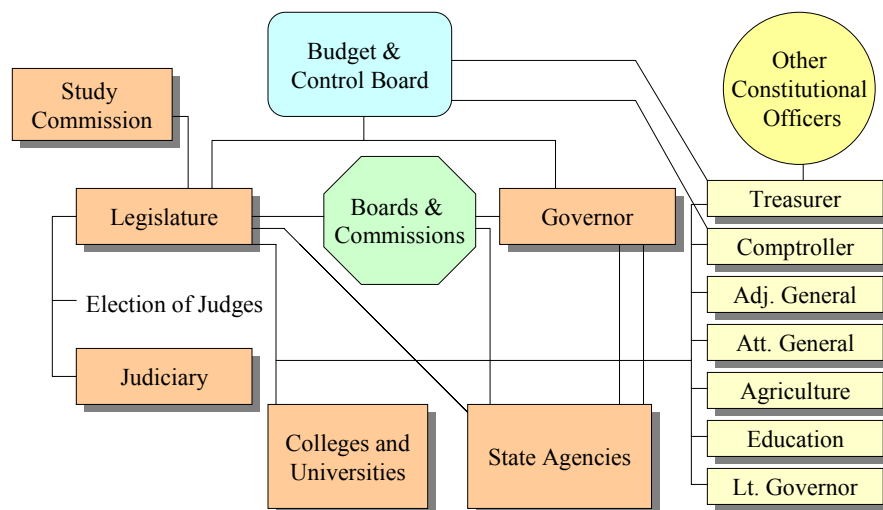
II. Streamline and Create More Accountability in Government

There is no central point of accountability for the performance of these agencies. Because non-cabinet directors are not directly appointed or terminated by the Governor, the Governor is not directly responsible for the performance of these agencies. . . . Governors in neighboring states have greater authority to appoint department heads than South Carolina's Governor.

– Legislative Audit Council Report, January 2003

In the past 83 years, South Carolina has conducted 15 major reorganization studies, all of which reached a similar conclusion – that state government in South Carolina has far too many government agencies, making it fragmented, unwieldy, and unaccountable. This is exhibited in the following flow chart:

SC Government Flow Chart



The resulting overlap of functions and the duplication of efforts make our government both expensive and inefficient. Our agencies are aligned based upon antiquated funding streams rather than being citizen-centric and organized by the needs of clients. We need to consolidate departments with similar missions under the cabinet to provide better service to our clients and better value to the taxpayer.

Last year, we proposed the merger of the Office of Indigent Defense and the Office of Appellate Defense. This merger was ultimately adopted by the Legislature because it

made sense. For instance, the state maintained separate Offices of Indigent Defense and Appellate Defense while in a number of other states, including North Carolina and Georgia, the appellate defense function had been incorporated into the larger indigent defense system. Like these states, South Carolina's former Offices of Indigent Defense and Appellate Defense provided separate and distinct services; yet, they ultimately served the same clientele. This was exhibited in the services that each agency provided for the other prior to the merger. Indigent Defense had provided monetary assistance to Appellate Defense to prevent Appellate Defense from running a year-end deficit while Appellate Defense served the Bar and South Carolina's public defenders by providing appellate representation.

A united system with one oversight board will provide more flexibility and eliminate competing budgetary interests. Most importantly, a merger of Appellate and Indigent Defense will result in more streamlined and efficient delivery of services to indigent clients and ultimately benefit the judicial process. As an example, for the upcoming fiscal year, we are proposing annual administrative savings of \$178,321 at the newly created Office of Indigent Defense. These cost savings will assist us in our proposed increases to the Conflict Fund (\$297,351) and the Death Penalty Trial Fund (\$50,000) during FY 2006-07.

Like the merger of the Office of Indigent Defense and the Office of Appellate Defense last year, we propose that the following state agencies be consolidated, simplified, and made more accountable to South Carolinians – a task which becomes much more feasible if a strong cabinet form of government is brought to the executive branch. By restructuring, we anticipate savings in excess of \$19 million during FY 2006-07.

Restructure the State Department of Education

Within our state education system, we have a State Board of Education that provides a duplicative level of administration above the statewide elected Superintendent of Education. We also have several special schools duplicating services or administrative structures and competing for scarce resources.

State Department of Education

1. Transfer the powers of the state Board of Education to the Superintendent of Education.
2. Move ETV, the Wil Lou Gray Opportunity School, School for the Deaf and Blind, the John de la Howe School, the Governor's School for Science and Mathematics, and the Governor's School for the Arts and Humanities under the administrative direction of the state Department of Education. -
 - The powers of the current Boards at ETV, Wil Lou Gray Opportunity School, School for the Deaf and Blind, the John de la Howe School, the Governor's School for Science and Mathematics, and the Governor's School for the Arts and Humanities would be given to the Superintendent of Education, and the members of the Boards would serve as an advisory board.

Create an Efficient Health and Human Service Delivery System

The state health and human service delivery system is fragmented with too many agencies providing duplicative services. As with the state's educational system, we propose that these state agencies be merged and established in a cabinet-level agency to improve accountability to the people of South Carolina. In accomplishing this task, we are adhering to the recommendations of the following Legislative Audit Council reports.

January 2003 Legislative Audit Council Report – In January 2003, the Legislative Audit Council (LAC) completed an in-depth study of the state's eight health and human service agencies. The report found that similar services are provided by multiple agencies, causing these agencies to spend extra resources on service coordination. The report noted that the overlap causes increased administrative costs in areas such as finance, personnel, and information technology.

The report also found that since most of the agencies were outside the cabinet, the result is "no central point of accountability for their performance." The report pointed out that "[a] cabinet system could increase accountability and responsiveness to client concerns by directly linking the performance of agencies with a single statewide elected official who is authorized to implement changes." The report concluded, "If programs with similar services were consolidated into fewer agencies, under the authority of a single cabinet secretary, obtaining help from state government could be made less complex. The need for different agencies to make referrals to each other could be reduced while planning and budgeting could be done more comprehensively. In most cases, administrative costs could be lower."

October 2004 Legislative Audit Council Report – In October 2004, the LAC produced a follow-up to the January 2003 report. While the agencies have implemented some of the LAC recommendations, none of the 2003 recommended changes to state law were enacted. The LAC's recommendations to restructure the health and human services agencies have not been implemented. The LAC found that similar services are often provided by multiple agencies. It was further found that five of the eight agencies are not in the governor's cabinet, and there is no single point of accountability for their performance.

We largely agree with the LAC reports and have based much of our proposed structure around their findings. Our main concern is the need for services to efficiently and effectively meet the needs and choices of consumers. Our current system clearly does not. The following proposed system will be a health and human service delivery system that will be more accountable, more affordable, and most importantly, will provide for improved care for our citizens.

Department of Health Oversight and Finance

1. Rename the Department of Health and Human Services the Department of Health Oversight and Finance.
2. This agency will continue to be the lead agency for Medicaid oversight and finance of Medicaid expenditures.

Department of Health Services (Health Services)

1. Division of Public Health (currently the health programs at the Department of Health and Environmental Control). **{Proposed Restructuring Savings: \$5,897,634}**
2. Division of Mental Health (currently Department of Mental Health). **{Proposed Restructuring Savings: \$6,444,805}**
 - The powers of the current Mental Health Commission would be given to the director of Health Services and the members of the commission would serve as an advisory board.
 - Continuum of Care for Emotionally Disturbed Children would be moved from the Governor's Office to the new Division of Mental Health. **{Proposed Restructuring Savings: \$144,885}**
3. Division of Disabilities and Special Needs (currently Department of Disabilities and Special Needs) **{Proposed Restructuring Savings: \$2,210,269}**
 - The powers of the current Disabilities and Special Needs Commission would be given to the director of Health Services and the commission would serve as an advisory board.
4. Division of Addiction Services (currently Department of Alcohol and Other Drug Abuse Services). **{Proposed Restructuring Savings: \$422,537}**

Department of Rehabilitative Services

1. Merge the Vocational Rehabilitation Department and the Commission for the Blind. **{Proposed Restructuring Savings: \$534,033}**
2. The administrative responsibilities of the Vocational Rehabilitation Department and the Commission for the Blind would be given to one director appointed by the governor with advice and consent of the Senate.
3. The board members of the Vocational Rehabilitation Department and the Commission for the Blind would serve on advisory boards.

Establish a Department of Environment and Natural Resources

Currently, the state's environmental and natural resource programs are distributed among several state agencies. In managing these important resources, there should be, in our view, a closer connection between the agency that manages our natural resources and the agency that provides environmental regulation.

In order to reduce duplication, we have proposed consolidating these agencies into a single agency accountable to the governor. By doing this, we will be more in line with our neighboring states. For instance, North Carolina's Department of Environment and Natural Resources and Georgia's Department of Natural Resources provide both regulation and enforcement of environmental and wildlife laws.

The inefficiencies of our current system are exhibited by the bifurcated approach to water quality, as DNR and DHEC are both actively involved in watershed management. Pooling the conservation activities from DNR with the regulatory activities from DHEC, as well as both agencies' enforcement functions will provide for a more cost-effective and comprehensive management approach to this crucial state function.

We propose the creation of a Department of Environment and Natural Resources with a cabinet-level director, appointed by the governor with the advice and consent of the Senate. DENR would be structured as follows:

Department of Environment and Natural Resources (DENR)

1. Division of Environmental Protection (currently the Environmental Quality Control Division and the Ocean and Coastal Resource Management Division of the Department of Health and Environmental Control).
 - Maintain an environmental regulatory board.
2. Division of Natural Resources (currently the Department of Natural Resources).
{Proposed Restructuring Savings: \$945,177}
 - The powers of the current Department of Natural Resources Board would be given to the DENR director, and the members of the Board would serve as an advisory board.
3. Division of Forestry (currently the South Carolina Forestry Commission).
{Proposed Restructuring Savings: \$460,511}
 - The powers of the current Forestry Commission would be given to the DENR director, and the members of the Commission would serve as an advisory board.

Merge Departments of Corrections and Probation, Parole and Pardon Services

South Carolina is one of only ten states in which the functions of the Department of Corrections are separate from the responsibilities of the Department of Probation,

Parole and Pardon Services. Indeed, more than half of all states house all of their probation, parole, and pardon functions within a unified corrections department.

We believe a unified Department of Corrections and Probation will ensure that offenders are managed and measured by one agency from admission to final release, whether that release is directly from prison or from a lesser level of state supervision. A unified corrections system will ensure that decisions about behavior and risk assessment are made consistently. The agency would be run by a cabinet-level appointment of the governor with advice and consent of the Senate.

We believe a unified system will have several benefits:

- 1) A unified system would immediately allow better coordination and the exchange of information, resources, and personnel.
- 2) Savings in eliminating administrative duplication would immediately allow for better use of our scarce programming resources in areas such as drug and alcohol treatment and re-entry programs.
- 3) Victims of crime would have a single point of contact to learn about the status of their offender from entry to completion of sentence.

This administration will be working with the leadership of the General Assembly to develop a new alternative sentencing option for non-violent offenders. Options such as restitution centers and electronic monitoring fall squarely between the missions of the two agencies charged with the oversight of criminals. By joining these related functions into a single entity, as most other states have done, we will be able to improve coordination, better manage limited resources, realize significant financial savings, and improve protection for our law-abiding citizens.

In addition to combining the Department of Corrections and PPP, we propose combining the state's two parole boards. Currently, the state has separate boards at PPP and the Department of Juvenile Justice. The parole board at PPP has seven members and a budget of \$753,347 while the DJJ board has a budget of \$721,561 with ten members. Regardless of similar-sized budgets, the DJJ board hears far fewer cases per year. Because these two parole boards have very similar missions, we feel this presents an opportunity to gain efficiencies and savings by merging them.

Department of Corrections and Probation
<ol style="list-style-type: none">1. Division of Corrections.2. Division of Probation, Parole and Pardon Services. {Proposed Restructuring Savings: \$518,012}<ul style="list-style-type: none">– The PPP Parole Board would be combined with the DJJ Parole Board to perform probation, parole, and pardon functions. {Proposed Restructuring Savings: \$425,000}

Consolidate job creation and economic development programs

Our administration's primary goal is job creation and economic development. Federal, state, and local resources that help create jobs and promote economic development are poured into programs that promote that goal, but we fall far short of getting the most out of those dollars because the programs are inefficiently scattered among various state agencies. To maximize the effect of these dollars and to ensure that the mission focus is consistent, cohesive, and strong, we propose that the economic development programs, and in many instances the agencies that currently administer them, be housed in a single agency. In addition, the savings in administrative dollars would allow more funds to be dedicated to the core mission of job creation and economic development. This proposed consolidation, outlined below, offers us a great tool in strengthening the "laser-beam focus on economic development."

Department of Commerce

1. Retain the current functions of the Department of Commerce.
2. Office of Local Government (currently at the Budget and Control Board).

Last year, we were successful at moving Workforce Investment Act (WIA) funding to the Department of Commerce. WIA is a federal initiative that was created in 1998 to fund job training and employment programs. Moving WIA to Commerce – from the Employment Security Commission – will ensure that over \$60 million in WIA funds will be used to help build the high-skilled workforce needed to attract new industry to South Carolina. The move will also result in better coordination of the spending of WIA funds within the overall framework of the economic development goals and strategies at the Department of Commerce.

Create a Department of Literary and Cultural Resources

In 1991, the Commission on Government Restructuring recommended putting all four of our cultural and literary agencies together under the administration of one agency. However, no such change was made as a part of the 1994 Restructuring Act. As we proposed last year, we believe that housing all of these agencies together will streamline management and administrative costs.

While we strive to eliminate administrative duplication in our arts and cultural agencies, our neighboring state of North Carolina has had a consolidated arts and cultural agency in place since 1971. The North Carolina Department of Cultural Resources was formed to provide cultural, artistic, and historic resources to the citizens of North Carolina in a unified manner. The department was formed by combining the Office of Archives and History with the then newly created Office of Arts and Libraries, which provides arts, literary, and cultural experiences to citizens throughout the state. Just as North Carolina has eliminated administrative duplication in its arts and cultural agencies, we would propose to do the same in the following manner:

Department of Literary and Cultural Resources (DLCR)

1. Create a Department of Literary and Cultural Resources and DLCR Board.
 - The DLCR Board would be responsible for appointing the director of the agency.
 - The DLCR Board should have equal representation from each of the four areas to ensure fair and balanced weight.
2. Division of Archives and History (currently the Department of Archives and History). **{Proposed Restructuring Savings: \$187,910}** We also propose moving the Institute for Archeology and Anthropology from USC to this division. **{Proposed Restructuring Savings: \$496,812}**
3. Division of Arts (currently the Arts Commission). **{Proposed Restructuring Savings: \$166,995}**
4. State Library. **{Proposed Restructuring Savings: \$93,408}**
5. State Museum. **{Proposed Restructuring Savings: \$94,364}**

Create a State Trust Fund Authority

Currently, the state maintains various internal service funds that manage a variety of risks related to public buildings, torts, medical malpractice, automobile use by public employees, health and disability, and workers compensation. These funds include the Insurance Reserve Fund, Employee Insurance Programs Fund, State Accident Fund, Patients' Compensation Fund, Medical Malpractice Liability Insurance Joint Underwriting Association, and Second Injury Fund. These funds are currently operated independently of each other. As a move toward merging these various funds, we propose unifying the Insurance Reserve Fund, which manages the state's property and tort liability risks, and the State Accident Fund, which manages the state's workers compensation risks. The risks managed by these funds are sufficiently related that they should be administered under the authority of one agency with one administrator. The creation of a trust fund authority will eliminate duplicative overhead costs and will allow the coordinated management of these funds. This approach would make it more likely that the funds would only be used for their prescribed uses. We believe other funds could be added over time. The administrator would be appointed by the governor for a six-year term, with the advice and consent of the Senate.

State Trust Fund Authority

1. State Accident Fund.
2. Insurance Reserve Fund.

III. Make Support Functions of Government More Accountable

The Commission found that the other functions that it had defined as clearly executive tasks also fall within the Budget and Control Board's responsibility. Day-to-day oversight of these functions has been delegated to the Executive Director of the Board, reinforcing the Commission's finding that these tasks are too immediate and crucial to be overseen by a Board that meets only twice a month.

- Chairs David Wilkins and Nick Theodore, *Modernizing South Carolina State Government for the 21st Century*, September 1991. [Note: The Budget and Control Board now only meets once a month.]

We believe that we must create a cabinet-level Department of Administration to provide better support services to state agencies. We are the *only* state in the country that empowers a quasi-legislative/executive board to oversee the administrative support functions of our state.

The 1,100 plus employee Budget and Control Board provides to nearly every state agency a variety of services and support, ranging from procurement, mail delivery, human resources, real estate, data and telecommunications, retirement, construction, and building maintenance. The five-headed structure of the Board results in a lack of accountability and contributes to some services of the Board costing too much. While they may be named different things, it is important to note that *all* of the other 49 states have their administrative support agency under the sole authority of the governor. A Chief Executive of any well-run company or well-run state must have that direct line of authority in order to have the accountability needed to be successful. Therefore, we once again urge the General Assembly to create a Department of Administration.

As the state's Chief Executive Officer, the governor should be responsible for the central administration of Executive Branch functions of state government. However, currently the Budget and Control Board assumes several functions that we have proposed putting into a single, cabinet-level agency to manage daily operations of the state government. For instance, two of the Budget and Control Board's stated policy objectives, which we believe fall under the executive branch under the direction of the governor, are:

- 1) Provide a structure for coordinating inter-agency activities and operations.
- 2) Bring about the efficient and effective use of the state's personnel, fiscal, and capital assets.

The Department of Administration would be in the governor's cabinet to ensure accountability of support services and hiring policies in state government. We propose

that the director of the Department of Administration be appointed by the governor with advice and consent of the Senate.

Department of Administration

From the Budget and Control Board and the Governor's Office:

1. Office of General Services – Our state owns over 8,000 buildings comprising 60 million square feet of space with no central authority to make management decisions. Tens or even hundreds of thousands of square feet of state-owned office space sits vacant, yet the state leases hundreds of thousands more square feet of office space from the private sector.
2. Office of Human Resources – Not having any one person in charge or responsible can allow for the perpetuation of programs that need fixing or ending. The Teacher and Employee Retention Incentive Program was created to retain our best teachers, but instead has resulted in the possibility of double or even triple leave payouts and has increased the unfunded liability of our state retirement system by over \$100 million. Our state has a generous retirement system that has run up \$4.2 billion in unfunded debt that is growing and must be addressed.
3. Employee Insurance Program.
4. Energy Office.
5. Division of Procurement Services – Our state's antiquated procurement system, currently overseen by the Budget and Control Board, sometimes serves as a roadblock that unnecessarily slows down time sensitive projects. For instance, the Department of Parks, Recreation and Tourism recently engaged the procurement system to assist them in outsourcing the state's bait and tackle shops. What should have been a simple procurement matter was delayed, thereby preventing PRT from outsourcing these shops within a reasonable timeframe.
6. Division of Internal Audit and Performance Review.
7. Research and Statistics (excluding Digital Cartography and Precinct Demographics) – Digital Cartography and Precinct Demographics are related to redistricting after the Decennial Census, which is largely a legislative branch function.
8. One-half of the Executive Director's office.
9. One-half of the Internal Operations office.
10. Governor's Office of Executive Policy and Programs (excluding Guardian ad Litem Office, Continuum of Care, and the state Ombudsman).

By moving the above-listed central administrative functions to the governor's cabinet, the Budget and Control Board could then focus on key areas of state fiscal policy, specifically by:

- 1) Approving state revenue and expenditure projections.
- 2) Authorizing the issuance of bonds.
- 3) Addressing budgetary shortfalls.
- 4) Administering the State Retirement System.
- 5) Exercising such other specific fiscal responsibilities as may be enumerated by law.

In addition to those activities being moved from the Budget and Control Board to the governor's cabinet, we also propose that the Department of Administration provide administrative support for a Chief Information Officer (CIO) and a State Inspector General (IG).

Department of Administration – CIO and IG

1. Chief Information Officer (CIO) – The CIO's Office would be responsible for establishing information technology standards and strategic plans across state government. Currently, there is a division of the State Chief Information Officer within the Budget and Control Board. This division would be transferred to the Department of Administration and the CIO would be appointed by the director of the Department of Administration.
2. State Inspector General – We propose creating a central office responsible for identifying waste, fraud, and abuse within the executive branch. The Inspector General's Office would be established and appointed for a 6-year term in the same manner as the Chief of the State Law Enforcement Division. The Inspector General would be nominated by the governor and confirmed by the Senate, serving a six-year term.

Create a Sunset Commission

Former President Ronald Reagan once said that “nothing lasts longer than a temporary government program.” We have found this to be the case in South Carolina – even if the activity is something that the public no longer needs.

Much of this problem results from our lack of a routine review of the agencies and basic functions of our state. A 2002 study entitled “Sunsetting to Reform and Abolish Federal Agencies” by the Cato Institute points out that “companies are routinely put out of business, or ‘sunset,’ by new firms that better serve the public. Government agencies are the only organizations in society that can have immortality without good performance. In the private sector, poor performers are routinely weeded out and resources shifted to more productive activities. A sunset law could help bring that same healthy process of renewal to the government sector.”

One of our country's most progressive sunset programs was enacted by Texas in 1982. As part of the creation of their Sunset Commission, the charter of nearly every agency in the state expires every 12 years unless it is renewed by the state Legislature. This expiration date, which actually includes a 13th year grace period, forces a legislative commission to review 1 out of 12 of their agency's charters every year and make suggestions as to whether or not the agency should continue as is, should continue with different functions, should merge with a similar agency, or should continue to exist at all. The Texas Sunset Commission has saved taxpayers over \$720 million since its inception, generating a return of \$42 for every \$1 invested in the agency.

In the 2000-01 bi-annual budget years, an impressive 207 of the 230 recommendations made by the Texas Sunset Commission were accepted by the state Legislature, which resulted in \$17 million in savings. The recommendations ranged from major changes such as restructuring the Texas Department of Economic Development for \$3 million in savings to smaller ideas such as a \$168,000 adjustment to the Texas State Board of Plumbing Examiners' budget. Florida uses a similar process under their Office of Program Policy Analysis and Government Accountability. This agency proposes an annual business plan to the Florida Legislature based upon agencies' performance and outcome measures. A total of \$443 million in recommended savings has been adopted by the Florida Legislature since 1994.

The results in both Florida and Texas have yielded benefits to the taxpayers in lower costs of government. In fact, both states have no income tax and operate with low state revenues of approximately \$2,800 per person. This number compares very well with the United States average of \$3,810 for states and especially when contrasted with South Carolina's revenue of \$4,140 per person. *Governing* magazine's 2005 *Fact Book* reveals that South Carolina state government operates with a ratio of 251 state employees per 10,000 residents, which is 43 percent higher than the United States average of 176 state employees per 10,000 in population. South Carolina's ratio is 64 percent higher than Texas at 153, and more than double Florida's number of 123 state employees per 10,000 residents.

Texas and Florida can offer some lessons for officials in South Carolina interested in running our government more efficiently and effectively. Last year, the South Carolina House passed a measure which would have created a Sunset Commission as a division of the Legislative Audit Council (LAC), but the bill stalled in the Senate. Because we strongly believe that a regular review of existing laws will provide substantial benefits to the taxpayers of South Carolina, our budget recommends \$585,570 to fund a Sunset Commission under the LAC.

Innovate Education

Innovate Education

Condition of Education in South Carolina

When South Carolina's education system was established, one of its key purposes was to prepare citizens for life and work. From its inception state-funded education was based on the notion that one of the most valuable services the state could offer its citizenry was to prepare them for gainful employment. The service was to be mutually beneficial. As citizens were equipped with the skills necessary to earn a good wage, their quality of life would improve. In turn, the government would have a stronger tax base to use to improve the quality of services it could offer. Education was seen as the driving factor in determining not just the competitiveness of South Carolina's workforce but in dynamically improving the quality of life of each individual citizen.

In keeping with its intended purpose, we should view our K-12 educational system in terms of its ability to prepare citizens for life and work. Though the purpose of education remains the same, the nature of work in our society has changed in many ways. Two essential changes have had deep and lasting impacts on South Carolina's labor force. First, technology has made individuals more productive, reducing the number of people necessary to complete a given task. This change has shifted the concentration of labor away from some industries, such as manufacturing, and into others, such as service. Second, increased connectivity has flattened the world so that companies are no longer limited by geographical or political borders in their efforts to recruit labor. Combined, these changes have made the competition for work fiercer now than it has ever been.

In light of these changes, the educational question before South Carolina is whether we are preparing all of our students to compete directly with individuals from every part of today's knowledge-based economy. This question should drive budgetary decisions made at the state level. It is important to evaluate whether South Carolina is investing its educational dollars so that each student will be equipped with the skills necessary to lead a high-quality life in a competitive world.

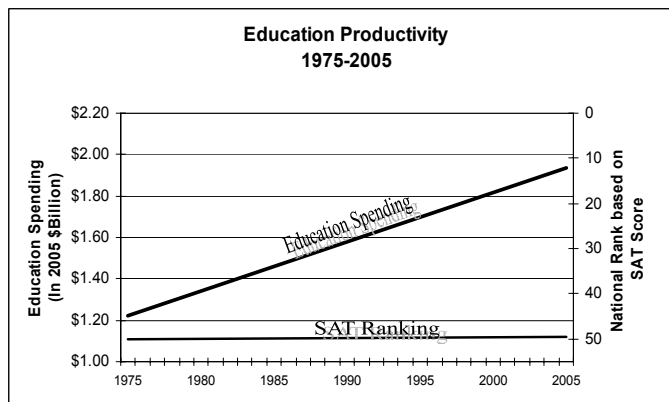
Our budget plan evaluates the effectiveness of South Carolina's educational spending by starting with an objective description of the condition of education in our state. This entails analyzing how effectively we spend our resources, where we are succeeding and where we face continuing challenges. We then consider innovations that can make South Carolina's education system one that produces graduates that are ready for the postsecondary world.

We believe that South Carolina's education system needs to improve more rapidly. Otherwise quality work opportunities will dissipate and our talent – the best and brightest among our youth – will make their homes elsewhere. Another of our beliefs is that we can no longer settle for pockets of success. While improvements should be praised, we cannot allow those praises to distract us from the fact that our education

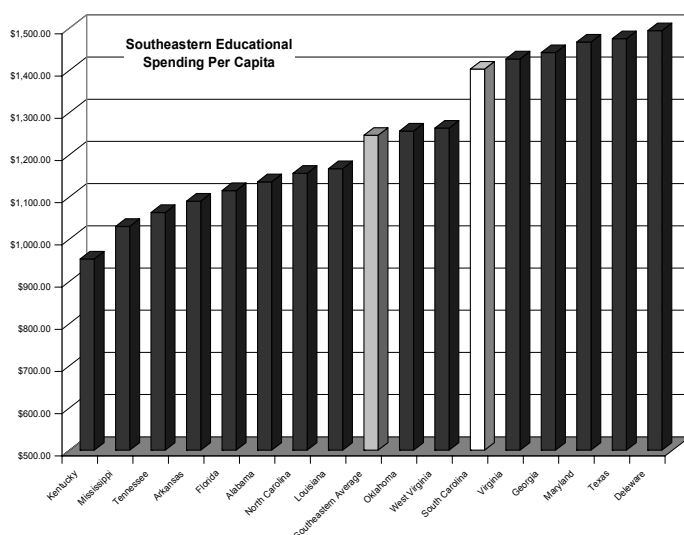
system is only as strong as is its weakest school. Every child deserves a fair chance at a high-quality education.

Education Spending in South Carolina

South Carolina makes a significant investment in its K-12 education system. The unfortunate reality is that the results produced by the K-12 education system are not commensurate to the commitment that taxpayers have made to education funding. Ever-increasing education funding combined with mediocre results demonstrates the need for real reform in not just educational practices but educational spending as well.



South Carolina's educational spending has grown at a rate that significantly outpaces enrollment increases or rising inflationary costs. Since FY 2000-01, total annual educational funding has grown from \$4.5 to \$5.3 billion, representing an 18 percent increase over a four-year period. This increase is well above the two percent growth in school enrollment over the same period. In fact, had growth in educational funding simply kept pace with enrollment and inflationary increases, current education spending would be less than \$5 billion.



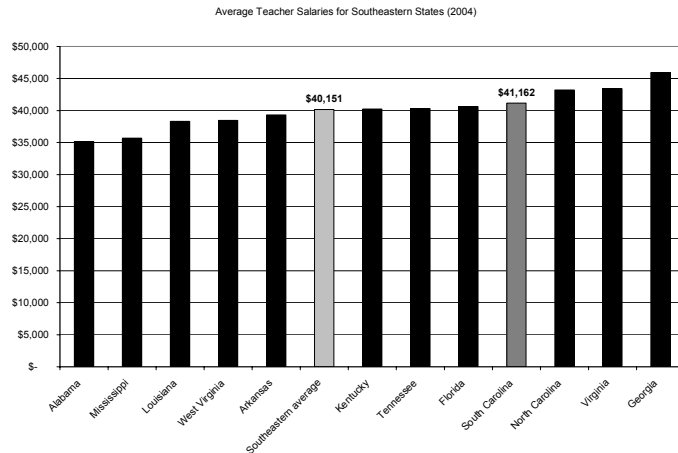
South Carolina's citizens are making a greater commitment to education than are individuals in most states. South Carolina ranks 22nd nationally in terms of its per capita spending on education. As the adjacent chart indicates, our per capita education spending is higher than most states in the Southeast. This has been accomplished despite the fact that the cost of living in South Carolina is less than that of most other states and regions in the country.

Relative to other state obligations, K-12 educational spending represents the largest spending category. In Fiscal Year 2004-05, education comprised 35.5 percent of all general funds expenditures. Fiscal Year 2005-06 educational expenditures increased to represent 36 percent of General

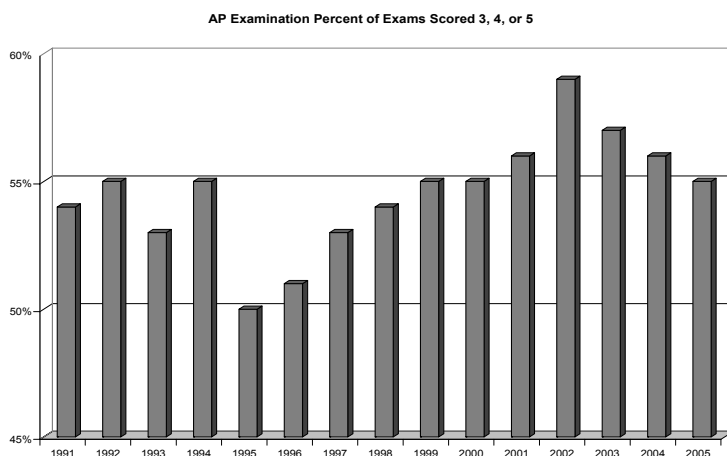
Fund expenditures. The Governor's Purchase Plan maintains the commitment to fully funding education by recommending that 42 percent of general funds expenditures be directed at improving the educational performance of K-12 students.

Incremental Progress

We have consistently advocated that the highest education spending priority is the front line of education – the classroom and teacher pay. Even through tough budget times, we have maintained our commitment to teachers by maintaining a salary standard of \$300 above the Southeastern average. As a matter of fact, a June 2004 study within the state Policy Reports ranks South Carolina seventh in the nation when comparing teacher salaries as a percentage of per capita income.



In addition to paying teachers above the Southeastern average, South Carolina has supported teachers who pursue and earn National Board Certification by offering them a monetary incentive to complete the process. As a result, South Carolina consistently ranks in the top five nationally in the number of teachers earning National Board Certification. South Carolina is one of 23 states offering both fee reimbursement and monetary compensation, having the largest annual salary bonus of all states providing such an incentive. According to the State Department of Education, if current passage rates persist the total number of Board Certified teachers will reach approximately 4,375 by November 2005 and 5,125 by November 2006.



Student performance on Advanced Placement (AP) tests is another area where South Carolina's education system has made marginal improvements. Over the last 15 years, the percent of AP exams receiving a passing grade increased from 54 percent in 1991 to 55 percent in 2005. This increase occurred while the number of tests taken has increased. From 2004 to 2005 the number of AP exams taken by public school students increased

from 10,000 to 11,000 representing a 10 percent increase in the number of test takers.

Since 1995, the SAT and ACT scores for South Carolina's public school students have increased. SAT scores have risen from 954 to 993, representing a 4 percent increase over the 10 year period. During the same time period the national average score improved 2.2 percent rising from 1,006 to 1,028. South Carolina's average composite ACT score rose from 19.1 in 1995 to 19.4 in 2005, while the national average improved one-tenth of a point, increasing from 20.8 in 1995 to 20.9 in 2005.

Continued Challenges

PISA Average Math Scores, OECD Nations					
2003			2000		
Rank	Country	Average	Rank	Country	Average
1	Hong Kong-China	558	1	Japan	557
2	Japan	553	2	Korea, Republic of	547
3	Korea	552	3	New Zealand	537
4	Switzerland	540	4	Finland	536
5	Finland	539	5	Australia	533
6	Liechtenstein	538	6	Canada	533
7	Belgium	530	7	Switzerland	529
8	Macao-China	528	8	United Kingdom	529
9	Czech Republic	527	9	Belgium	520
10	Netherlands	526	10	France	517
19	Germany	500	19	United States	493
20	Sweden	498	20	Germany	490
21	Poland	490	21	Hungary	488
22	Luxembourg	488	22	Russian Federation	478
23	Latvia	486	23	Spain	476
24	Norway	483	24	Poland	470
25	Hungary	479	25	Latvia	463
26	Spain	476	26	Italy	457
27	Ireland	476	27	Portugal	454
28	Russian Federation	474	28	Greece	447
29	United States	472	29	Luxembourg	446

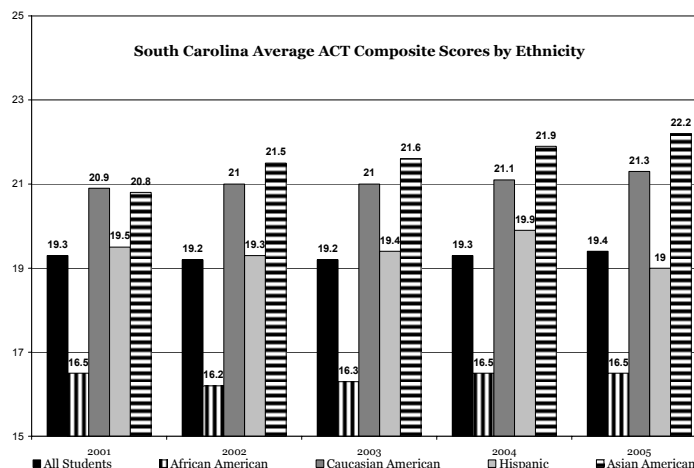
As the preceding section indicates, test scores on some assessments have shown slight gains over the last decade. However, there still remains much room for improvement. Student performance on standardized tests such as the ACT or the SAT illustrates this point. With the exception of 2002 and 2003, South Carolina's current national rank of 49 is the highest the state has accomplished over the last 30 years. ACT scores do not fare much better. In 2005, South Carolina ranked 48th in the nation based on its composite ACT scores. Similar to the SAT, the ACT is used as a measure of college or work preparedness. Among students who had completed South Carolina's high school curriculum, only 12 percent of the students received scores

indicating that they had the reading, writing, and mathematical skills necessary for work or college.

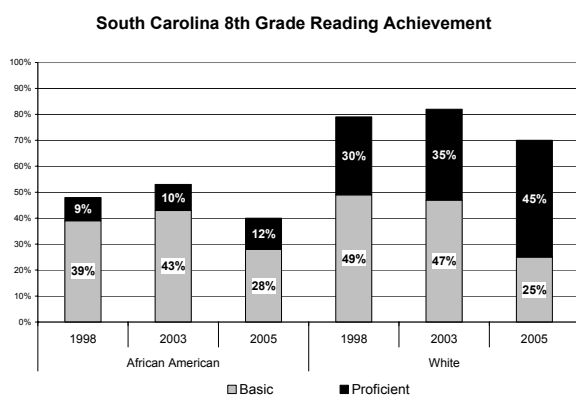
As dismaying as South Carolina's test scores are, what is more important is the fact that South Carolina continues to lag behind in a nation that is losing ground internationally. Among the 40 Organization of Economic Co-Operation and Development (OECD) member and partner countries the United States ranked 29th on the 2003 Programme for International Student Assessment (PISA) mathematics evaluation representing a significant decline from the rank of 19 the United States

received in 2000. In addition to the obvious countries such as South Korea, Japan and France, nations such as the Czech Republic, Slovakia and Hungary performed well above the United States' mean score. Student performance on the Science portion of the PISA evaluation was better, ranking 22 of 40 OECD member and partner nations. However, the point still remains that the competitive edge that the United States once maintained in science and mathematics is fading.

A contributing factor to South Carolina's perpetually low national rank is the fact that the current system has failed to adequately address the widening achievement gap. Student performance on the ACT between 2001 and 2005 demonstrates this point. In each testing year, African American students significantly underperform each of the other ethnic subgroups. The achievement gap between Hispanic and African American students and their Caucasian counterpart is greater in 2005 than in 2001. African American and Hispanic graduating students are significantly less well prepared for college and work than are their Asian and Caucasian American peers.



The achievement gap manifests itself in student performance on NAEP as well.

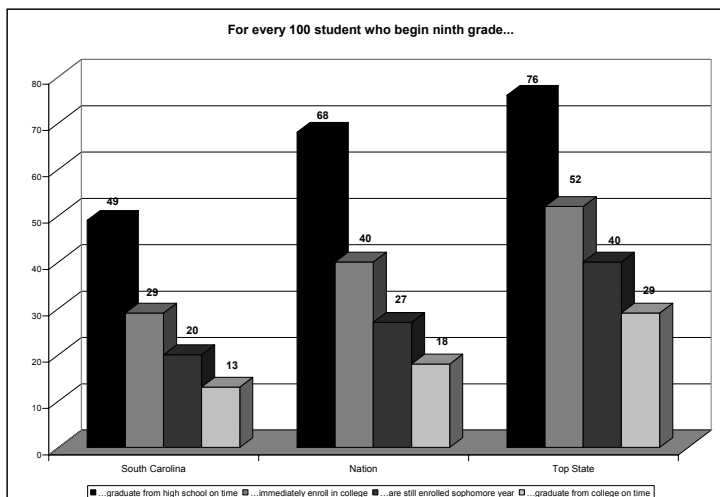


The adjacent chart shows that in reading the achievement gap between African American and white students increased between 1992 and 2005. In reading, the percentage of African American students who were proficient or advanced rose from 9 percent to 12 percent, a rather substantial increase. However, when compared to the 15 percent increase within the white student population, the improvement is overshadowed by the increased disparity between the two subgroups.

A final area of continued challenges can be found in South Carolina's declining graduation rate. The majority of the students who enter high school not only fail to graduate on time, but usually fail to complete any meaningful portion of their postsecondary education. The inability of the current system to prepare students to graduate represents a lost opportunity for this state. As the connection between earning

higher levels of education and the ability to gain a high wage increases, the failure of the public education system will continue to inhibit any efforts to improve South Carolina's economic development.

South Carolina's schools are in desperate need of innovation that goes beyond the reform efforts of the last 25 years. Parents and students who are not receiving a high quality education product deserve more high-quality options. Delivering this innovation will require greater flexibility for parents in finding the educational environment that is best for their child, greater efficiency in the use of educational spending, and an investment in programs that lead to better results.



Expanding School Choice as a Source of Innovation

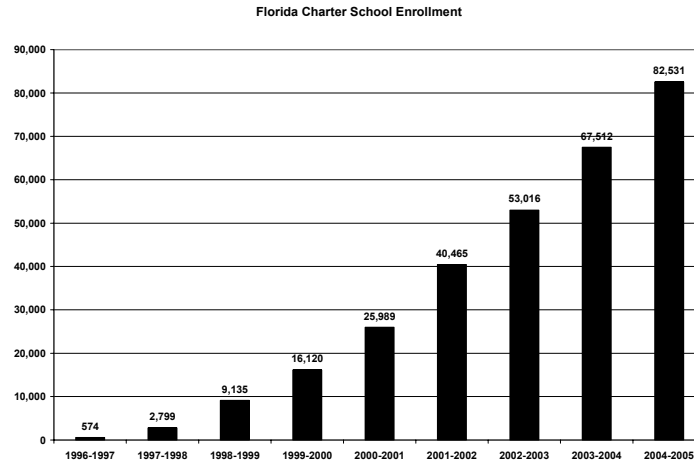
Often the debate over school choice is reduced to public versus private education, with discussion focusing on which is better. Such a limited school choice debate moves away from the underlying goal of school choice, which is to give parents the flexibility to find the best learning environment for their child so that overall student achievement is improved. Expanding school choice options can improve the state's ability to offer a higher-quality education product by leveraging all of the resources at our disposal.

Statewide Charter School District

In 1996, the General Assembly enacted the South Carolina Charter School Act allowing for the creation of charter schools, which are non-traditional public schools. The initial charter school legislation required the local school board approve and then provide oversight and funding for the operation of these schools. Any charter school applicant that was denied by the local school board could appeal to the State Board of Education. In 2000, the General Assembly modified the law to establish a statewide charter advisory board to review charter applications to ensure that an application complied with all aspects of the law before the application was considered by a local school board.

Despite these encouraging steps, only 27 charter schools have been approved to date. Other states that established charter school legislation at approximately the same time are experiencing more rapid growth in the number of charter schools being formed. For instance, North Carolina passed charter school legislation the same year as South Carolina and yet has nearly four times as many charter schools serving more than five times as many students. Florida has greatly surpassed South Carolina, with more than 82,000 students being served in 325 charter schools at the beginning of the 2004-05

school year. So rapid is the growth in the number of students served by charter schools that enrollment for the 2005-06 school year has already reached more than 96,000 students. Florida and North Carolina are but two examples of states that have embraced the importance of expanding school choice options for students.



One factor limiting the growth of quality charter schools in South Carolina is the fact that school districts are the only agencies that have the authority to issue a charter. While some school districts see the benefit of creating charter schools as a way to increase the quantity and quality of education options available to their students, many remain skeptical if not outright hostile towards charter schools. Some school districts struggle to improve the quality of service provided by the schools that already exist and find it hard to support charter schools. There are also school districts that are weary of the competition that charter schools represent. A district that sponsors a charter school runs the risk that the charter school will be more successful than other schools in the district, drawing criticism to the less successful schools and placing additional pressure on school and district administrators.

One way states have addressed the disincentive local school districts have in allowing charter schools is to create multiple authorizers. In fact, 22 of the 40 states that have passed charter school legislation have gone a step further and created multiple authorizers that can approve charter schools. Authorizers are the entities that accept and approve a charter school application and offer the charter school administrative support. Creating multiple authorizers increases the likelihood that a quality charter school will successfully apply for a charter by providing the applicant multiple options. Applicants that wish to locate in districts that, despite community interest, do not wish to allow a charter school have another alternative.

There is significant variation in how states form multiple authorizers. States such as North Carolina and Ohio allow public universities and colleges to create charter schools. New York and Rhode Island allow the state education agency to form charters. There are states that allow nonprofits, county councils, and city mayors to approve a charter school application. Lastly four states and the District of Columbia have created separate

statewide entities that serve as Independent Charter Boards that have the authority to approve or deny charter school applications throughout the state. While having multiple authorizers is essential to the growth of quality charter school options, there is no one alternative authorizer structure that fits all states.

We propose expanding the charter school legislation even further by creating an alternative authorizer, which can encourage the growth of charter schools and provide the additional support those schools need to succeed. By creating an Independent Charter School Board in the form of a statewide charter school district, South Carolina can alleviate the burdens that skeptical school boards face while facilitating the creation of more charter schools. There are four other states that have pursued a similar response to slow charter school growth. Independent Charter School Boards allow charter schools to be supported by a school board that is focused entirely on charter schools and benefits from the expertise that such focus develops.

A bill that would create such an independent board was introduced by Speaker Pro Tempore Doug Smith, and co-sponsored by Former Speaker David Wilkins, House Education and Public Works Committee Chairman Ronnie Townsend, and K-12 Education Subcommittee Chairman Bob Walker. The bill would create a statewide charter school district, the Carolina Public Charter School District, to govern newly formed charter schools or existing charter schools that choose to join the statewide district. Under the proposed legislation, this district would be considered a Local Education Agency and would be eligible to receive state, federal, and private grant and loan funds. Though this district would not have a local tax base, it would receive 100 percent of the state's Base Student Cost for which any school district is eligible as well as all other state and federal funding to which school districts are entitled. One of the benefits of this statewide district would be the ability to apply for more federal grant programs than under current state law. We expect that having multiple authorizers legislation, along with access to far more resources, would significantly increase the number of charter schools in the state. This legislation passed the House in 2005, and passed the Senate Committee on Education. Unfortunately the legislation was not debated on the Senate floor. We will again work closely with the General Assembly to enact this important legislation in the 2006 legislative session.

Benefits of Charter Schools

There are many states that have an active and growing charter school population that has experienced success in improving test scores. According to a recent study by Caroline Hoxby of Harvard University and the National Bureau of Economic Research, students in charter schools are four percent more likely to be proficient in reading and two percent more likely to be proficient in math. Compared to similar regular public schools, charter schools can be more effective at raising the achievement of traditionally underperforming subgroups. As the adjacent chart indicates, while charter schools tend to outperform comparable regular public schools, those that serve predominantly Hispanic and African American communities show larger gains than do charter schools

in other communities. A similar pattern persists when charter schools in high poverty areas are compared to all other charter schools.

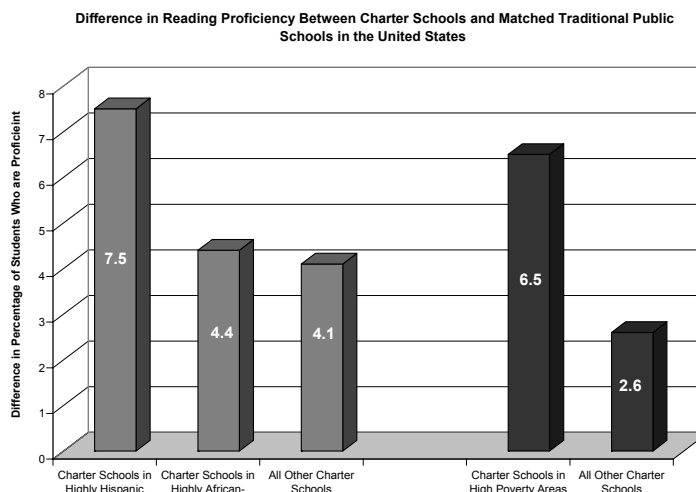
Charter schools offer students from diverse backgrounds more educational options. This is reflected by the charter school enrollment in Arizona, where charter schools have been around for a decade. The student population does not mirror that of the public schools:

- 61 percent of charter students are on free or reduced lunch, compared to 50 percent in traditional public schools.
- 5.8 percent of the charter students were designated as having special needs, compared to 3.8 percent in traditional public schools.
- Only 2 percent of charter students were designated as gifted, compared to 7.6 percent of public schools.

Studies indicate that students in Arizona charter schools perform better than those in traditional public schools. In a three-year study of charter school students, researchers observed an annual achievement growth of roughly three points higher than traditional public schools. Over a four year period of elementary school, this amounts to an additional full year of growth. 62 percent of charter schools met the required Adequate Yearly Progress standard set by No Child Left Behind. This compares to 54.5 percent of traditional public schools. In Arizona, fourth grade students are about seven percent more likely to be proficient in reading and math.

Similar results are seen in other states. In California, students are eight percent more likely to be proficient in reading and three percent more likely in math. Charter school students in Colorado are 11 percent more likely to be proficient in reading and math. Most importantly, in the District of Columbia, the only area with lower SAT scores than South Carolina, charter school students are 35 percent more likely to be proficient in reading and 40 percent more likely to be proficient in math.

In Georgia, charter students exceed traditional public school students in “meets” or “exceeds the standards” in proficiency. As the tables below indicate, the performance of charter school students in Georgia across grade levels and subject areas meets or exceeds the performance of traditional public school students.

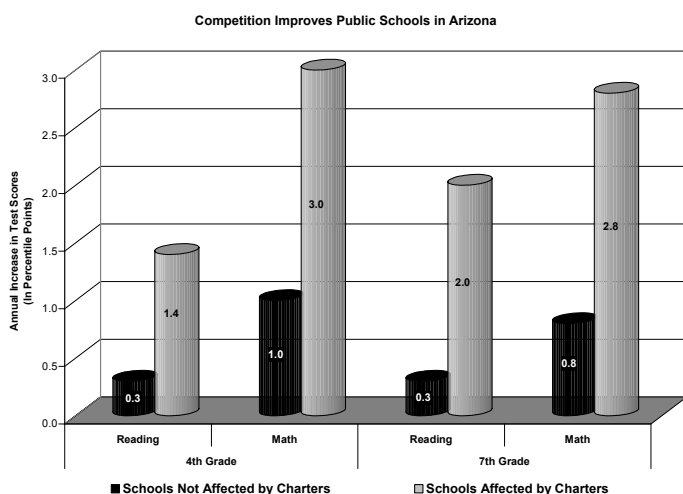


Percentage of Students Meeting or Exceeding Standard in Reading		
Grade Level	Charter Schools	Traditional Schools
4	81%	80%
6	84%	82%
8	86%	81%

Percentage of Students Meeting or Exceeding Standard in Math		
Grade Level	Charter Schools	Traditional Schools
4	74%	74%
6	73%	70%
8	73%	66%

Though charter school students start at about the same proficiency level in Grade 4, the charter students make greater gains in both math and reading by Grade 8. This is particularly important because success in the 8th grade is indicative of success in completing high school.

According to the Manhattan Institute, similar results were found when comparing the performance of charter schools in Texas to traditional public schools in their performance on the Texas Assessment of Academic Skills. In reading, students who were enrolled in charter schools demonstrated proficiencies that were the equivalent of eight percentile points higher than students in nearby traditional schools. In terms of rank, this translates to a student going from being better than 50 percent of the students in the state to being better than 58 percent of the students in the state. Math yielded similar results with students improving their performance by seven percentile points. These improvements were robust and persisted over time.

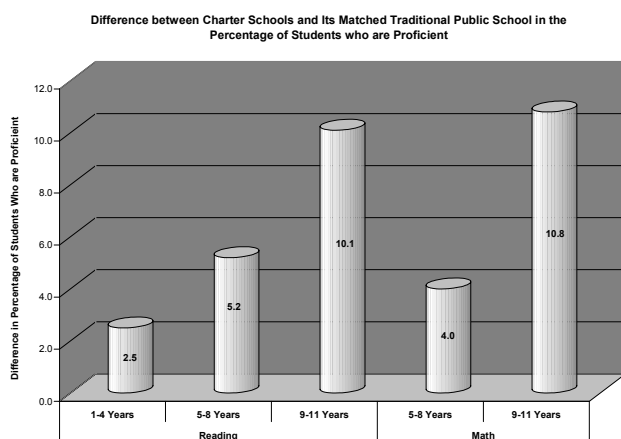


The benefits of charter schools are not limited to the students who take advantage of the choices they provide. Regular public schools respond to the existence of charter schools by implementing innovative strategies that improve student performance more rapidly than traditional methods. The Arizona Department of Education used the percentage of a district's population that chooses a charter school as a measure of the competitiveness of a district.

Districts where more than six percent of the student population enrolled in charter schools were considered more competitive than districts where a smaller portion of the student population chose a charter school option. Schools in more competitive districts began increasing student achievement more rapidly than comparable schools in districts that were not as exposed to the competition that charter schools created. Examining 4th and 7th grade reading and math scores shows that Arizona's traditional public schools that were in competitive districts improved as much as five times more rapidly on the

state issued assessment than did public schools that had a lower percentage of the student population choosing to enroll in charter schools.

The benefits of charter schools increase as the schools gain more experience. Charter schools that have been established for less than five years tend to outperform their regular public school counterpart. However, charter schools that are older experience even greater gains. For instance, when comparing regular public schools to charter schools, those that have been established for less than 5 years are 2.5 percent more likely to be proficient readers. However, in charter schools that have been established between 9 and 11 years, students are 10 percent more likely to be proficient readers than are students in traditional public schools.



Ultimately, we believe charter schools offer a public school option for students who may be struggling in traditional public schools. As we have seen in other states and cities, we believe the passage of a statewide district will foster a more successful charter school environment that will allow the option in much greater numbers than is available today.

Giving Parents Greater Control of Their Child's Success

In South Carolina the choices parents have over how and where their child is educated is determined by their income. Parents have access to choice to the extent that they can afford to live in communities that have schools offering the services their child needs. Some school districts allow parents to choose schools within the district, but these options are limited by the number of “slots” the district is willing to open to school choice. When districts make these options available, they are usually issued under a lottery system that places a child’s educational fate on the probability that their number is selected. Lastly, parents can transfer their children to public or private schools that are not part of the district in which they reside. However, these out-of-district transfers come at a cost in the form of tuition and other fees. Additionally, there are transportation costs associated with any choice option a parent pursues. These costs – transportation, tuition, and others – are prohibitive for many parents in our state.

In an effort to help parents fully realize the possibility of taking advantage of the best educational option available for their child, we supported enactment of the Put Parents in Charge Act last year and will continue to be supportive of similar plans. We believe this form of school choice is an important component of making transformative change

to education, and we will continue to support measures to give more options to parents to help choose the education that best suits their child.

Greater School Choice Increases Outcomes

The state of Florida has one of the largest school choice programs in the country. Their program, known as Opportunity Scholarships, provides scholarships to students in consistently failing schools to go to another school. In Florida, test scores at schools that face losing students as a result of their taking advantage of Opportunity Scholarships have increased at twice the rate of other schools. A study by the Manhattan Institute for Policy Research demonstrates that competition from school choice in Florida improves performance in failing schools more dramatically than reducing class sizes from 25 students to 17 students. In a recent study of the Milwaukee Parental Choice Program, 64 percent of the students enrolling in high school in 1999 under the program graduated in 2003 – compared to 34 percent in Milwaukee Public Schools.

Town Tuitioning – Vermont and Maine

To provide educational opportunities for its children, many of whom live in rural and non-urban areas, Vermont and Maine long ago instituted a practice known as “town tuitioning.” This practice has been in effect since 1869 in Vermont and 1873 in Maine, meaning that choice programs have existed in the United States for over 100 years. In both states, small, rural towns were given the choice of either building public schools or using public dollars to send students to another public school or a private school. The public funds could also be used to send students to out-of-state schools – even out of the country.

In Vermont, 20 percent of all secondary students are tuitioned students: 53 percent in public high schools, 41 percent in private schools, and 6 percent attend out-of-state schools. In Maine, 18 percent of all secondary students are tuitioned students: 66 percent enrolled in public schools, 33 percent in private schools, and one percent chose to go to school in another state. In Maine, towns spend an average of \$5,732 per pupil for tuitioning a student (totaling \$63 million statewide) – compared to Maine’s state average of \$8,393 per pupil. In Vermont, towns spend an average \$7,347 per pupil for tuitioning a student (totaling \$47 million statewide) – compared to Vermont’s state average of \$9,675 per pupil.

Studies indicate that schools that have higher standardized tests attract more tuition money from parents. According to a study of tuitioning, schools that are closer to tuition towns – whether affluent or poor, rural or urban – have higher standardized test scores than schools that are more distant from tuition towns. The study also finds that tuitioned students perform 13 percent higher on standardized tests than other students in the respective states. In an estimate of what it would cost the states to produce the same results in traditional public schools, the state would have to increase spending by \$909 per student, increasing education spending by roughly \$300 million dollars.

International Examples

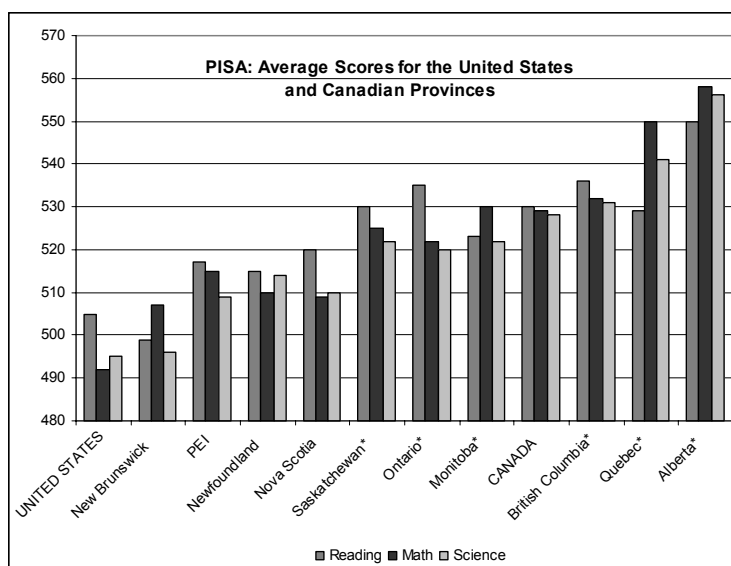
The United States is by no means the only country that has considered school choice as a way to improve student achievement. Countries all over the world have recognized the value of providing students access to all of the educational options available in their community. Rather than limiting students to government run or public schools, countries are giving parents increasing flexibility to choose where their child is educated.

Canada

Canada's longstanding tradition of allowing parental choice has led to the widespread use of a variety of educational options. Parents may choose to homeschool their children or to enroll them in an independent school of their choice. In regions that have a large Catholic population, religious schools are included among independent school options. In terms of the forms of school choice available, provinces in Canada are similar to South Carolina. What distinguishes school choice in Canadian provinces from the options available to parents in South Carolina are the ways in which Canadian school choice is funded.

Provinces in Canada have been creative in finding ways to fund parental choice. Some use refundable tax-credits and school vouchers to ease the financial burden that parents face when pursuing school choice options. Other provinces fund independent schools on equal footing with public schools while allowing them to maintain their independence through autonomous school boards. A few provinces combine the use of multiple funding models to maximize the number of educational options from which parents can choose.

Canadian school choice is raising student achievement. Provinces that use tax-credits, vouchers, or independent school funding to provide parents educational freedom have higher levels of student achievement on international assessments such as PISA. As the adjacent chart shows, provinces such as Quebec and Alberta that have more school choice options available to parents score well above the national average on PISA, and significantly outpace United States student performance on the same assessment. However, provinces where parents have less educational freedom have lower test scores. The differences in



student achievement are even greater in subjects such as math and science. In Canada, provinces that give parents greater flexibility in choosing how and where their child is educated experience higher levels of student achievement.

In addition to raising overall student achievement, school choice in Canada is breaking the connection between family income and the quality of the education a child receives. Provinces that have implemented school choice programs have a higher percentage of low-income students enrolled in independent schools, which is improving the likelihood that these students are placed in learning environments that match their individual needs. This flexibility works to close the achievement gap between students in poverty and those from affluent families. Conversely, in provinces that do not offer school choice family income is 20 percent more likely to determine the score a student received than it is in provinces where school choice existed.

Chile

As part of a massive school reform effort in the 1980s, Chile implemented a nationwide voucher system that gave parents the flexibility to choose public and private schools. Prior to 1981, the central government was responsible for funding and providing education services. This entailed establishing and implementing curriculum, managing capital and human resources, and regulating student outcomes. The 1981 reform provided local governments, Chilean municipalities, control over public schools, provided school funding on the basis of student enrollment, granted parents the ability to choose public or private schools, and opened the market for new schools to form.

The educational reforms of the 1980s led to the emergence of three types of schools: public schools that are run by the local government; subsidized private schools that receive funds from the government as a result of enrolling students who receive state vouchers; and unsubsidized private schools that receive no funds from the government. The first two types of schools tend to serve students from comparable backgrounds while the latter primarily serves students from higher income families.

The greatest impact on student achievement has been in the private subsidized schools where a large portion of the school budget is driven by student enrollment. The budgets of private subsidized schools rely on their ability to attract students by offering a higher quality educational service. When compared to public schools, students in private subsidized schools experienced greater gains in student achievement.

The gains in student achievement experienced under the voucher system in Chile have not been even. The lowest impact has been in public schools where the connection between the school budgets and student enrollment is weak. Public schools that lose students as a result of students choosing other options – different public schools or private school alternatives – are given increased per student subsidies from the local government. Rather than being forced to respond, public schools in Chile are protected from true competition.

Two primary lessons can be learned from the choice program implemented in Chile. School choice benefits students from a variety of backgrounds. Second, schools that are exposed to competition through school choice experience greater gains in student achievement.

Sweden

Most often known as a country with high taxation and a highly centralized national government, Sweden has had school choice for more than a decade. In the 1990's, Sweden enacted two very important reforms that have led to an outgrowth of school choice unexpected in this European nation.

First, the government transferred central authority of schools from a nationwide responsibility to one of the local municipality. When virtually all other government services are provided at the national level, Sweden determined that more local participation in the public education system would be beneficial.

Second, the government enacted two bills in 1991 to enhance the growth of independent, or private schools. The legislation, the Government Bill on Freedom of Choice and Independent Schools and the Government Bill on School Choice, changed the law to allow independent schools to receive funding from municipalities on terms equal to municipal schools. The schools, which are approved by the National Agency for Education, must operate in accordance with the national curriculum, may not have discriminatory rules of admission, and may not charge a fee, in exchange for full public funding.

Since enactment of the legislation, the number of students enrolled in independent schools has quadrupled and the number of independent schools has increased fivefold. The nationwide enrollment of students in independent schools is roughly 4 percent of elementary schools and 5.6 percent in the high school equivalent (upper-secondary school). What is particularly important is that rural municipalities, at or above the Arctic Circle, have enrollment well above the national average at roughly 10 percent. Meanwhile, suburbs of Stockholm have enrollment ranging from one-fifth to one-third of the total student population.

According to a recent study by The IUI Foundation, “[w]e find that the extent of competition from independent schools, measured as the proportion of students in the municipality that goes to independent schools, improves both the test results and the grades in public schools.”

Cultivating Quality Educators

Many education factors are outside of the control of our schools. Schools do not control the family dynamics that greet their students when they return home daily. Community factors such as the prevalence of poverty or social isolationism are not for the school to

dictate. Lastly, students bring to school internal motivations and interests that can be tapped into by the school but are not the schools to determine. However, schools are charged with the awesome task of meeting kids where they are and providing each individual with the education that they will need for today's world.

We believe every school can and must meet the charge that is set before them. Doing so requires that schools recognize the factors that are within their control and use them to the best of their abilities. A key factor that can be controlled by the schools is the quality of the educators instructing students. We believe that one of the best ways to positively impact student achievement is to increase the likelihood that every student will receive quality instruction everyday.

South Carolina has made many efforts to improve the quality of its educators. In our most challenging schools, the results of our efforts have been short-lived. Long-term improvements will occur when all schools have high quality leadership guiding the efforts of high quality teachers. Our goal is not to undermine the hard work of educators who have dedicated years of their lives to the students in our state. Rather, we simply wish to acknowledge that quality must be defined in terms of results, and, unfortunately, the results we are getting are far from what we had hoped. Addressing the results we are getting, particularly in our historically low-performing schools and districts, will require that we rethink efforts being made at placing quality leaders and teachers in every school or district.

Giving administrators the flexibility to lead – SMART Funding

School and district leadership ranks second only to teacher quality among school factors that influence a student's performance. South Carolina's ability to create a competitive educational system will rely upon our ability to recruit and retain strong school and district leaders. This is even more the case in schools that have historically underperformed.

There is no model for effective leadership that will work in all environments. The needs of a rural affluent community will differ from those of a poverty stricken urban community. Schools where most students have college-educated parents will have needs that differ from those where a high school diploma is typically the highest level of education. A high performing school or district has different needs than districts and schools that have yet to reach high levels of academic success. Rather than focusing on the inputs a leader chooses, a good measure of quality will focus on the results a school leader produces.

South Carolina needs to consider whether the system by which education leaders are generated is one that increases or decreases the availability of innovative leaders. A key hindrance lies in the fact that much of what a school leader does is dictated by the state. Leaders in many cases are primarily program implementers. One of our main goals in the education budget is more dollars going directly to the classroom. Many dollars are tied to very specific funding categories and do not allow local school districts to put

resources where they are needed most. An example illustrating this is found in the Education Improvement Act that was enacted in 1984 as a set of grants directed to schools to implement dynamic new programs aimed at improving educational achievement. However, over time, the EIA budget has become a collection of more than 70 different programs, which give Columbia greater leverage over dollars spent in communities around the state. Regulations are not lifted until the school has either performed so poorly that it is clear no current programs are working or the students perform so well that the school is given flexibility to operate outside of the confines of what regulations dictate. We believe that spending decisions are better made closest to the child they affect, and propose putting in place a measure which would give school districts greater flexibility in those decisions.

We propose reducing the regulations that limit the ability of innovative leaders to make site-based decisions by reducing the number of programs to which education funding is tied. Reducing program requirements and giving leaders larger blocks of money to use at their discretion can give school and district administrators the flexibility they need to make decisions based on the individual needs of their students. Funding flexibility cannot be provided without the appropriate accountability. Increased flexibility can be balanced with accountability that is connected to the performance of the school.

In each appropriations act for the last three fiscal years, school districts have received a degree of flexibility in spending via proviso. In our first two State of the State addresses, we called for the General Assembly to enact a permanent statute which would provide school districts more flexibility in how they spend the dollars allocated to them. This proposal, SMART Funding, would put more education spending decisions in the hands of the communities, rather than dictating policy from Columbia. This proposal, introduced by Representative Roland Smith and co-sponsored by Former Speaker David Wilkins and the then House Ways and Means Chairman Bobby Harrell, passed overwhelmingly in the House in 2003 and came very close to passing in the Senate. The SMART funding bill currently rests in the Senate. We will work closely with the General Assembly in the upcoming legislative session to enact this bill in 2006.

Rewarding Teachers with Greater Discretion

Of all the factors affecting South Carolina's school system, teacher quality has the most direct impact on students. On the day-to-day bases, each teacher in our state has the opportunity to lead the students in their classes to educational success or failure. While many of South Carolina's teachers strive daily to offer their students the best educational service they can, the unfortunate truth is that not all teachers are equal in their effectiveness at reaching individual students and raising their levels of achievement. Our current compensation system fails to acknowledge this fact and rewards all teachers based on years of experience and levels of education. Knowing the impact that teacher quality has on students, we believe that South Carolina's commitment to improving student performance should be reflected in how we reward

our teachers. High-quality teachers deserve compensation that acknowledges the challenges they face and that is based on the results they produce.

In our budget, we propose creating pay incentives that encourage high-quality teachers to accept more challenging of positions. Of particular interest are our Nationally Board Certified Teachers who are not necessarily teaching where they are needed most. For instance, in Richland School District 1, a critical needs school district, where roughly 60 percent of the students are on free or reduced lunch, Nationally Board Certified teachers comprise only 5.9 percent of the workforce. Just next door is Richland School District 2 which is not considered a critical needs area. In that district, 30 percent of the students are on free or reduced lunch, yet 20 percent of the teachers are Nationally Board Certified. In December 2005, the University of South Carolina released a study that indicates that Nationally Board Certified Teachers are not having the impact on student achievement that justifies the tremendous investment the state is making in the program. We recommend that we focus our efforts in putting Nationally Board Certified teachers in critical needs areas as a means of attracting better qualified teachers in areas that cannot successfully recruit those teachers now. In states such as California and New York, Nationally Board Certified teachers are only awarded bonuses if they teach in low performing schools. In Illinois, the state offers a two-tier bonus plan, \$3,000 for all Nationally Board Certified teachers and an additional \$3,000 for teachers in critical needs areas. We propose limiting the bonus for Nationally Board Certified teachers to only critical needs or low-performing areas in the state. This proposal is consistent with a proposal released by the Democratic Leadership Council in their *2004 State and Local Playbook* advocating the use of National Board bonuses as an incentive to recruit teachers into the poorest school districts in a position paper entitled, "Employing Board Certified Teachers Wisely."

The teacher salary schedule can be modified so that it more effectively rewards teachers who accept positions in areas facing increasing teacher shortages. In areas such as science, math, special needs, and English as a second language, South Carolina faces an increasing difficulty to recruit and retain quality teachers. Restructuring the teacher salary schedule to pay teachers more for accepting more challenging positions is one way that South Carolina can provide incentives that can reduce the shortage and turnover rates. A similar approach has been implemented in the Denver Public School District, which has implemented the Professional Compensation System for Teachers (ProComp). Rather than maintaining the traditional salary schedule that paid all teachers based on years of experience and level of education, Denver voters have opted to implement a merit-pay system to raise teacher salaries based in part on the difficulty of their teaching assignment. Teachers in hard-to-staff subjects like science or English as a second language are paid more than are teachers in less challenging positions. Likewise, teachers in more challenging communities are paid more than teachers in affluent schools where students come from well-educated households.

Ultimately our goal in modifying teacher pay is to improve student performance. With the exception of those who teach in hard-to-staff positions, we believe that rewarding teachers who have improved student achievement is a better approach than rewarding

teachers based on their credentials. States across the union are realizing the potential merit-pay has in rewarding quality teachers. Denver's ProComp System incorporates a merit-pay component that rewards teachers for reaching student performance goals. Under Denver's ProComp System, teachers receive a base pay level. However, those who reach district-established performance goals receive pay increases that reflect the extent to which they exceeded the goal – better teachers receive better pay.

In October 2005, Texas Governor Rick Perry announced that he is designating \$10 million to be targeted towards economically challenged schools as an incentive for these schools to move to a merit-pay system. Interested schools can apply for a \$100,000 grant that can be used to implement merit-pay in their local campus. Schools that receive the grant will have the authority to distribute the grants to teachers who demonstrate the ability to raise student performance. The proposed Texas program does a few things. First, it rewards teachers who accepted the challenge of teaching students who come from a more challenging background. Second, rather than dictating state level programs targeted at affecting the inputs that affect student learning – textbooks, technology, reading initiatives – it sends the money out to teachers who have attained the results that the state wants. Massachusetts Governor Mitt Romney has proposed a similar plan to add \$5,000 in merit-pay to teacher salaries.

Iowa has restructured its teacher compensation system with the goal of improving teacher quality and student performance. A key component to this salary restructuring was the implementation of a merit-pay program. Districts are required to create a team-based performance plan that includes student performance goals, multiple indicators for reaching those goals and a system of financial rewards. Teams of teachers are rewarded for gains in student achievement.

Merit-pay is not foreign to South Carolina. The Teacher Advancement Program (TAP) is an example of a merit-pay model that has already been implemented in schools in our state. TAP combines the use of individual, team, and school-wide incentives to encourage teachers to improve student achievement. By establishing a career ladder wherein master teachers are rewarded for sharing their expertise with the teachers they mentor, the TAP program increases the likelihood that success in one classroom can be duplicated throughout the school. Schools that implement the TAP program evaluate teachers based on classroom observations as well as student performance on periodic standardized assessments. Throughout the year teachers that either demonstrate ineffective teaching methods or fail to yield the results in student achievement are given targeted professional development to improve the quality of their performance. The results of this merit-pay system speak for themselves. In all of the high-poverty schools that have implemented the TAP program, the percentage of students who score proficient in math or reading are increasing more rapidly than in comparable schools.

The Governor's Purchase Plan proposes redirecting a portion of teacher pay incentives to focus on improving the results teachers produce. Our plan targets the funds used to raise the average teacher salary above the Southeastern average to establish a merit-pay block grant for which school districts apply. The amount districts receive will be

determined by the number of teachers in the school district. However, we propose a requirement that districts submit a plan that establishes how they will use the funding to reward teachers who are willing to accept more challenging assignments or who demonstrate the ability to improve student achievement. We give school district leaders the flexibility to determine the best incentive program for their faculty. Our plan gives districts the discretion of creating their own merit-pay system, implementing a system similar to those used in other states, or implementing the TAP program. Our guidelines only require that the distribution of incentives be determined either by a teacher evaluation that is tied to student performance or by providing an incentive for teachers to pursue hard-to-staff positions. We believe that by providing an incentive for schools and districts to move towards merit-pay we can accomplish two tasks. First we can increase the salaries of teachers who are getting the results that we desperately need. Second we can provide an incentive for our highest quality teachers to move to areas that offer greater challenges.

Early Childhood Education

South Carolina's ability to improve its educational outcomes is in part contingent upon our ability to increase the likelihood that a child starts school ready to learn. There is increasing evidence that once a student falls behind in school they are unlikely to catch up to their peers. The long-term performance of retained students illustrates this point. An Education Oversight Committee report released earlier this year indicates that students who have been retained in grades three to eight are unlikely to improve PACT scores when they retest in the grade that they have repeated. Even more disheartening is the fact that students who start out below basic on PACT are unlikely to reach proficiency. Waiting until students reach first grade or third grade hazards the fact that low performing students are likely to continually lag behind their peers in educational attainment. Ensuring that students start school ready to learn increases the chances that they keep pace with their peers and benefit from a successful educational experience.

A child's early developmental needs are not just academic. There are several developmental areas that determine a child's readiness to perform when they enter school. These areas include physical and motor development, social and emotional development, as well as overall cognitive development. The needs of a preschool age child extend well beyond the scope of the services schools provide and include services that involve multiple local, state, and federal agencies. At the state level, the Departments of Education, Social Services, Health and Environmental Control, and the Office of First Steps to School Readiness provide services to young children. Coordinating these agencies is essential to any attempt to improve the likelihood that a student enters school ready to learn.

Properly preparing children for the K-12 system requires an awareness of the fact that the needs of children will vary from household to household and from community to community. Many of our students reside in households that are well-equipped to

prepare them to start school ready to learn. However, this is not the case for all students in our state. As Judge Thomas W. Cooper, Jr.'s recent ruling on the education funding case concludes, there are students who suffer primarily because they fail to receive an early childhood intervention that is "designed to address the impact of poverty on educational abilities and achievement." These at-risk students require higher quality early childhood services than they currently receive.

There are five key service providers that serve at-risk early childhood students in South Carolina: Public four-year-old kindergarten programs offered through public school districts; Head Start programs funded by the Federal Government; preschool Special Education programs; private and faith-based childcare service providers; and A Better Childcare (ABC) Vouchers funded by the federal government. In "Building a Foundation for Success by Getting Every Child Ready for School," the Southern Regional Education Board makes it clear that state and federal programs provide an opportunity for all of South Carolina's at-risk students to receive early childhood services. For our at-risk students, the issue of preparedness for school is about matching them to the high quality services they need to successfully transition from early childhood programs into the K12 learning environment. If South Carolina is to improve early childhood education programs, there must be better coordination of the early childhood services that are provided to at-risk students. This can best be accomplished by strengthening the collaboration between the early childhood service providers.

We believe that the state should direct the resources that are committed to early childhood education services to more effectively serve children who are most at-risk. We propose that early childhood funding be used to provide incentives that improve the quality of early childhood services by encouraging more collaboration between all of the agencies that serve our youngest children. Providing such incentives can increase the likelihood that an at-risk student will receive comprehensive services that address all of their developmental needs.

Conclusion

Our education proposals reflect a simple goal of providing options for students in South Carolina to get the best possible education they can. We accomplish this goal through a combination of funding education at the front lines and reforming the system for better results. In a number of other states, reform initiatives are offering more and better education options to parents. As of this year, the Bill and Melinda Gates Foundation has contributed more than \$2.2 billion to small school initiatives across the country. According to a study released by the foundation, students in small schools in New York had higher graduation rates than their peers in larger schools. Students in small schools in Chicago had a dropout rate one-third lower than students attending big schools.

We have made progress over the last five years on some measurements of education, but we still lag in many others. With the growth of more education choices in other states,

we cannot afford to simply rely on incremental change to impact our competitiveness both nationally and internationally. We should stop aiming to get out of the bottom of the list and start aiming to get to the top of the list. We believe these initiatives offer that transformational opportunity to succeed.

**Emphasize Economic
Development**

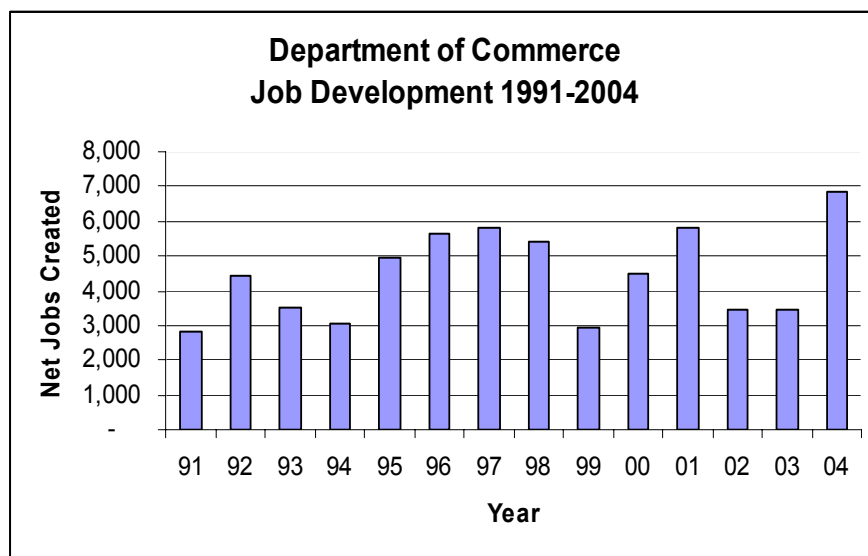
Emphasize Economic Development

If you are going to deal with a system as complex and brutal as globalization, and prosper within it, you need a strategy for how to choose prosperity for your country.

– Thomas Friedman, *The Lexus and the Olive Tree*

Unquestionably 2004 and 2005 were landmark years for job recruitment in South Carolina.

Looking specifically at the efforts of the Department of Commerce, in 2004, despite tough economic times, the agency posted our state's highest job creation numbers since 1991, the year the department began tracking the statistics. A record 6,821 jobs, paying 21 percent above the state's per capita income of \$27,172, were created by the agency's efforts during the 12-month period.



Source: South Carolina Department of Commerce

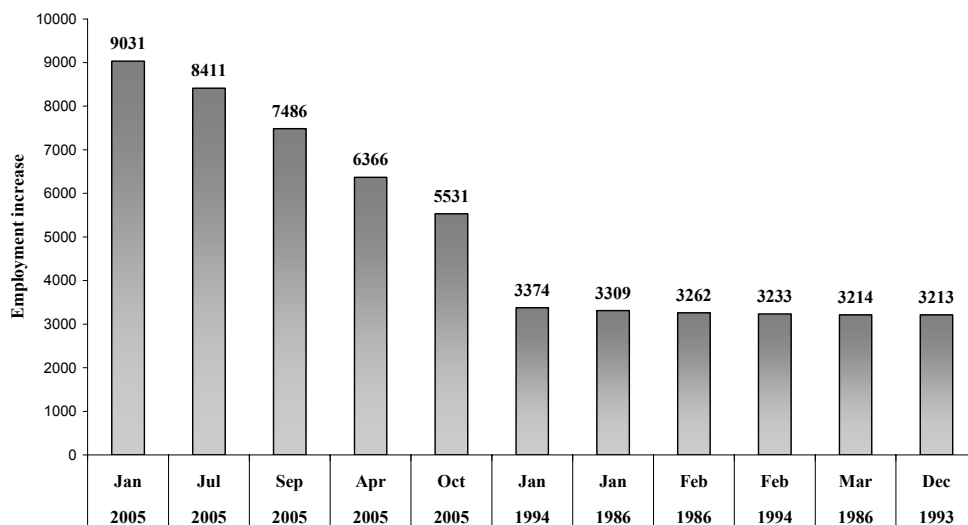
- * Expansions starting in 2003 were all competitive in keeping with the current Department of Commerce data reporting procedure.
- * Years prior to 2003 included substantial reporting from noncompetitive expansion investment.
- * In order to keep these charts consistent, the expansion data was subtracted in years 2003 and 2004 to get net results.

According to the Bureau of Labor Statistics (BLS), South Carolina, as a whole, has created 36,667 new jobs, with strong growth occurring in the months of September and October 2005. Both of these months are among the best for South Carolina in the last 20 years. In fact, in the 238 BLS labor reports since the start of 1985, South Carolina

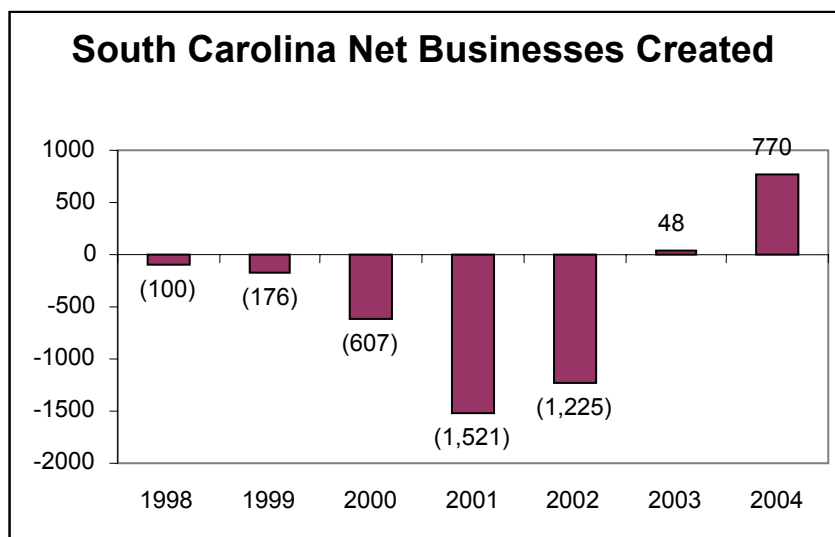
has added more than 5,500 jobs in a single month on five separate occasions. All five occurred in 2005.

South Carolina's largest single-month employment increases, since 1985

(source: U.S. Bureau of Labor Statistics, seasonally-adjusted figures)



It should also be noted that this administration's focus on small businesses as a job creation engine are beginning to pay off – in each of the five years prior to this administration, more businesses were closing than were being created, with an average 726 more businesses closing than opening. But in each of the past two years, more businesses have been created than lost – with this past year showing 770 more businesses opening than closing. Small business growth for the past two years in our state has outperformed the national average by 138 percent.

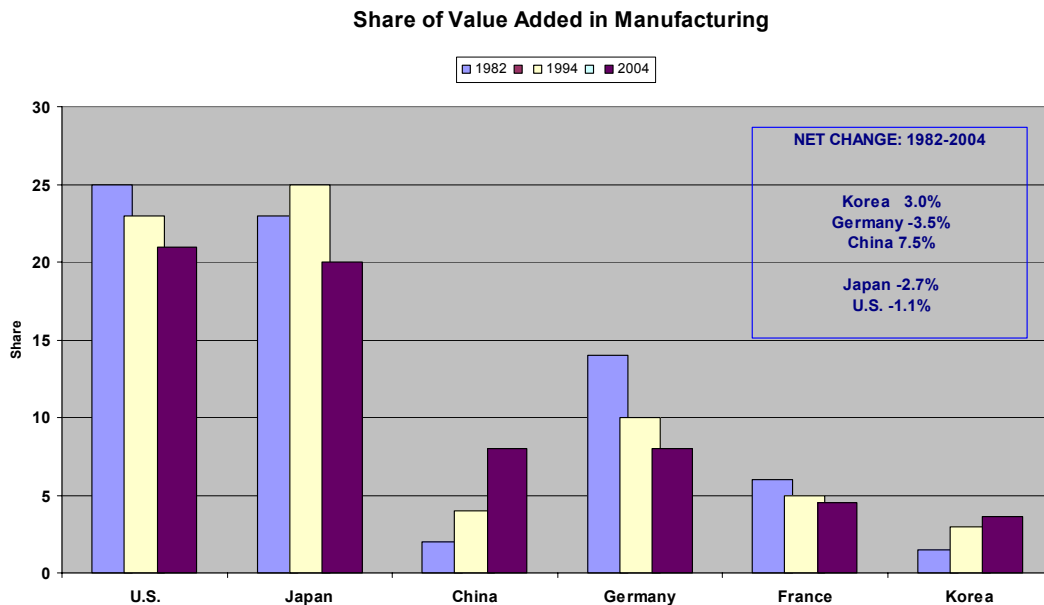


In addition to these successful efforts, this administration worked with the Legislature to help make the 2005 legislative session one of the most significant pro-business sessions this state has ever seen. This administration is proud of our efforts on both fronts and hopes to see this trend continue for years to come. This, of course, can only happen if all stakeholders are committed to making the changes necessary to keep South Carolina competitive globally.

In Thomas Friedman's latest book, *The World is Flat*, he asserts that, because of technological and social shifts, the economic playing field is effectively being leveled. Practices such as outsourcing, offshoring, supply chaining and insourcing have "created a flat world: a global, web-enabled platform for multiple forms of sharing knowledge and work, irrespective of time, distance, geography and increasingly, language." Because of this globalization, the time has come for all of us to rethink the way we do business.

CHANGING THE WAY WE DO BUSINESS

For state government, that starts with reviewing our approach to economic development. Historically, recruiters assumed that cheap land and cheap labor coupled with up-front tax breaks and incentives would bring a sustainable workforce. However, as technology and transportation advanced – and costs subsequently decreased – businesses realized that our labor, land, and incentives were not as attractive as they were just a few years ago. The built-in international barriers of cost and culture that traditionally offset regulation and taxes disappeared – almost overnight. The newfound viability of the rest of the world resulted in 36 percent of the jobs announced by the Department of Commerce in the 1990s going elsewhere or never materializing.



Source: Center for International Trade, Clemson University

The frightening aspect of this transition is that we are not just seeing manufacturing move overseas – services like product development, accounting and customer care are settling comfortably in the emerging economies of Korea and China. For decades, companies in our state have viewed their neighbor as their largest competition. Under a flat world model, that competitor could be 6,000 miles away – working while we sleep. New levels of cheap land and cheap labor are marrying intellectual capital and infrastructure, forcing states like South Carolina to do some soul searching and explore our appeals, shortcomings and practices in a new economy.

Recognizing the global economic revolution that was quietly taking place, this administration along with our friends in the private sector founded the Council on Competitiveness. The goal of the group, made up of business leaders, government, and academia, was to define a long-term economic strategy – the type of comprehensive look that had never been done in South Carolina. An early study by the Council, led by Harvard Professor Michael Porter, found that while South Carolina's low-cost economic strategy has historically worked in landing jobs, it has been less successful in raising the standard of living in the state.

The study identified a number of the state's strengths and weaknesses. The strengths recognized some of our long-standing selling points, such as the port and our technical college system. Whereas, the weaknesses identified the need for a stronger education system, a top-tier research university, a friendlier environment for start-ups and small firms, and a defined network of industry clustering. In response, we pressed for more educational choices, sought to implement a university governance structure, intensified our focus on small business, and embraced the concept of clustering in our recruiting strategy.

The concept of clustering encourages our existing, disparate companies to share resources with their neighbors or those previously perceived as competition, and have the ability to network their business well beyond the borders of not only our state, but the United States. In recruiting companies, the clustering strategy focuses on those businesses that fit with our existing assets. For example, our base of textiles, tourism, and autos gives us a fertile starting point for creating successful clusters with those existing industries. From there, we can seek out companies that would, for example, utilize the state's current suppliers and infrastructure.

In a broader sense, we discovered that we have to create an overall competitive economic environment that focuses on our strengths and existing framework for business. South Carolina has a population of four million people in a global workforce of billions, and simply cannot be all things to all people. We have also found that most of our jobs have been, and will continue to be, created by small businesses; and those things that we can do to nurture the growth of existing business will be at least as successful as landing new ones. To that end, we believe the fundamentals of attracting new business and supporting existing business revolve around good schools, a highly skilled and adaptable workforce, favorable tax policies, affordable housing, and a high quality of life.

This administration has focused its energies on these principles since day one. In this world of transformative change, the infusion of more educational choice into a stagnant system and the creation of a more dynamic, business-friendly economic climate have been cornerstone issues. By cultivating the economic soil conditions in the state and focusing on the principles of sustainable economic development, we can show companies all across the globe (including those already here) the benefits of locating and growing in South Carolina. We believe that the following reforms are practical means of enhancing those benefits.

LEGISLATIVE REFORMS

In last year's executive budget, we stated:

It is our view that South Carolina must reform three key areas if we are to create a more business friendly environment: income tax rates, tort liability, and the administration of the state's workforce investment funds.

We are happy to report that during the 2005 legislative session, all three areas were addressed to some degree. It was also a landmark year for the state's small businesses. Our hopes are that these items as well as additional reforms will be reviewed and updated during the 2006 Session in our ongoing effort to improve the business climate in our state. We discuss each of these in detail below.

Tax Cut for Small Businesses

Recognizing the administrations long standing position on the current tax rate for small business, the General Assembly rightfully sought to decrease the tax burden on small business during the 2005 legislative session. Effectively, we reduced the income tax rate paid by S-corporations, LLCs, partnerships, and sole proprietors from seven percent to five percent over a four-year period. When fully implemented, this reduction will put nearly \$200 million back into the hands of small-business owners. While this is a great step in the direction of tax relief, we continue to believe more needs to be done. In looking at South Carolina's tax code, we believe our relatively high income tax rate stymies economic growth. This belief was shared by our friends in the House of Representatives who twice passed our proposal to decrease the state's uncompetitive income tax rate for all South Carolinians.

We effectively have the highest income tax rate in the Southeast when applying the rate to the 2004 state per capita income of \$27,172. Our proposal would give South Carolina an ending top marginal rate of 4.75 percent. This rate would put us just above the current Southeastern and United States averages for income tax rates being paid on per capita income. From a competitive standpoint, we would prefer to fall below the Southeastern average, but at the very least, it is imperative that we bring our rate down so that we are on par with our neighboring states. Failure to do so will keep us at a competitive disadvantage.

Civil Justice Reform

A much needed and sought after reform of the state's criminal justice system took a step forward in 2005. This was the first comprehensive reform in our state's tort system in recent history. Even with the great strides we have made, current law does not provide any stability or predictability with regard to damage limits. So called "deep pockets" continue to be the target of lawsuits without merit in hopes of landing a large judgment. Further, our system still prohibits defense attorneys from introducing into evidence whether a plaintiff was wearing a seat belt in an automobile accident. Not wearing a seat belt is against the law in South Carolina, and juries should have the right to know if the plaintiff's illegal behavior contributed to his/her damages.

As South Carolina competes in the global marketplace for jobs and intellectual capital, our lawmakers should continue to reform our state's tort laws to create a more equitable civil justice system and a friendlier business climate. As our neighbors pass tort reforms, South Carolina remains at a competitive disadvantage when compared to foreign markets and states that have improved tort liability systems and put reasonable limits in place.

Venue, statute of repose, frivolous lawsuits, and joint and several liability – all significant accomplishments, and all are improvements to the business climate in South Carolina. However, much work still needs to be done. Thirty-two states have enacted punitive damage limits, such as: Alabama, Georgia, North Carolina, Florida, Mississippi, and Louisiana. Twenty-three states have enacted limits on non-economic damages, such as: Georgia, Florida, and Mississippi. Meaningful tort reform will not exist in South Carolina until we address these types of damages.

Our plan for change sets reasonable limits on non-economic and punitive damages in an effort to standardize the amounts awarded by juries and thereby control the potentially explosive costs of liability insurance. We also need to close the loophole in the seat belt law that keeps relevant information away from juries. Ultimately, we believe civil justice reform should be anchored by a philosophy that our tort liability system be based on common sense and fairness, minimizing barriers to economic growth.

Workforce Investment Act

The Workforce Investment Act (WIA) of 1998 provides the framework for a unique national workforce development system designed to meet the needs of both the nation's businesses and the needs of job seekers or those who want to further their careers. WIA focuses on meeting the needs of businesses for skilled workers and the training, education, and employment needs of individuals. Key components of the Act enable customers to easily access the information and services they need through the "One-Stop" system, empower adults to obtain the training they find most appropriate through Individual Training Accounts, and ensure that all state and local programs meet customer expectations.

By way of Executive Order, the federal Workforce Investment program representing over \$60 million in federal money was transferred to the Department of Commerce last

year. This move allows the primary job creation agency – Commerce – to better coordinate with other training and business partners. Also, this allows the agency to ensure that the dollars being spent are directed at training workers for the types of industry we are actively recruiting. Using the clustering concept, it is much easier to focus these funds on existing clusters that we are looking to expand.

Commerce works on economic and business development as well as on community and rural development so it is a natural fit to add workforce development into their strategies for the state. Again, this allows the agency to direct dollars to the industries that are being recruited. Through WIA, the Department hopes to create opportunities for individuals and businesses to succeed in a global economy through public-private partnerships that link business, education, and employment.

Workers Compensation

With the reality of rising premiums and the huge assessments associated with the Second Injury Fund, workers compensation reform is one of the single biggest concerns of the business community. As workers compensation costs increase, companies are making the tough decision to pay the premiums or cut back on staff. If economic prosperity is ever to take hold in South Carolina, we must reform our current system.

Rates

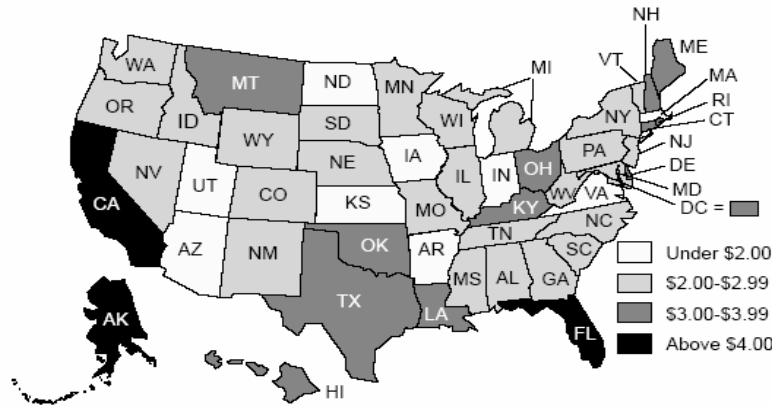
In 2002, South Carolina ranked 42nd in the nation in workers compensation premium rates at \$1.82 per \$100.00 of payroll – up from 49th in 2000. In 2004, national premium rates ranged from a low of \$1.06 in North Dakota to a high of \$6.08 in California. South Carolina rose from 42nd to 39th with a premium rate of \$2.08 per \$100.00 in payroll. If you add to that the National Council on Compensation Insurance's proposed 32 percent increase, South Carolina jumps into the top twenty states with the highest premium rates in the nation. Certainly that is literally too high a cost for our employers to pay when we also expect them to create jobs, invest in our communities and provide the tax base for our schools.

Workers' Compensation Rates – Comparison to Southern States

2004 Ranking	2002 Ranking	2000 Ranking	State
3	2	1	Florida
6	16	24	Kentucky
9	7	2	Louisiana
14	5	7	Texas
15	19	11	Oklahoma
19	12	18	Alabama
24	24	13	West Virginia
25	29	31	Tennessee
32	24	42	North Carolina
36	33	30	Mississippi
37	28	21	Georgia
39	42	49	South Carolina
47	49	51	Virginia
48	47	40	Arkansas

The current system is an impediment to its “customers.” There is a great need for statutory and systemic reforms to better serve the injured workers and the employers of this state.

Figure 1: 2004 Workers’ Compensation Premium Rates



Note: Premium rate index per \$100.00 of payroll.

Reforming the System

A successful and effective workers compensation system has a direct impact on the cost of doing business in South Carolina. Reforming the current system to create an efficient forum to serve our state’s injured workers has a positive impact on both the injured worker and the employer. It is important that we address some level of reform in the 2006 legislative session that will have an immediate impact on rates. Overall, the system needs a larger review that could bring changes for years to come. It is with these goals in mind that in July 2005 we appointed a Workers Compensation Task Force, consisting of business, insurance, legal and medical representatives to examine the rising premiums, current laws, the existing claims and appeals process, the current level of oversight at the Commission, and to make recommendations for improvements in the overall workers compensation system.

The proposals of the task force, which are listed below, range from reforms that directly address rates to changes in case law that serve as roadblocks to progress. This administration, along with organizations, such as the South Carolina Manufacturers Alliance and the South Carolina Chamber of Commerce are committed to meaningful change in a system that could limit the ability of businesses to grow and prosper in our state for years to come. We recognize that “fixing” the workers compensation system in South Carolina is an extensive undertaking and one that would require more research and attention than could be given in one legislative session, but we feel strongly that significant reforms can and should begin now.

1) ***Dissolve the Second Injury Fund***

Carriers and self-insurers are currently facing skyrocketing assessments from the Second Injury Fund. While assessments have continually risen over the last few years, businesses are now looking at a more than 100 percent increase

in the assessment over last year. Predictability and stability in the system are vital components of a workable system. Every self-insured employer, fund and insurance company employs actuaries, financial analysts and accountants to predict rates and assessments and none of them could have ever foreseen this type of increase. Increases like the ones businesses are currently facing will likely be passed on to the citizens of this state in the form of higher prices as they purchase food, clothing, housing, and fuel. Without a system that more fairly represents what is happening in the marketplace, we continue to believe that the time has come for the orderly dissolution of the Second Injury Fund.

Dissolving the Fund in no way prevents an injured claimant from collecting benefits they deserve; the fund reimburses employers or their insurers for workers compensation payments to workers with pre-existing conditions who experience a subsequent injury. We need to simply level the playing field for businesses in South Carolina if we want to continue to compete in a global economy. Since 1992, seventeen states have abolished their Second Injury Funds.

Alabama	Kansas	Oklahoma
Colorado	Kentucky	Rhode Island
Connecticut	Maine	South Dakota
D.C.	Minnesota	Utah
Florida	Nebraska	Vermont
Georgia	New Mexico	

Employers know that the costs for the fund greatly outweigh any potential benefit received and that the Fund has outlived its usefulness. Payments to employers from the fund are being driven up not only by increasing wages and medical costs, but also by a dramatic increase in claims accepted by the Fund. When added to the proposed double-digit workers' compensation premium increase, these costs hurt the bottom line of both large and small businesses. Assessment increases threaten the business climate by taking money away from activities like job creation. Last year 98 percent of companies that contributed to the Fund received no reimbursements. This means that small businesses that have fewer accidents and companies that do not have the resources to manage the paperwork and administrative hurdles associated with processing reimbursements contribute far more than they will ever recover from the Fund. The orderly dissolution of the Second Injury Fund is a positive step in the direction emphasizing this administration's commitment to a healthy business climate.

2) ***Reform of the Workers Compensation Commission***

The Workers Compensation Commission currently consists of seven (7) commissioners appointed by the Governor and approved by the Senate, with the Governor naming the Chair; however, this Chair has no more authority

than the other commissioners. Contested cases are tried before a single commissioner, whose decision can be appealed to a panel of three (3) of his or her fellow commissioners. There is no consistency of awards by commissioners and, moreover, there are no objective standards upon which disability determinations are made. (There are reports of awards that disregarded expert medical testimony in favor of the lay testimony of the injured worker, took into account geographic location and considered Second Injury Fund eligibility to increase the amount of an award.) There is also little use of the mediation process to resolve claims.

a) ***Restrict Repetitive Trauma Claims***

Court cases and Commission decisions have liberalized and expanded the definition of “accident” to include conditions that are the natural result of the aging process. Additionally, the requirement that an “accident” be identifiable to a time and place of occurrence has been eliminated and there is no statute of limitations for bringing these claims. As a result, the workers compensation system is absorbing costs for claims never contemplated for conditions experienced by the general public in the course of the normal activities of day-to-day life. The definition of “accident” should be restored to its original and intended purpose and repetitive trauma injuries should be subject to objective standards that permit apportionment for non-occupational causes.

b) ***Eliminate the Presumption of Total and Permanent Disability for Certain Back Injuries***

Current law imposes an irrefutable presumption that a 50 percent or more loss of use of the back is a total and permanent disability, regardless of the injured worker’s occupation or whether he or she is able to return to work. This presumption is fundamentally illogical on its face and encourages “doctor shopping.” Some workers with a 50 percent loss of use may be totally and permanently disabled and the law should allow that worker to present evidence to that effect and should be compensated accordingly. Other workers, however, will not be totally and permanently disabled as a result of a 50 percent loss of use of the back and should not reap a windfall because of a flawed provision in the law. These excess payments result in higher costs that are passed on to employers and, ultimately, to consumers.

c) ***Foster better communications with medical providers***

Out of an abundance of concern regarding patient privacy concerns, the current South Carolina law contains overly broad restrictions on employer or insurer representatives’ communications with medical providers regarding the injured worker’s ability to return to work, light duty programs, etc. Companies are limited to taking the deposition of

the medical provider, which is a cumbersome, ineffective and expensive process. There is ample evidence that the sooner an injured worker returns to work, the better the healing process. The focus of the workers compensation system should be to return injured workers to work as quickly as possible and Brown v. Bi-Lo undermines that goal.

d) ***Restrict non-expert testimony***

Current law allows non-expert testimony (i.e., that of the injured worker) concerning a medical condition. It goes without saying that this results in inappropriate and excessive awards that drive up the overall costs of the workers compensation system.

e) ***Return the Workers Compensation System to a True No-Fault System***

As originally enacted, workers compensation laws were intended to replace a share of the injured worker's lost income and cover his or her related medical expenses, and to do so efficiently. Additionally, the system should create incentives for employers to promote safety and for employees to return to work. Workers compensation is a "no-fault" system in that the injured worker does not have to prove that his or her injuries were caused by the negligence of the employer. In exchange, the injured worker receives prompt and predictable benefits. In what should be a non-adversarial environment, there is no need for substantial attorney involvement. Yet, South Carolina has a very high rate of attorney involvement compared to other states and attorney's fees are much higher than those in other states. Many attorneys claim that the mere fact of their representation does not prove that claim costs are increased. However, the fees paid to attorneys either take money from the injured worker or drive-up the cost of the claim; there is no other explanation. We should enact legislation to create a consumer-friendly environment at the Workers Compensation Commission (other states have ombudsmen or other neutral representatives to assist injured workers in navigating the claim process), discouraging frivolous proceedings and limiting attorneys' fees.

MOVING FORWARD

This administration has applauded the efforts by Secretary Bob Faith and his staff at the Department of Commerce to cut unnecessary spending on such items as:

- Duplication of services – to generate more dollars for front line services, staff assistants and middle-managers were eliminated, saving \$1 million annually;

- Office consolidation – moving from four floors to two, saving \$264,000 annually; and
- Fractional ownership in a jet, saving \$152,552 annually.

Now that some of the more extraneous expense has been removed from the budget, it is time to direct the necessary funds to the agency for us to compete in this global economy. This requires a level where there are enough project managers to handle the prospects, the right recruiting tools in the “tool box” and a marketing campaign that will inform anyone around the world of the benefits of doing business in South Carolina. To address these needs, we are proposing an increase of more than \$12 million to the Department of Commerce’s budget for the following items.

We recommend adding staff to focus on lead generation, marketing, and project management for both recruitment and existing business retention and expansion. We also propose an additional staff person to assist the Small Business Ombudsman with external communication. This office, started in December 2003, fields an average of 500+ annually from individuals wanting to start a business, or companies wanting to grow a business. The office acts as a facilitator, connecting public and private sector resources with small business needs. They also act as a catalyst for connecting and creating new resources that support small business.

Additionally, unlike South Carolina, many other states have discretionary funds they call “deal closing funds” that are used when trying to lure new companies or plants. We propose to level the playing field by dedicating funding to the Department of Commerce to be used to close the deal. Often we remain competitive until the very end when other states throw additional value-added items on the table to sweeten the deal. We have no such opportunity due to the restrictions placed on our recruitment funds.

Other states use these funds to acquire land for a project or front cash to the company rather than running them through a credit or incentive program. From our vantage point, unfettered discretion is not always in the best interest of the taxpayer. However, the Department of Commerce needs more resources from which to draw when competing for projects. As well, since the Department of Commerce is a Cabinet level agency, we feel confident that there would be a level of accountability. Monies spent to prepare the site would be built into the purchase price of the property so the state recoups funds expended when the transaction is complete, maintaining a consistent economic development tool.

Southeastern competitive states with such funds include:

- Florida: \$10 million, 2005-07, “Quick Action Closing Fund”
- Louisiana: \$10 million, 2005-06, “Rapid Response Fund”
- Mississippi: \$7 million, 2005-06, “Ace Fund”
- North Carolina: \$6 million, 2005-07, “One North Carolina Fund”
- Virginia: \$17.5 million, 2005-06, “Governor’s Opportunity Fund”

We propose first year funding of \$7 million. The fund should be made whole annually, returning back to the starting amount of \$7 million. Depending on the use of the dollars, the amount needed annually would change.

For our economy to continue to grow in today's global marketplace, we believe that the playing field must be bettered for all businesses. This administration's comprehensive approach to business development focuses on lowering taxes for small businesses and individuals and improving the overall conditions for business to grow. While 2005 was a great year for business, we must not stop with just those successes. We need to once again center this legislative session on business friendly legislation. We look forward to working with our friends in the Legislature to do just that.

Meet the Health Care Challenge

Meet the Health Care Challenge

He who has health has hope; and he who has hope has everything.

– Arabian Proverb

Health care encompasses approximately 34 percent of the state budget and greatly impacts the quality of life in South Carolina. Dealing with the rising cost of health care is one of the biggest challenges we face in preparing this budget.

The Past Year

We had several successes in the last year that will have a positive effect on the health of our citizens.

- Working with the General Assembly, we passed into law a comprehensive medical malpractice reform bill that places a reasonable cap on punitive damages and puts an end to the practice of “venue shopping,” where would-be plaintiffs search for a friendly judge and jury. This will help bring down the cost of insurance for health care providers and reduce the incentive for doctors to practice “defensive medicine” which drives up health care costs.
- We also proposed and the General Assembly approved a \$1 million increase in the budget for early treatment of breast and cervical cancer for low income women. This will help lower the age at which these women can seek treatment from 47 to 19.
- Often, lifelong habits are formed in childhood. With that thought in mind, the General Assembly passed a comprehensive physical education bill to help children become more physically active.
- Working with the Administration, the Department of Health and Human Services put together our “South Carolina Healthy Connections” Medicaid transformation plan that is already being hailed by health policy experts across the country as a model for getting better health results while putting Medicaid on firm financial footing.

While these successes are a step in the right direction, several challenges remain. South Carolina currently spends too little attention to investing in our health on the front- end through prevention efforts, which leads to more health care dollars being spent on expensive trips to the emergency room and institutional care on the back-end. We also scatter scarce Medicaid dollars over too many state agencies. Health care funding is a finite resource; money wasted on unnecessary administrative burdens or inefficient care

is money taken away from important services for our citizens. We can and must do better.

Prevention

Many of South Carolina's problems with health care are the result of poor choices. The Center for Disease Control and Prevention has stated that: "Three modifiable health-damaging behaviors – tobacco use, lack of physical activity, and poor eating habits – are responsible for much of the inordinate suffering and early death of millions of Americans. In fact, approximately 33 percent of all deaths (about 800,000 deaths) in the United States can be attributed to these behaviors."

It's hard to argue that South Carolina being eleventh in the nation in smoking is not directly related to our being 14th in prevalence of lung cancer, or that being 12th in the nation in adults who engage in no physical activity does not lead to our being eleventh in obesity. Stroke and diabetes are partially caused by a poor diet. A recent study found that 82 percent of men, 71 percent of women, and 83 percent of high school students in South Carolina eat fewer than five servings of fruits and vegetables per day. So it should not be surprising that we are second in stroke death and fifth in prevalence of diabetes. We are a little better (23rd) in heart disease, but still in the unhealthy half of the country on that front. This administration will continue to encourage our citizens to make healthier choices in their day-to-day lives and thereby work to reduce the rate of health care spending.

Healthy SC Challenge

If we improve the quality of our diet and exercise, we will get better results in the form of lower rates of chronic diseases. We believe that increased awareness of the need to make better personal choices about our health will benefit us all. Therefore, in May 2005, we launched the Healthy SC Challenge, a results-oriented initiative that will reward the county with the best overall improvements in increased physical activity and decreased BMI statistics (weight) and smoking rates. This coming spring, we will invite the residents of the winning county (yes, all of them!), to celebrate at the Governor's Mansion. People can check where their county ranks by logging onto the Challenge's website at www.healthysc.gov. As a result of this effort, there are great collaborative efforts going on all across the state. Examples include South Carolina Bank and Trust Company's new wellness program in 14 cities, Dr. Marcus Newberry's Upstate health care solutions weblog, Erskine College's "Erskine on the Move" healthy living program and Charleston Channel Two News' "Low Country Challenge." While one county will come to the Mansion, all 46 counties can win in this competition by making a healthy change for the better.

Prevention Partnership Grants

Most of the dollars spent on health care in South Carolina are for treating medical conditions, the majority of which are highly preventable chronic diseases. We believe it

is important to focus on strategies that reduce the incidents and costs of preventable diseases. Toward that end, we proposed a \$5 million Prevention Partnership Grants Program at the Department of Health and Human Services. The General Assembly agreed to fund \$2 million to begin the program.

Grants must be awarded through a competitive process to government agencies, private foundations, and/or non-profit organizations that operate preventive health programs with documented outcomes. To prevent duplication, the Department will function as a clearinghouse for all of the state's prevention and healthy lifestyle activities. Several grants were awarded this past year to successful programs across the state, from Charleston to Chesterfield County to Anderson to Oconee County. We will continue to support finding and funding prevention ideas that work rather than building more bureaucracy.

Smoking Cessation

Many private programs are offering smoking cessation programs with premium incentives because it makes good business sense. Healthier workers are more productive workers. Therefore, last August the Budget and Control Board voted to include smoking cessation as part of the State Employee Insurance Program, and the program began on January 1, 2006. It is our hope that a good number of our employees who smoke will take advantage of the new program.

In 2007, premiums could increase by approximately ten dollars per month. However, to encourage use of this new program, we propose that non-smoking employees, including those who complete a smoking cessation program and remain off tobacco afterwards, have their monthly premiums frozen for the second straight year. According to Budget and Control Board analysts, savings from reduced smoking-related illnesses would more than offset the increased cost of this service by its second year of operation.

According to the Center for Disease Control, the health benefits of quitting smoking are numerous, and many are experienced quickly. Within months, coughing and other respiratory symptoms decrease and lung function increases. One year after quitting, excess risk for heart disease is reduced by half. The chance to have their monthly premiums frozen for another year is another incentive that we hope will encourage more of our employees to make a healthy choice regarding tobacco use.

Improving Medicaid: South Carolina Healthy Connections

Across the nation and here at home, Medicaid is consuming an ever-increasing portion of state budgets. In 2000, \$1 out of every \$7 that South Carolina spent went toward Medicaid. This year, it was \$1 out of every \$5 spent. A decade from now, \$1 out of every \$3 we spend will go toward Medicaid. This brings us to the central question before us: With rapidly increasing costs, how do we continue to provide health care for some of our state's neediest citizens? Do we simply cut people from Medicaid rolls like other states

have done? Or, do we make cuts to other critical state services like education and law enforcement?

Given those two options, we have chosen to instead take a third path – stop administering Medicaid as a one-size-fits all program, give individuals a choice in their health care plans, and empower them to pick the plan that best suits their needs. Doing this will ensure better health care outcomes, and at the same time help rein in the cost of a program that before long will be growing at a rate faster than new government revenue.

Our plan will provide a range of options for Medicaid recipients. One choice would be a pre-paid plan, something already offered by many private sector employers, and which a recent Harvard study found effective in reducing racial disparities in most areas measured. Second, a Medicaid recipient could choose a medical home network, which would let them begin a relationship with a family physician. Third, we could help a recipient buy into their employer's health care plan. Finally, some recipients could get a health care account that could be used to directly pay for health care services.

We are pursuing this reform with a couple of things in mind. First, we believe tailoring Medicaid benefits to the patient will improve the quality of patient care. *Governing* magazine (basically a non-partisan trade journal for state governments) ranks South Carolina fourth in the nation in state and local spending on health and hospitals. The United Health Foundation now ranks South Carolina tenth in the nation in public health care spending, yet we rank only 46th in the health of our citizens. This is due in large part to Medicaid recipients not having a regular primary care doctor who knows them and understands their needs. Medicaid clients visit the emergency room 66 percent more often than other South Carolinians. Emergency room care is both much more expensive and far less personal than seeing a family doctor.

Second, we believe that our plan will rein in costs. Better results and lower costs have been achieved in other states where Medicaid recipients have been empowered with choices. In 1998, Arkansas started a program to give consumer-directed benefits to Medicaid disability patients. Five years later an audit showed clients were more satisfied with their caregivers, there was a decrease in unmet needs, and caregiver neglect dropped by 38 percent. In Colorado, another pilot program allowed disabled Medicaid clients to hire and fire their own caregivers. Quality of care and patient satisfaction are up, and costs have decreased. Colorado plans to expand its plan to 33,000 Medicaid recipients statewide in 2006.

Medicaid is growing at an unsustainable rate, and unless change is made the state is going to be forced to cut benefits and beneficiaries down the road. By reforming the system now, we can both improve the services Medicaid recipients are getting, and put the growth of Medicaid spending on a more stable and sustainable path. Both recipients and taxpayers will benefit from a more results-oriented Medicaid program that provides the quality and responsiveness recipients need and the efficiency taxpayers deserve.

Health and Human Services Agency Restructuring

Our largest obstacle to improving health care in South Carolina continues to be the fractured health care system we have within state government. Currently, we have five separate government agencies, answering to four different authorities, providing health services. Many of the programs and services in these agencies overlap in functions and lack coordination. In addition, the administrative burden of operating those agencies takes dollars away from the frontline services that provide expedient and adequate care and protection to the patient. In our restructuring proposal, we overhaul the health care agencies into two separate cabinet-level agencies:

- 1) The Department of Health Services, to provide coordinated health service to clients, and
- 2) The Department of Health Oversight and Finance, which would act as the single point of contact with the federal government and with patients, and would monitor the quality of services being provided by the Department of Health Services.

Though a much larger restructuring bill is key to improving the accountability within state government, this administration strongly supports restructuring the state's health care and human services agencies. Our Health Care Restructuring Plan is discussed in greater detail in the "Fix the Structure" section of our budget.

Improve K-12 Student Performance

Improve the Conditions for K-12 Student Performance

Every generation must prepare the next generation for the challenges that lie ahead. We believe each educational purchase should be viewed in terms of its contribution to preparing South Carolina's students for life in the 21st century. However, technology has expanded our competition beyond the regional or national level to an international level. The next generation will need to compete for business and against business on every corner of the globe.

To fulfill this task, we have established four goals: increase the high school completion rate; increase participation and achievement in rigorous courses; reduce the achievement gap while improving academic performance of all students; and improve the efficiency with which education dollars are spent.

Governor Sanford's Goals for Improving K-12 Student Performance are to:

- ✓ Increase the high school completion rate.
- ✓ Increase participation and achievement in rigorous courses.
- ✓ Reduce the achievement gap while improving the academic performance of all students.
- ✓ Improve the efficiency with which education dollars are spent.

Increase the high school graduation rate.

South Carolina's graduation rate is unacceptable. We will not progress as a state if half of the students who start high school fail to finish four years later. In order to solve the problem, we must first be able to recognize and acknowledge where we fall short.

In June 2005, The Education Trust released a report entitled, "Getting Real About Grad Rates: How States Play the Numbers and Students Lose" which identified South Carolina's official numbers to be significantly different than criteria developed by the Urban Institute. According to this report, our graduation rate (78 percent) was inflated a full 27 percentage points above the actual graduation rate (51 percent). The adjusted calculation moved South Carolina from 40th in the nation to **dead last**.

For this reason, in 2005 Governor Sanford joined a bipartisan coalition with 49 other governors to sign the National Governors Association Compact on High School Graduation (The Compact). As part of The Compact, we have committed to calculating graduation rate as follows:

$$\text{Graduation rate} = [\text{on-time graduates in year } x] \div [(\text{first-time entering ninth graders in year } x - 4) + (\text{transfers in}) - (\text{transfers out})]$$

Second, we need to educate our students so that each child has a real chance to graduate. An Education Oversight Committee survey indicated that a leading factor

contributing to our abysmal dropout rate is a lack of preparedness among our entering freshmen. The survey found that among other problems, most of the respondents had not mastered the fundamental Math and English skills necessary to succeed in high school. They simply were not ready.

Improving our graduation rate will also require that we connect success in school, particularly high school, to a better quality of life upon graduation. This administration has committed to improving this outcome in two specific ways:

- 1) The Education and Economic Development Act – In the past two executive budgets, we proposed funding Pathways to Prosperity through the technical college system to begin funding more aggressive drop out prevention programs. In May 2005, Governor Sanford signed the Education and Economic Development Act which helps students identify career clusters and gives schools more tools in putting students on a career path. In this budget, we commit the full first-year funding for the legislation.
- 2) Jobs for South Carolina's Graduates – Through the Governor's State Workforce Investment Board at the Department of Commerce, the administration secured \$2 million of federal Workforce Investment Act money to develop Jobs for South Carolina's Graduates. The program, announced in June, established three-year pilot programs in 14 South Carolina schools to identify at-risk children and work with them on a career path. The program is based on the national affiliate, Jobs for America's Graduates, started by former Delaware Governor Pete DuPont. South Carolina became the 36th state to start this program and it enjoys support by a bipartisan group of Governors around the country.

We believe these two programs will have a positive impact on graduation rates, but there is more that needs to be done.

Increase participation and achievement in rigorous courses.

Our current and future global competitors are not racing us to the bottom. They are racing us to the top by challenging their students with a curriculum that pushes them to excel. Our competitors are able to do this in part because they lay a strong foundation early. As the Heartland Institute points out in "World Class Standards," South Korea is so committed to ensuring that all students begin learning early that starting in 2007 all parents – regardless of income – are eligible for a voucher that they can use to pay for not just childcare but state approved early developmental education programming. South Korea is willing to leverage all of the educational capacity at its disposal to prepare its students to compete.

South Carolina's position in the global economy will be determined by the rigor of the education we give our students. Our budget plan invests in activities that will help us develop a competitive advantage. To accomplish the goal of increasing participation and success in rigorous courses, we fund activities that challenge students who are

proficient, remediate students who have already fallen behind, or ensure that early childhood students have a strong foundation.

In order to measure South Carolina's progress towards this goal, we will evaluate participation rates in college preparatory courses, dual enrollment programs and Advanced Placement courses. In addition to measuring high school rigor, we will track middle school enrollment in credit bearing courses. We will also analyze student performance on the SAT, ACT and AP exams as indicators of success.

Reduce the achievement gap while raising the performance of all students.

In education there are two achievement gaps to overcome. One is represented in performance differences between more affluent students and students who come from low-income households. Another achievement gap is represented by the differences in the performance of Caucasian and Asian American students compared to African American and Hispanic students. These gaps present two key challenges, the first being that the reasons for these gaps are complex. For example, in "The Performance of Historically Underachieving Groups of Students," the Education Oversight Committee highlights the fact that 25 percent of African American students enrolled in PACT grades attend schools where 90 percent or more of the students are in poverty. In such schools the achievement gaps work together to compound the difficulties associated with raising student achievement.

The second challenge of closing the achievement gap is the balancing act necessary to reduce the gap in a manner that represents true improvement in student achievement and not just a statistical phenomenon. A school could close the achievement gap between poor and affluent students by allocating its resources in a manner that causes a drastic drop in the performance of affluent students without raising the performance of impoverished students. This unintended incentive is one of many that can result from focusing on closing the achievement gap.

To avoid the unintended incentives of a poorly thought out goal, we purchase activities that contribute to closing the achievement gap while raising the performance of all students. What we aspire to accomplish is no small task. However, schools like those that are part of the nationwide Knowledge is Power Program show that the hard work of parents and teachers can combine with strong school leadership to nullify the impact ethnicity and poverty have on student achievement.

Progress toward this goal will be measured using scores on SAT, ACT, PACT and HSAP. We will also track state performance on the Nation's Report Card though it relies on testing a representative sample of students rather than the entire student population. The last statistical measure will be used to evaluate the time spent away from school due to disciplinary actions; our focus will be on expulsion rates, particularly among lower performing subgroups.

Improving the efficiency with which education dollars are spent.

Efficiencies are gained by eliminating expenditures on services that are not linked to a specific goal; reducing or eliminating expenditures that are associated with activities that have weak outcomes; minimizing duplicative services; or improving productivity. In education the purpose of increasing efficiency is to maximize the percentage of educational spending that is directed at the classroom. To increase our chances at reaching this goal, our budget focuses on funding the educational needs that are represented by student performance rather than on sustaining programs. Our decision to purchase educational activities is driven by a commitment to funding what works. There are activities that while inherently good are not essential to reaching the goals we have established.

For this reason, we recommend an increase of \$119,837,617 in new recurring dollars from general funds toward K-12 education. We believe these additional dollars should be directed to the frontline of education – teachers and classrooms – which is why we are funding teacher salaries at \$300 above the Southeastern average. Rather than offering an across the board salary increase, we believe students will be best served by requiring that districts institute a merit-pay system to determine the salary increase each teacher receives.

We are also recommending a Base Student Cost of \$2,367. It is important to emphasize that this number does not represent all funding dollars. Including local, state, and federal dollars, the Board of Economic Advisors has estimated total funding per student to be \$10,846 in FY 2006-07 – which is \$1,020 more than the FY 2005-06 estimate. Though the Base Student Cost is sometimes used as the ultimate measurement of education funding, we believe it is more important to consider all types of funding when making this analysis.

Although we have made some progress in educational performance due to the tremendous efforts of teachers, students, and parents on the frontlines, we should not ignore the achievement gaps that exist among South Carolina students, the rest of the nation, and even many parts of the world. We also recognize the need to reduce the achievement gaps that exist among minority students and other students in our state. To this end, bold changes are necessary to realize greater progress in achievement levels for all of South Carolina students.

Developing Our Purchasing Priorities

In order to develop our educational purchasing priorities, we first looked at the major indicators of success to determine whether our state is reaching its goal to see every child make academic gains in K-12 and attain a high school diploma. We have found that South Carolina is making some progress; however, there are many opportunities for improvement.

Having determined where opportunities for improvement exist, we next identified some proven or promising strategies that will enable us to set priorities for our purchasing plan and how best to achieve our goal. The strategies we identified are as follows:

Provide all students a customized learning experience. Before the school system can even begin to provide a student with the skill set they need, the child's mind has already been shaped by key forces, each varying in influence from one child to another. According to *A Mind At A Time*, these forces – genes, family life and stress level, cultural factors, friends, health, emotions, and educational experience – work together to shape how a child's mind works. Knowing that there are so many factors that shape how, when, and whether a child learns any given lesson, it stands to reason that an effective school system is one that offers a multitude of learning environments so that all parents have the options they need to find the right fit for their child.

Provide cost-effective service delivery. The extent to which quality education will be available for all children will be partially a function of the efficiency with which the educational dollar is spent. Money spent on administrative overhead and operating expenses strangles the flow of resources to the place where they are most needed – in the frontline classroom. An effective education system optimizes the balance between allocating resources to the classroom and to support services that have an indirect impact on student achievement.

Provide high-quality early childhood developmental education. Making certain that all children are well-prepared for formal schooling requires that developmental deficits are addressed by early childhood educational experiences. Academically focused pre-kindergarten programs, whether public or private, are crucial for children whose home environments are not preparing them for a successful early childhood experience. High quality early childhood developmental education will evolve as standards for developmental education are more clearly defined and communicated.

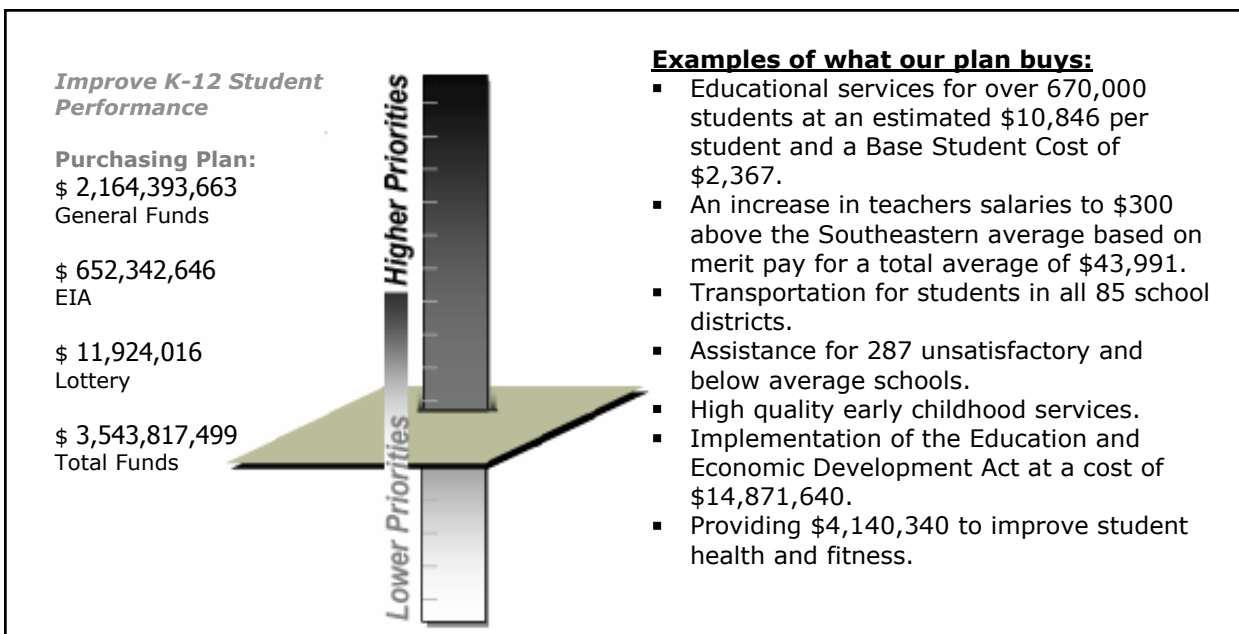
Provide valuable professional development. Professional development should be focused on improving student achievement. Ineffective professional development wastes the time of educators, exhausts resources of districts and schools, and unnecessarily drives up the cost of educating students. Effective professional development equips individual teachers with the specific skills they need to raise student achievement.

Provide a high-quality education experience. A quality education is one that challenges students to meet high expectations while engaging them in experiences that are relevant to the real-world. Irrelevant experiences or low expectations disengage students, contributing to low student performance.

Governor's Purchasing Plan – Highlights

We address the needs of K-12 education by purchasing the education services that are most needed by our students. While there are many activities within the education budget that have value, we think that most of our dollars are best spent following the student.

The following table identifies key purchases within our executive budget's total state K-12 purchasing plan. Detailed highlights of our purchasing plan are provided below the table.



Our Plan Buys:

Basic frontline education services for over 670,000 students served in the 85 school districts throughout the state. Our plan provides the required amount of funding per student according to the EFA. With funding of \$2,367 per weighted pupil unit distributed through the Base Student Cost formula, local school districts will be able to provide education services required for kindergarten through 12th grade students. As mentioned earlier, it is important to note that the total statewide funding per student will be much higher when considering total dollars allocated from outside of the EFA as well. We propose **EFA funding for this activity of \$1.8 billion.**

Funding the Education and Economic Development Act. Recently Microsoft Founder and CEO Bill Gates captured the attention of the education and business communities when he astutely pointed out that America's education system is obsolete. He argues that training students for the 21st century's global economy with an education system that was created during the early part of the 20th century is akin to trying to

teach a person about today's computers using mainframes from 50 years ago. Contrary to what a 20th century education would provide, today's global economy requires that every student receive a rigorous education that prepares them for life and work, one that is relevant to their individual goals and interests, and that provides them with the personal relationships they need to feel supported. The Education and Economic Development Act has the potential to offer each student in South Carolina an education that approaches what Bill Gates describes.

The Education and Economic Development Act is an effort to restructure elementary and secondary school curricula so that they are more focused on preparing students to participate in an increasingly competitive global economy. Its primary objective is to prepare every student to transition from K-12 education into the postsecondary world. By centering students' education around 16 career clusters, the Education and Economic Development Act can make it easier for students to find relevance in their coursework.

A key component in the implementation of the Education and Economic Development Act is the reduction of the guidance counselor to student ratio from its current level of 700:1 to 300:1. Combined with eliminating some of the administrative responsibilities guidance counselors bear, improving the guidance counselor to student ratio increases the likelihood that students receive the input they need in making decisions that will impact their life after high school graduation.

The Education and Economic Development Act can increase the chances that more students in South Carolina will receive a competitive education. To support the objective of the Education and Economic Development Act, we **recommend appropriating \$14,871,640** to implement the first phase of the legislation.

High Schools that Work is a school-wide improvement model in which more than 1,000 schools participate nationally. Each participant school focuses on implementing at least one of the High Schools That Work Key Practices. These practices include a rigorous curriculum, high expectations, instruction that is relevant to students' lives, research-based teaching strategies, and valuable professional development for leadership and teachers. Schools that participate in the High Schools That Work model improve student achievement on state and national standardized tests. The impact of the High Schools That Work model is so significant that the Education and Economic Development Act adopts its best practices for all high schools in South Carolina. We believe this program can continue to improve the performance of South Carolina's high schools that are currently participating in the program. We propose **\$1,000,000 in funding for High Schools that Work**.

Average teacher salary funding above the Southeastern average.

All of our policies are dedicated to providing the most resources to the front line of education – teacher pay and the classroom. However, as with all other areas of government, we believe that we should invest dollars in outcomes. So with this budget, we commit **an increase of \$63.0 million in total funding devoted to increasing teacher pay through a merit pay system**. The funding is equivalent to maintaining

the standard \$300 above the Southeastern average. School leaders that wish to increase teacher pay will be issued block grants that they can use to establish a pay for performance program in their schools. Leaders may choose to implement the Teacher Advancement Program that is already operational in districts in the state. They may also create their own model. Salary increases must be based on increased student performance on a nationally recognized standardized test as well as demonstrated teaching practices evaluated through classroom observations. By tying teacher pay increases to student achievement, South Carolina can more effectively reward teachers based on the quality of the work they provide.

Providing transportation for students to and from school. We understand the need to provide support for a state school transportation system which is crucial for those students that are unable to provide their own means of transportation. We propose to **increase funding for the transportation needs of our students by \$24 million amounting to \$114,687,501** in next year's budget. The increase in transportation spending is intended to fund fuel, parts and supplies so that our buses run more reliably. We base the proposed spending increase on the Budget and Control Board projected \$2.25 price per gallon for fuel in the 2006-07 fiscal year. We believe that once these needs are met, any remaining portion of the increased funding should be devoted to new bus purchases.

Despite our recommended funding increases in this area, we still feel school transportation can be provided more efficiently if it were competitively sourced from a private company. South Carolina is the only state in the nation that owns its own school bus fleet – a fleet of buses larger than Greyhound's. As a matter of fact, over 40 percent of the employees at the State Department of Education have jobs related to student transportation. While student transportation is certainly an important component of education, we do not think that it warrants 40 percent of the attention of the department. We believe that allowing the local districts and the private sector to provide transportation would allow our State Department of Education to better focus on educating students rather than transporting them as well.

In January 2005, a legislatively-created committee began considering following the lead of every other state in the country by transferring school buses, funding for school buses, and bus maintenance facilities to the local school districts. They are also considering issuing a request for proposals to see what private operators would charge to operate school transportation in each district of the state.

Unfortunately, the state has traditionally paid a higher price for school buses than the private sector. According to testimony before the school bus privatization committee, private operators typically purchase buses for \$46,000 to \$49,000 each – about \$10,000 less than we pay in South Carolina. It is our stance that the funds we provide during FY 2006-07 would be better used going to the districts to contract with private providers. Until the committee studying this issue and the General Assembly agree to implement private contracting for our buses, carry-forward dollars added to our recommended increase in bus funding could allow for a total of \$25 million to be spent on buses next year.

Funding the Student Health and Fitness Act of 2005.

The growing obesity epidemic amongst the youth of our country and our state is an area in need of improvement. While recess and Physical Education (P.E.) classes used to provide some exercise for students, our state no longer requires recess or P.E. in kindergarten through the 8th grade according to the State Department of Education Task Force on Student Nutrition and Physical Activity. The State Department of Education

issued a task force report on the need to improve the nutrition and increase the physical activity of our students. The Student Health and Fitness Act is an effort to combat the

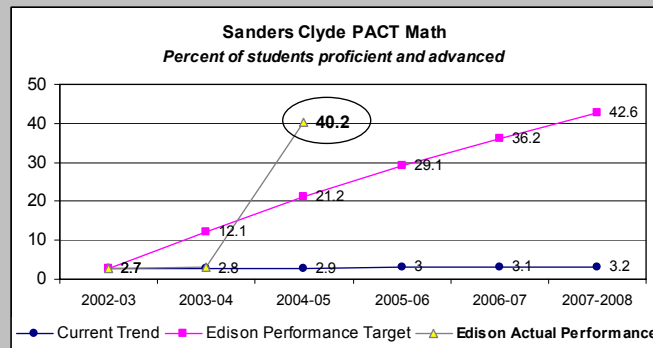
Partnering for Student Improvement

An exciting partnership with the Edison Alliance is in the process of turning around 13 of our state's historically under-performing schools. Over the last ten years, Edison has proven its ability to raise student achievement. In fact, over the last two years, over 61,000 students in the 25 states that work with Edison nationwide have improved their test scores by an average of 10%. Edison schools raise average test scores while closing the achievement gap that exists between African American and Caucasian students. Test scores of African American students in Edison schools improve at twice the rate of students in comparable schools.

South Carolina's partnership began in Allendale and Charleston with overall evaluations of the schools and agreed upon "Plans for Achievement" for each school. All classroom teachers were offered extensive summer training and will continue to receive intensive on-site training as well.

A critical element to the Edison plan is ongoing feedback on individual student performance through monthly computerized testing. Teachers are provided with continuous feedback and intensive support on using the data to adjust daily classroom practices to meet their student's needs.

This consistent tracking of outcomes also helps the districts hold Edison accountable for student results. As the contracts are based upon student achievement, the relationship with Edison can be terminated if the guaranteed results are not reached. The graph below provides an example from Sanders Clyde Elementary School showing the increased expectations for student improvement versus our previous trend. During the 2004-2005 school year students at Sanders Clyde elementary surpassed the Edison target by having 40.2 percent of the students scoring proficient or advanced on the math component of PACT.



We are fully committed to supporting innovative and effective results-based partnerships and would like to acknowledge both Charleston and Allendale for their willingness to think and act "outside the box" to provide better learning opportunities for their students.

growing health concerns that are emerging as a result of the declining health of the students in South Carolina. Starting at an early age, increasing the awareness of citizens about health choices can lead to a healthier South Carolina. We are encouraged by the passage of this legislation and propose **appropriating \$4,140,340** for its implementation.

Textbooks for over 670,000 students throughout K-12. While we recognize the crucial role high-quality instructional materials play in the education of a student, we are concerned that the textbook spending is increasing more rapidly than can be explained by student enrollment increases or inflationary increases. Considering the rising costs of textbooks, South Carolina needs to consider measures that will curb the growth in textbook spending. Many states are moving towards digitizing their textbook inventory. Doing so reduces the time and costs associated with updating textbooks. Digital textbooks can improve the efficiency with which teachers and students use instructional materials by providing a more interactive format that is a better fit with the ways in which students acquire information in today's technology driven world. We are providing the dollars to purchase the necessary materials that will meet state academic standards. We propose **funding this activity with \$51,350,587** in total funds, \$4.2 million of which we set aside to provide school districts an incentive to digitize a portion of their textbook inventory.

Assistance and accountability to the 222 "below average" and 65 "unsatisfactory" schools. We realize that all schools within South Carolina are not at the same level regarding academic performance. As such, many of the activities that we are purchasing during FY 2006-07 provide for the educational improvement of low performing schools. Programs such as the Teacher and Principal specialists programs as well as the Retraining Grants that have been issued under the Education Accountability Act have the potential to assist some of our lower-performing schools in improving the services they provide. Similarly after-school Homework Centers can be beneficial for students needing more attention than is given during regular school hours. While we certainly think it is important to give funding for additional assistance to below average and unsatisfactory schools, we question whether these programs are the most efficient and effective means of improving the academic performance for all schools. It is our goal to give schools performing below average or unsatisfactorily more alternatives so that they can close the educational gap between the schools that receive an Excellent rating and those that are rated Unsatisfactory or Below Average.

The 2005 Annual School Report Cards make it clear that our lower-performing schools need more technical assistance options than are currently being offered. These school ratings show that 32 percent of the schools in South Carolina received ratings that were lower than those earned in 2004. The number of schools rated unsatisfactory or below average rose from 188 in 2004 to 287 in 2005, representing a 52 percent increase in one year. While 57 schools in South Carolina improved their ratings, there remain several schools that are simply not improving at the rate necessary to reach the goals established by the Education Accountability Act.

One issue the state needs to address is the effectiveness of technical assistance programs in improving student academic achievement and in building local capacity to affect long term education reform. In 2005, the Education Oversight Committee issued reports evaluating the effectiveness of the Teacher Specialist program as well as the Retraining Grant program. Both programs represent massive investments made by the state in an attempt to improve the ratings of persistently low-performing schools. Each report pointed to the limited ability of the Teacher Specialist or the Retraining Grant programs to lead to sustained improvements in student achievement. Both programs were limited by the fact that low-performing schools suffer from high teacher, principal, and superintendent turnover rates. For instance, among schools receiving retraining grants, 50 percent of the teachers had been employed by their current school for less than five years. Furthermore 30 percent of the teachers had been teaching for less than five years. Both the Retraining Grants Program and the Teacher Specialist Program suffer from the fact that the investments made in professional development fail to become institutionalized because so many teachers take the training they receive to other schools.

Sustained improvements in schools that are in need of technical assistance will not occur unless the teacher and leadership turnover issues are addressed. Intermittent exposure to quality teaching will not improve the student achievement in our below average and unsatisfactory schools. We are recommending that additional choices will ultimately move these underperforming schools in the right direction. In order to assist these schools in overcoming the obstacles that have limited their success, we **fund technical assistance with \$43,000,000**. Our funding supports these schools in the following manner:

- Funding the 65 unsatisfactory schools at \$320,000 each – total funding – **\$20.8 million EIA dollars.**
- Funding the 222 below average schools at \$100,000 each – total funding – **\$22.2 million in EIA dollars.**
- Funding External Review Teams for low-performing schools – **\$826,800 in EIA dollars.**
- Funding Alternative Technical Assistance, which includes the contractual agreement between Allendale and Charleston schools and their school management provider- **\$2.4 million in EIA dollars.**

Rather than funding the Teacher Specialist, Principal Specialist, Homework Centers and Retraining Grants specifically, we propose that the portion of the technical assistance funding designated for those programs be provided in a more flexible manner. In our budget, we propose a more flexible system that will allow the school to decide which technical assistance program will be the most effective for them. Along those lines, we are excited about the positive gains that are occurring within the existing curriculum of the Teacher Advancement Program as well as the partnership between Allendale and Charleston schools and a school management provider. We feel that by providing options such as these, in addition to the current Teacher and Principal Specialist

Programs, more efficient alternatives will be available for schools with the greatest needs.

K-12 services provided through Educational Television. It is important that ETV continue to provide programs and services that educate our children. Many of these services are not just valuable to our children, but also to the parents and teachers who use them. In particular, we purchase Pre-K-12 Educational Services that train parents and provide programs for pre-school children to prepare them for school. We propose to **fund this activity with \$3,023,720** in general fund dollars.

Gifted and Talented Instructional funding for over 71,000 academically gifted and talented students. We feel that students who are academically or artistically gifted should benefit from a differentiated curriculum that provides them the opportunity to cultivate their talents. By providing these students with the individualized attention they need, we can increase the likelihood that our most talented students will be engaged by the curriculum that our schools offer. Challenging these students with innovative educational activities will help them reach their full potential, making them better suited to compete in today's global economy. It is our recommendation that we provide the resources to the 85 school districts to maintain this program. To fund this activity, we propose **allocating \$29,497,533** in EIA dollars.

Classroom supplies to 47,000 teachers throughout the state. It is important that our teachers are given the resources to educate their students. Providing them with the financial resources for classroom supplies will relieve many teachers from out-of-pocket expenses that may otherwise result. To fund this activity, we propose **to allocate \$12,500,000** in EIA dollars to the local school districts.

High quality pre-school programs that provide direct services for almost 25,000 children throughout the state. We feel that early education is an investment in a brighter future for South Carolina. First Steps works across our state to get kids prepared for school. Although it is a program that was started by the previous executive administration, we feel that by coordinating the services that are provided by state agencies and by fostering public private community partnerships, First Steps can help prepare our children for the challenges they may face in the future education system. For this reason, we strongly support the reauthorization of First Steps and recommend **appropriating \$25,739,409** to support its efforts.

Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.

Improve Our Higher
Education System and
Cultural Resources

Improve Our Higher Education System and Cultural Resources

Our goals for South Carolina's higher education system are to better prepare our young people for the challenges of a competitive global marketplace, raise the standard of living for South Carolinians, meet changing work force needs, and create economic development opportunities. To achieve these goals we believe our higher education system must be accessible, affordable and accountable. If current trends in tuition increases remain unchecked, many more South Carolinians will be unable to access our higher education opportunities and, in turn, be unable to survive in an increasingly competitive job market. If the 33 colleges and universities continue to remain unaccountable to an independent Commission on Higher Education, the system of higher education will remain uncoordinated, unaffordable and inefficient.

Our mission for higher education is simple: to provide quality programs at reasonable rates that result in educational opportunities beyond high school for any student who chooses to pursue higher education.

Our citizens enjoy a variety of cultural resources through our state's historic sites, arts agencies, and museums. The state is fortunate to have rich cultural opportunities and should support these opportunities by redirecting duplicative administrative funding to maximize the flow of resources directly to community arts and cultural programs.

Developing our Purchasing Priorities

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently reaching its goal to improve our higher education system and cultural resources. While South Carolina is making progress, there are many areas that need improvement. This section identifies the measures that help explain whether our state is or is not achieving our goal.

Governor Sanford's Goals for **Improving Our Higher Education System and Cultural Resources** are to:

- ✓ Provide for greater access and affordability of our Higher Education System.
- ✓ Provide for employability and quality of life opportunities for graduates.
- ✓ Provide for an efficient and effective statewide Higher Education governance structure.
- ✓ Provide for an efficient and effective statewide Arts/Cultural Agency structure

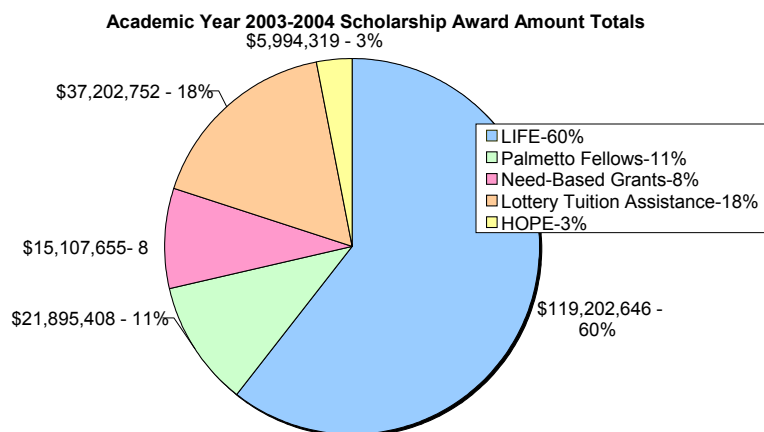
IMPROVE OUR HIGHER EDUCATION SYSTEM AND CULTURAL RESOURCES

Where We Are Succeeding

The number of degrees awarded has steadily risen at all levels of higher education. Over the last decade, we have experienced a 34 percent increase in the total number of degrees awarded by our public colleges and universities. With our state scholarship programs, an average of 91 percent of all students who receive a Palmetto Fellow's scholarship retain it the following year, including 87 percent of all freshmen who receive the award. With our LIFE scholarships, 66.4 percent of all recipients who receive the award after their freshman year in college retain the award; however, only half the freshmen who receive the award retain it the following semester. We have also experienced a slight growth in our higher education graduation rate of entering students, which is a key indicator of higher education success. These rates are measured nationally at the undergraduate level by considering first-time, full-time degree seeking students who complete degree requirements for graduation within 150 percent of normal time (six years for baccalaureate degrees and three years for associate degrees). In order to achieve this goal in the most efficient manner, our colleges and universities must continue to increase graduation rates and degree production at associate, baccalaureate, and graduate levels; particularly in fields critical to the information and technology economy.

Minority enrollment and success in institutions of higher education is also increasing. Over the past decade, participation by minority students has increased by 153 percent, while degrees awarded to African American men and women composed 21 percent of all degrees awarded in the state this past year.

LIFE, HOPE, and Palmetto Fellows scholarship programs provide awards ranging from \$2,500 to \$6,700 annually, reducing some of the tuition costs on parents and students. On the other hand, these scholarship programs have also made it easier for institutions to increase tuition rates. In order to make post secondary education more accessible for our students, additional resources should be allocated to awarding more need-based grants. Placing more emphasis on needs-based grants instead of merit-based awards can help close the established achievement gap that exists primarily along racial lines.



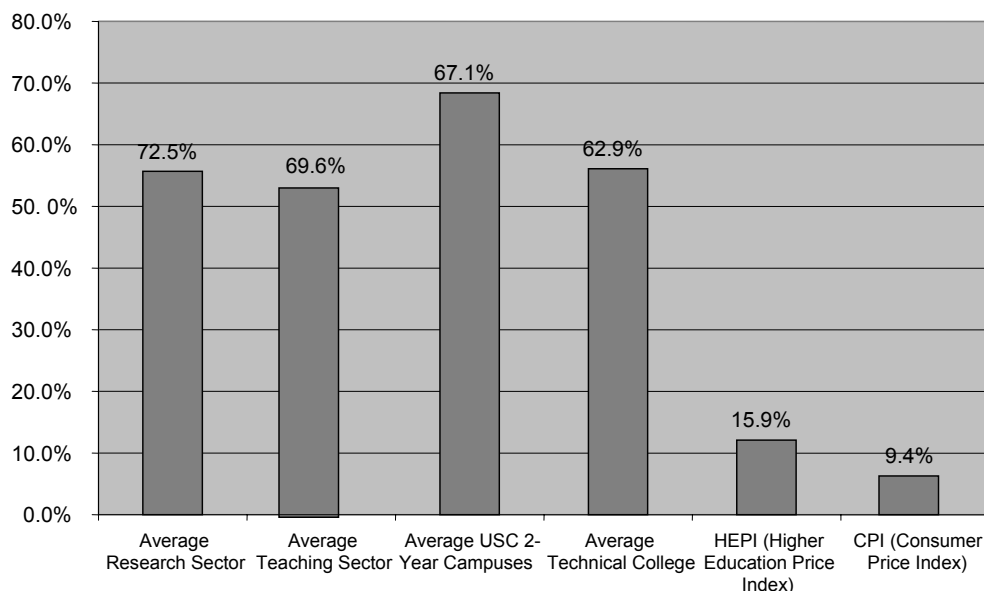
Opportunities for Improvement

Institutions of higher education must keep up with workforce needs. Like many states in our region, South Carolina is coming to terms with the loss of manufacturing jobs. This administration has focused on attracting higher-paying, knowledge based jobs. In order to be more successful at attracting those jobs, we need well-prepared graduates at varying degrees of education levels. There are four primary levels for preparedness: high school graduation, two-year degree completion, four-year degree completion, and graduate degree completion. If our state is going to be more competitive, we must increase the number of skilled workers currently available in the workforce.

Rising Costs of Higher Education

Having a top-notch post-secondary program will serve little purpose if our citizens cannot afford to participate. Double-digit tuition hikes in recent years are putting higher education out of reach for some in our state. South Carolina's higher education institutions continue to increase annual tuition and fees far above the national average. For FY 2005-06, the average increase at all four-year institutions was 11.4 percent compared to the national average of 10.5 percent. Over the past ten years, the average annual tuition in South Carolina has increased 45 percent and is currently the second highest tuition among all Southeastern states. According to the South Carolina Commission on Higher Education, the average tuition at our research universities has increased over 72 percent since 2001, and our teaching universities have increased over 69 percent in the same time period. As illustrated in the chart below, these increases dwarf the increases of the CPI and HEPI over the same amount of time.

2001-2005 Tuition Increases for South Carolina Colleges and Universities



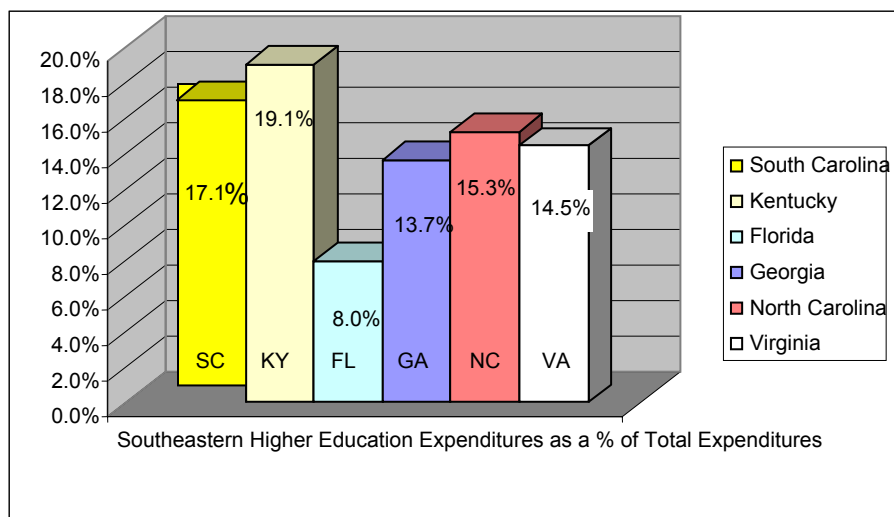
Source: South Carolina Commission on Higher Education

Analysis prepared by the Southern Regional Education Board (SREB) further illustrates the dramatic rise in tuition revenue. By comparing South Carolina's total tuition and fee revenue from 2001-2004 with similar data from other Southeastern states, SREB found that our state saw tuition and fee revenue grow by \$337.6 million over that time period – approximately 120 percent higher than the SREB average. Over this same time period, state appropriations have declined by 20 percent. It is important to note that South Carolina's increased contribution to post-secondary education through lottery funds is not reflected in the SREB appropriations research. The alarming rate at which tuition increases are outpacing both the decline in higher education appropriations, as well as our citizen's ability to pay for college is apparent and clearly demonstrates the need for cost controls and systematic reform.

The Need for Reform

In last year's executive budget, we proposed capping tuition and fee increases to the prior year's Higher Educational Price Index. Unfortunately, the General Assembly did not adopt our proposal. Even though not one South Carolina public institution has seen a reduction in its appropriations in the past two fiscal years, our state's four year research and teaching institutions increased their tuition by a combined average of 11.4 percent for FY 2005-06.

All of these increases have taken their toll on the average student's ability to obtain a higher education degree. In fact, the National Center for Public Policy and Higher Education recently gave South Carolina an "F" for affordability in their "Measuring Up 2004" higher education report. While some argue that our tuition increases are a result of reductions in state funding, in 2004 South Carolina had the second highest higher education expenditures as a percent of total expenditures among Southeastern states. Only Kentucky spent a higher percentage on post-secondary education. It is the belief of this administration that appropriate dollars are being spent on post-secondary education in our state. It is the manner in which these dollars are being spent that should be questioned.



A significant driver in our higher education tuition increases has been faculty salary. Most institutions generally pay salaries out of tuition revenues instead of from state appropriations. Because an increase in state-funded payroll is unaccounted for in the institution's state funding, a mandatory pay increase causes an increase in tuition as well. According to SREB, South Carolina has seen the third largest jump in average salary increases for full-time instructional faculty at public four-year colleges and universities from 1994-2004. The 11 percent increase for our state exceeds the Southeastern average of 9 percent over this same 10 year period. Without a meaningful examination of priorities for our statewide higher education system, each institution will continue to operate independently while higher education spending remains unchecked, uncoordinated, and inefficient.

With 33 public colleges and universities operating at 79 different campus locations, our state maintains too many post-secondary institutions with duplicative and overlapping programs. Because our Commission on Higher Education has little oversight authority, the political process has allowed too many schools with too few students. While this growth has happened with the intent of making higher education more accessible to everyone in our state, the unintended consequence is that the higher tuitions needed to sustain our inefficient system of underutilized campuses has actually made higher education less accessible to many in our state.

Purchasing Priorities

Our purchasing plan has been developed by prioritizing activities using proven or promising strategies that achieve the best results for our goal. The key strategies we identified are as follows:

Strengthen the statewide higher education governance structure. Currently our Commission on Higher Education (CHE) shares governance with the boards of trustees

of 33 public institutions. This diffusion of power prevents the CHE from effectively advocating for the best interests of the state system as a whole. It also promotes mission creep, sprawl, and the unnecessary politicization of how higher education funding is allocated. During the past two years, we have seen several examples of a weak CHE. USC-Sumter was authorized to move from two-year to four-year status and a culinary arts program was established at Trident Technical College in Charleston by a legislative amendment tacked on to an unrelated, but popular, economic development bill. The CHE, however, did not approve either of these actions. Greenville Technical College, through its foundation, made a decision to construct student housing on its main campus – a marked departure from their mission.

Most recently, USC-Upstate has entered into an agreement with Greenville Tech to build a USC-Upstate satellite campus in the Greenville area. This action completely undermines the purpose of the University Center of Greenville, a consortium of colleges in the Greenville area collaborating to offer four-year degrees to area residents. In all the above instances, the universities went ahead in initiating their projects without notifying CHE either because the universities did not want the Commission's approval or it was unnecessary to have the Commission's approval. This lack of oversight and structural weakness will continue to contribute to rising costs and duplication in the higher education system; therefore, we propose that the CHE be granted additional oversight authority.

Granting the CHE authority in setting tuition ranges would also help ensure that higher education institutions in our state remain accessible. An example of the effects of a stronger governing board with tuition setting authority already exists in the state in our technical college system. South Carolina's Technical and Comprehensive Education Board maintains the authority to set a range for its institutions, in which tuition must remain. As a result of this authority, our state's technical system remains affordable and accessible while our four-year system is becoming less so. From 2001-2004, tuition and fee revenue for four-year colleges and universities in our state was \$220 million, while the technical college system number was approximately \$117 million over the same time period. It is important to note that the technical college enrollment over that same period increased by 24 percent, more than double the enrollment increase of our four-year institutions. Authorizing the CHE to establish tuition ranges will prevent our higher education system from becoming unaffordable for the students of South Carolina.

Ensure access to and affordability of higher education.

If students cannot afford to pursue education beyond the secondary level, they do not have any opportunity for a higher education. While our state provides resources to public institutions to help underwrite the costs of college, there will always be a portion that will be borne by the student. Our state must ensure that this portion is affordable and that there are opportunities for those qualified students without the means to fully fund their own education. These opportunities can be in the form of merit aid for students who can "earn" state assistance based on academic achievement or in the form

of need-based aid for those students who exhibit the ability to succeed in college. Our students have access to substantial financial aid through the LIFE, HOPE and Palmetto Fellows scholarship programs, the Tuition Grants Program for independent schools, and several federally-supported grant and loan programs.

AFFORDABILITY	SC	SC	Top 3 States (Avg.) CA, MN, UT 2004
	1994	2004	
Family Ability to Pay			
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:			
at community colleges	22%	24.5%	20%
at public 4-year colleges/universities	28%	32%	24%
at private 4-year colleges/universities	48%	58%	47%
Strategies for Affordability			
State investment in need-based financial aid as compared to the federal investment	24%	23%	47%
At lowest-priced colleges, the share of income that the poorest families need to pay for tuition	15%	25%	12%
Reliance on Loans			
Average loan amount that undergraduate student borrow each year	\$2,874	\$3,670	\$3,259

We can also slow the growth of tuition costs by limiting tuition increases for in-state, undergraduate students to the Higher Education Price Index per academic year beginning with the 2006 fall semester. We believe an institution can control its own costs through internal savings and by coordinating duplicative programs as seen with the merger of the pharmacy schools, which amounts to \$2 million in annual savings, and finding internal cost-savings. Finally, we can also limit the growth and mission creep of our 33 public institutions and 79 campuses by strengthening the Commission on Higher Education.

Increase the employability of graduates. Having a college degree does not necessarily ensure employability. Certainly a degree is a measure of achievement and an indication of a base of knowledge. However, today's economy requires more than just a diploma and a presumed proficiency. Graduates must have life skills, technology training, and communications strengths to go with their academic credentials and they must be prepared to become productive citizens. Also, from a different perspective, students

should be made aware of employment opportunities in critical areas as well as employment opportunities associated with chosen majors. While student choice is a cornerstone of the academic experience, we must be certain that students have a realistic understanding of the workplace and how their academic choices can impact their ultimate ability to support themselves.

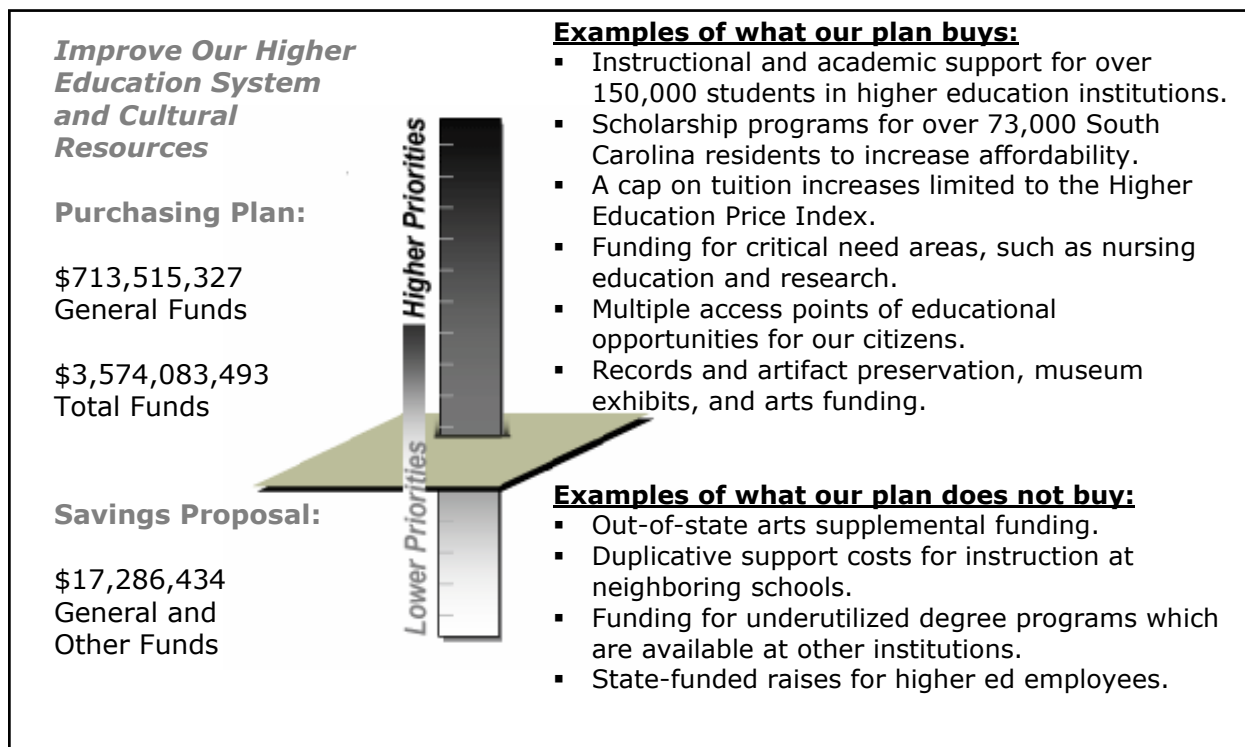
Increasing the employability of graduates will play a major role in improving the economic climate of our state. The availability of a skilled and qualified workforce is one of the major considerations for any business searching for a place to relocate. Creating a larger pool of qualified workers will ensure that South Carolina becomes an attractive option for potential employers, and attract higher paying jobs and businesses to our area.

Increase the effectiveness and efficiency of cultural opportunities and agencies through consolidation of duplicative services. There are opportunities for consolidation among arts agencies and their administrative tasks which could prove beneficial. Converting the State Museum building into a South Carolina Cultural Center would provide the cultural agencies with a center location to operate from. Currently the Department of Revenue shares a building with the Museum Commission. Relocating the Department of Revenue to a new location, and bringing the Arts Commission and possibly the Department of Archives & History into the Museum building, would be beneficial for agencies that provide similar services. The administrative tasks among these agencies could then be shared and streamlined.

Increase awareness of available cultural opportunities through a coordinated marketing effort linked to tourism. Our arts agencies, historic sites, and museums must be marketed in full cooperation with our tourism regions. The state's cultural resources complement the natural attractions, helping to make South Carolina a prime destination for visitors and potential future residents. We believe careful and constructive marketing would not only draw more attention to these sites, but also attract economic benefits, such as capital investment and job creation.

Governor's Purchasing Plan – Highlights

Given the fiscal limitations of the recent economic slowdown, we purchased only those higher education and cultural resource services most needed by our citizens. We do not purchase some services that, while still considered valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget's total state higher education and cultural resources spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.



Our Plan Buys:

Instructional, operational, and maintenance support for our two- and four-year campuses, research universities and technical colleges. Many of our states colleges and universities have increased their operational funding through tuition increases. These increases come despite the fact that none of the states public research and teaching institutions saw a decline in their state support in FY 2004-05. The recent trends in tuition increases are pricing higher education out of reach for many families. Tuition and fees at four-year institutions in South Carolina increased an average of 11.4 percent this year. In contrast, the technical college sector, which has a governing board with authority to set a range in which tuition and fees must fall, had an average fee increase of 4.3 percent this year. We believe the governance structure of the technical schools contributes to their lower tuition increases, and we will continue to seek legislation to reform how our colleges and universities are governed. We will also propose a proviso that would limit tuition and fee increases to the prior year's Higher Education Price Index. We propose **funding** these activities in the amount of **\$ 446,740,475** in recurring general funds, which is essentially the same amount appropriated last year.

Research funding that leverages additional grant dollars. The three research campuses – Clemson, the University of South Carolina, and the Medical University of South Carolina – rely on state funding to leverage additional resources from federal and other grant sources. These dollars help provide a research foundation to enhance the

learning environment within the schools. We propose **maintaining funding** in the amount of **\$7,461,678** in general funds and **\$315,674,288** in total funds.

Program coordination and oversight by the Commission on Higher Education. The CHE, while limited in authority at present, provides reviews of academic and scholarship programs, comprehensive data collection, and facilities coordination. We propose **increased recurring funding** in the amount of **\$250,000** in general funds for this activity during FY 2006-07.

Nursing programs at USC, MUSC, Midlands Technical College, and Francis Marion University. Funding is made available to assist in the mitigation of the severe shortage of trained nurses. This shortage is most evident in the Pee Dee region and state support for this discipline will allow us to begin to address this need. We propose **maintaining funding** in the amount of **\$17,626,625** in general funds for the activity during FY 2006-07.

Scholarship programs at all levels. The LIFE, HOPE, and Palmetto Fellows scholarships, along with need-based grants, help parents and students pay for tuition. Funding for these scholarships exceeds \$176 million annually. We propose that the overall scholarship program be re-evaluated to strengthen the qualifications for receipt of scholarship assistance. Far too many freshmen are becoming ineligible for scholarship retention because they were under-prepared for the academic challenges of higher education. If the trends in our state continue as they have in recent years, approximately 50 percent of the students who received a LIFE scholarship in the fall of 2004 will not retain it in the fall of 2005. However, it is still our priority to offer a greater level of affordability to higher education students. We, therefore, propose increasing the amount of lottery funds appropriated to these scholarship and grant awards as follows:

- **LIFE Scholarships by \$9,800,814** for total funding of \$117,098,904.
- **Tuition Grants by \$6,157,431** for total funding of \$10,157,431.
- **Palmetto Fellows Scholarships by \$6,723,580** for total funding of \$21,105,571.
- **Needs-Based Grants by \$3,000,000** for total funding of \$14,246,093.

Tuition grants for over 12,000 students attending independent colleges in South Carolina. This investment is returned many times over by using the capacity of these schools instead of additional “bricks and mortar” at state-supported colleges and universities. Since its inception in 1970, the tuition grants program has provided assistance to over 253,000 South Carolina students. In 2004, 43.6 percent of the grant recipients were African Americans and more than 66 percent of the recipients were female. We propose **maintaining funding** in the amount of **\$ 19,322,247** in general funds and **\$ 32,686,923** in total funds.

The Lottery Tuition Assistance Program is designed to aid students bound for two-year technical colleges. Each student is awarded an amount based upon the number of eligible recipients and the amount of available funding each year limited to the cost of tuition. We feel this program assists in giving students an opportunity to achieve an education at a higher level and, therefore, propose **maintaining funding** in the amount of **\$43,000,000** in lottery funds.

Preservation of historic records, which allows the Department of Archives and History to secure our history for future generations while providing access to unique documents for current research. We propose **maintaining funding** in the amount of **\$214,072** in general funds and **\$1,091,055** in total funds.

South Carolina's Virtual Library known as DISCUS which gives all South Carolina residents free access to subscription electronic information and learning resources at K-12 schools, colleges, and public libraries, and from home and workplace internet computers. This access results in a very cost-efficient investment as savings realized to citizens have been calculated at over \$22 million annually. We propose **maintaining funding** in the amount of **\$2,097,458** in general funds and **\$2,297,458** in total funds.

Our Plan Saves by:

Reducing administration at four-year institutions and technical colleges. By reducing the costs of non-instructional personnel to an average benchmark of all schools in the category, we can realize **annual savings of \$1,593,316**. There is a wide range of administrative expenses among the campuses. By setting a benchmark, we can standardize the costs of non-instructional personnel at each institution based upon the average cost.

Four Year Institutions	Admin as % of Total Budget	Technical Colleges	Admin as % of Total Budget
Lander University	6.548%	Tri-County Tech	13.702%
Francis Marion University	6.156%	Williamsburg Tech	10.434%
Coastal Carolina University	5.772%	Piedmont Tech	11.96%
South Carolina State University	6.215%	Lowcountry Tech	11.945%
The Citadel	5.608%	Spartanburg Tech	10.625%
Average Admin. as % of Total Budget	6.059%	Midlands Tech	10.574%
University of Charleston	5.498%	Northeastern Tech	10.669%
Winthrop University	4.781%	Orangeburg Calhoun Tech	9.656%
		York Tech	10.903%
		Average Admin. As % of Total Budget	11.163%
		Horry-Georgetown Tech	9.899%

FY 2006-07 Executive Budget

		Aiken Tech	9.745%
		Florence-Darlington Tech	10.025%
		Trident Tech	9.406%
		Greenville Tech	9.274%
		Central Carolina Tech	9.959%
		Denmark Tech	9.625%

We recommend a reduction over a two-year period for Tri-County Technical College.

Consolidating the Cultural and Arts Agencies. By combining the Department of Archives and History, Arts Commission, State Library, and State Museum under a Department of Literary and Cultural Resources administrative entity, we project **savings of \$542,676** in recurring general funds through a reduction in space requirements, elimination of systems duplication and equipment. These agencies' major goals are to continually improve and restore the environment of literary, cultural, and historic resources.

Consolidating the Institute for Archeology and Anthropology currently residing at USC-Columbia into the Department of Archives and History. This function could be easily absorbed and housed at DAH and is consistent with their overall mission of cultural preservation. DAH has adequate physical space available to incorporate this function and it fits with DAH's defined mission. Most of our neighboring states (Alabama, Virginia, North Carolina, Mississippi, Louisiana) house their Archeology programs at their equivalent of our Department of Archives and History. **Annual savings** will amount to **\$496,812**.

Reducing funds to the Leadership Center at USC-Salkehatchie. Although worthy, this program is designed for middle and high school students and should be funded by the local school districts. We proposed eliminating this funding last year and propose it again in this budget **saving \$100,460** in general funds.

Reducing expenses through collaboration and cooperation among the research universities.

The USC/MUSC pharmacy schools merger is an example of a successful collaboration which will yield significant savings to the state without weakening the quality of the program. Through further such efforts, the research universities should continue to engage in additional partnerships that can produce additional savings. There are encouraging signs that they are continuing to pursue those objectives in other areas of overlap – such as colleges of nursing and medicine. We propose a one percent reduction for Clemson, USC, and MUSC that will result in **savings of \$3,232,091** in general funds to encourage such further collaboration.

Eliminating a pass through to the Omega Project.

This funding passes through Francis Marion University and is used solely to fund the Palmetto Project's voter initiative in the Pee Dee region. This is not a part of the university's core educational mission. We proposed eliminating this pass through last year and propose it again in this budget **saving \$56,147** in general funds.

Reducing funds for underutilized degree programs.

The Commission on Higher Education conducted a Program Productivity Study in July 2004 that resulted in a number of degree programs being terminated for lack of participation or demand. Offering degree programs that have only a few students participating and graduating, especially when these degrees can be obtained elsewhere in the state, is a clear inefficient use of resources. We, therefore, propose eliminating several additional underutilized degree programs at The Citadel, South Carolina State

Merger of Pharmacy Schools

A Model for Efficiency in Higher Ed

In our first executive budget, our administration advocated a plan to merge the operation and resources of the state's two existing pharmacy schools. This merger does not diminish in any way the quality of the programs; conversely, it strengthens the program. Students will still be able to attend classes in Columbia and Charleston, but under the aegis of a single administrative structure.

John Raymond, MUSC's academic affairs vice-president recently indicated that the two schools should not have to compete for the limited resources available. Merging the pharmacy schools is expected to save the state about \$2 million a year when completed. Future students will now be enrolling in the South Carolina College of Pharmacy.

USC President Dr. Andrew Sorensen and MUSC President Dr. Ray Greenberg should be commended for advancing this collaborative idea with their respective pharmacy deans and boards.

Initiatives like this have the potential to create stronger programs which maximize existing resources and eliminate duplicative services. They can also reduce competition and unnecessary lobbying for limited resources.

Higher education institutions should use the pharmacy school merger as a model for other areas of possible consolidation such as the MBA programs offered by USC and Clemson and duplicative masters level programs offered on multiple campuses.

University, USC-Columbia, USC-Upstate, and Winthrop University and correspondingly reduce funding for one teaching position at each of these institutions. By reducing this funding, we can **save \$241,282**.

<u>Institution</u>	<u>Degree</u>	<u>Program</u>	<u>Enrollment Average</u>	<u>Completion Average</u>
The Citadel	Bachelor	French Language & Literature	6.6	0.8
South Carolina State	Bachelor	French Language & Literature	0.4	0.2
USC-Columbia	Bachelor	European Studies	2.0	0.4
USC-Upstate	Bachelor	French Language & Literature	3.6	0.4
Winthrop	Master's	Mathematics	3.8	1.8

Reducing maintenance and facility expenses through collaboration and cooperation among universities. Like the previously mentioned merger of the USC/MUSC pharmacy schools, another opportunity for successful collaboration which will yield significant savings to the state without weakening the quality of the institution lies in maintenance and facility expenses. Each of our state's four-year institutions is located within close proximity to either another four-year institution or a technical college, and yet every four-year institution in our state has its own independent maintenance entity. An example of this lies in the city of Charleston, where MUSC, The Citadel, and the University of Charleston are all located within five miles of one another, yet all three have separate facility and maintenance plants. We believe that, with three separate entities in such close proximity providing similar services, there are opportunities to combine operations and reduce costs. These types of opportunities exist throughout our higher education system and we encourage our institutions to seek them out. Reducing costs to the university will further reduce tuition increases for our state's students and families. We propose a 3.5 percent reduction for each of our states four year institutions that will result in **savings of \$6,556,648** in general funds to encourage such further collaboration.

Governor's School at the University of Charleston. This residential summer program for academically and intellectually gifted high school students was established in 1976 and represents slightly over one percent of the university's state appropriation. The state subsidizes about 80 percent of the costs to attend while current students pay only \$1,000 or about 20 percent of the actual cost for tuition, room, board (3 meals a day), books, field trips, local phone service, and enrichment activities. Discontinuing state funding for this summer school program will result in a **savings of \$288,017** in general funds.

Coeducation Initiative at The Citadel. These funds were originally appropriated to retrofit dormitories, construct new restroom facilities, and pay for the court-ordered activities necessary for incorporating women into the school's core of cadets. Since all the program's one-time expenditures have been paid for, we recommend funding only

those activities that are essential to fulfilling the program's core intent of assimilating women into the institution. These core activities include salaries and fringe, a consulting and conference fee, and recruiting costs. Eliminating all other non-essential activities will result in a **savings of \$66,269** in general funds.

Making Tough Choices:

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following activities reflect some of those difficult choices:

Greenville Higher Education Center is a consortium of public and private colleges and universities offering degree programs to the citizens of the Upstate and surrounding areas. We believe that with seven institutions participating in the Center, including Clemson, Furman, MUSC, USC-Columbia, USC-Upstate, South Carolina State University, and Lander, this small amount of money can be provided by alternative sources of funding. This will result in **savings of \$180,287** in general funds.

Expenditure for the Arts Program through the Commission on Higher Education. This appropriation is used to pay the differential in tuition costs for students to attend the North Carolina School for the Arts in Winston Salem, North Carolina. Funding South Carolina students' out-of-state tuition may be justified where equivalent programs are not offered by South Carolina's institutions of higher education (such as a veterinary school program), but art programs are readily available in-state. This will result in **savings of \$10,274** in general funds.

South Carolina Student Legislature is a statewide program allowing college students to simulate an active role in South Carolina political issues and discussion. We believe funding for this program, though worthy, should be provided by alternative funding sources resulting in a **\$17,780 savings** in general funds.

National History Day in South Carolina. This is an educational program that encourages students in grades four through 12 to study, research, and develop topics related to history and to expand their knowledge through exhibits, performances, documentaries, or historical papers. While this program is valuable in educating students about history, it reaches less than two percent of students (less than 9,000) statewide. Reducing state funding for this program will result in **savings of \$55,241** in general funds.

Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.

IMPROVE OUR HIGHER EDUCATION SYSTEM AND CULTURAL RESOURCES

Improve the Conditions for
Economic Growth

Improve the Conditions for Economic Growth

When each of us reports to work, seldom does much thought go into how our job was created or what the state is doing to make sure that job remains in South Carolina. Much like picking up a telephone and expecting a dial tone, we assume our job will be there for us as long as we want it. Since 2000, that has not been the case for more than 85,000 workers in South Carolina. Manufacturing jobs are not only being sent overseas, but an increased productivity level by workers is reducing the number of bodies needed to produce the same product versus even five years ago.

How can we as a state make sure this trend does not continue? What can our elected officials do to make the state attractive to businesses – both large and small? The answer to both of these questions is the same – improve the conditions for economic growth.

From day one of this administration our goal has been to make South Carolina more competitive in attracting jobs and capital investment. While the 2005 legislative session was a step in the right direction, we are going to continue to press for reforms that further enhance that competitive advantage and give the Department of Commerce and local economic development folks the tools they need to continue their push for jobs and investments. Whether it is overhauling Workers Compensation or continuing to push for a more equitable civil justice system, we are committed to working with the General Assembly to create a friendlier business climate in South Carolina.

When companies that already call South Carolina home plan to expand or businesses consider moving operations here, they look at the overall business environment of our state versus that of locations around the world. We are no longer just competing with North Carolina, Georgia, or even Wyoming for these opportunities, we are going toe-to-toe with China, Singapore, and many other destinations all across the globe. Companies looking at South Carolina as a viable option for business growth are focusing on four key factors – often termed the factors of production – land, labor, capital, and entrepreneurship.

Our definition of land encompasses the state's ability to offer more suitable sites for the commercial, industrial, retail, and residential sectors to expand. It would include typical capital enhanced items, such as infrastructure improvements.

Governor Sanford's Goals for **Improving the Conditions for Economic Growth** are to:

- ✓ Foster an attractive business climate.
- ✓ Improve site opportunities.
- ✓ Enhance existing workforce.
- ✓ Increase access to capital.

Labor is the collective name given to all the various productive services provided by human beings. The state's workforce, or labor force, is made up of the employed, underemployed and unemployed.

Man-made goods that are used in the production of other goods are considered capital. This includes machinery, tools, buildings, and dollars available for loans to corporations, small businesses, and individual mortgages.

Fostering an attractive business climate for investment, or entrepreneurship, is essential to initiating the process of production. Without the financial means, there would be no demand for products, no need for labor, and no driver for development.

Developing our Purchasing Priorities

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently reaching its goal to improve the conditions for economic growth. We have found that South Carolina is making progress; however, there are areas that need improvement. This section identifies the measures that help explain whether our state is or is not achieving our goal.

Where We Are Succeeding

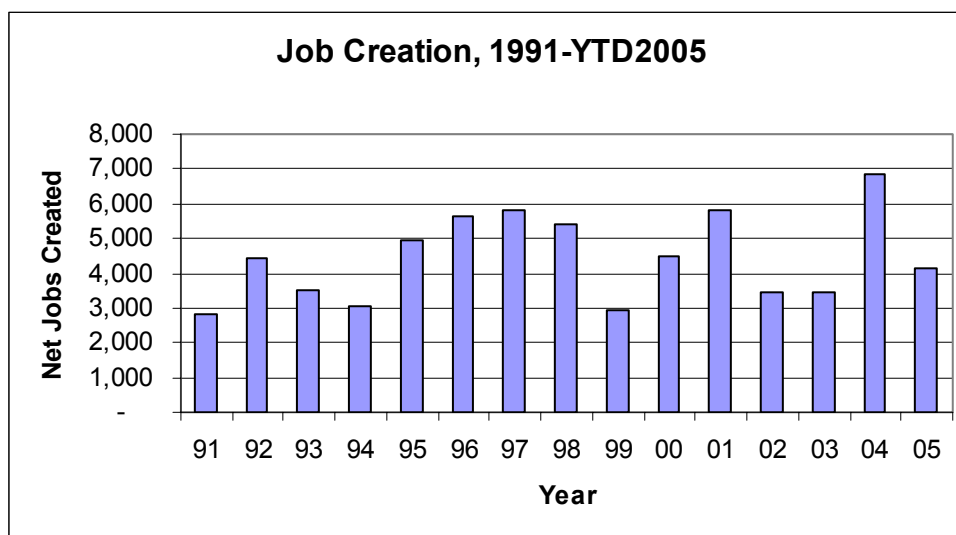
The 2005 legislative session will be recognized as one of the most successful in recent history as it relates to improving our overall business climate. By working with the General Assembly on a number of pro-jobs and pro-growth initiatives, we were able to send a clear signal to all prospective job creators – we are not only open for business, but are working to make South Carolina the preferred place to do business.

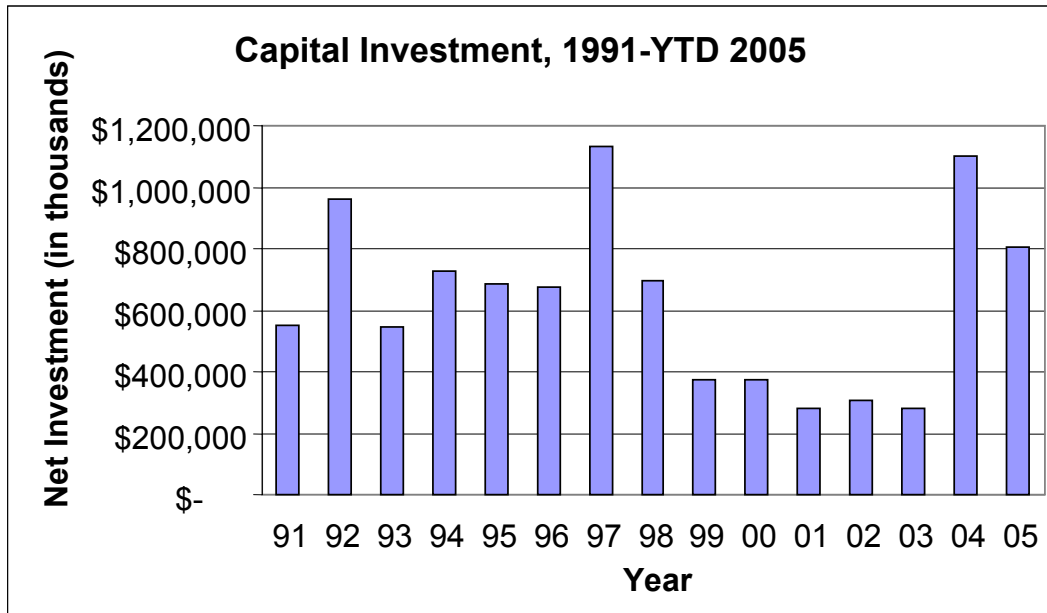
This session saw the first ever comprehensive tort reform package. The passage of these reforms will help lower the cost of doing business in the state for all employers. Significant pieces of legislation, targeted specifically at helping small businesses grow and prosper, were also passed. As this administration has stated many times, small businesses are a huge economic engine in South Carolina.

The first significant *tax cut for small business* owners, from seven percent to five percent over four years, will put roughly \$200 million back into our state's economy where it will help grow jobs. The *Capital Access Program*, which passed the House in 2004, but stalled in the Senate, was approved by both bodies in 2005. This program, when funded, will give financial institutions operating in the state a flexible, non-bureaucratic tool to make business loans that are riskier than conventional loans and that may not meet conventional underwriting standards. Additionally, *job creation tax credits*, once available only to large employers, have been expanded to allow small businesses to take advantage of them as well. Onerous regulations can be cumbersome and costly for small business owners. The 2005 legislative session also helped reduce the regulatory burden.

With these new measures in place, we should continue to see capital investment and job creation numbers improve. Historically, the Department of Commerce has celebrated job creation and capital investment numbers that were compiled from any company in the state willing to share their individual economic growth numbers, regardless of whether or not state resources were used to assist in their decision. Recognizing the unfairness of this practice, the new method of reporting, undertaken by Commerce in 2003, only takes into account projects that were deemed competitive, worked on directly by Department staff, and utilized the state's available financial incentives. With this new and improved tracking mechanism in place, the state can more easily weigh the influence of the state's role in economic development.

That being said, 2004 was a landmark year. On the job creation front, more jobs were announced in 2004 than in any other year since the agency started tracking the numbers in 1991. A total of 6,821 jobs were created in 2004 alone; with 5,838 jobs created, 1997 is a distant second. The same holds true for capital investment dollars; with the exception of 1997 (\$1.131 billion), the total investment dollars for 2004 (\$1.102 billion) are the highest since a tracking mechanism was put into place.





Source: South Carolina Department of Commerce

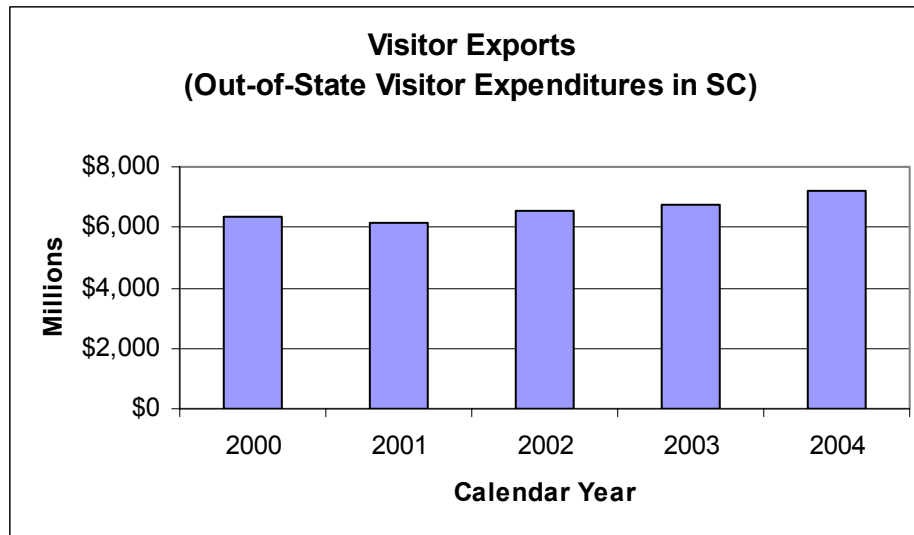
- * Expansions starting in 2003 were all competitive in keeping with the current Department of Commerce data reporting procedure.
- * Years prior to 2003 included substantial reporting from noncompetitive expansion investment.
- * In order to keep these charts consistent, the expansion data was subtracted in years 2003 and 2004 to get net results.

A factor that assisted in record job creation and capital investments is our unmatched workforce training programs. Through a coordinated effort between the Department of Commerce, our Technical College system, and the Workforce Investment Board, we offer companies trained workers who can be productive the first day on the job. This unique partnership was a big factor in Vought-Alenia's decision to locate their state-of-the-art facility in the Lowcountry. While the building of planes will not begin until 2007, approximately 200 workers will have been trained in a nearby classroom on the same machinery that will be used in their manufacturing process. This jump start will allow Vought-Alenia to remain on schedule for the delivery of pre-sold aircrafts.

As well as this partnership has worked, the administration will continue to push for even more cooperation among agencies who receive dollars for economic development. It is our belief that the Department of Commerce should be the sole coordinating agency for all economic development efforts and funding. We suggest again, as we did in the previous two executive budgets, that collaboration be required.

Separate and distinct from manufacturing, our state has a large dependency on service industry jobs. This sector has always been both a large employment base for our state and a significant form of revenue. While many areas such as health care and tourism fall into this grouping, tourism is the primary one because it continues to be the state's largest industry. To maintain this positive impact on the overall economy of the state, the Department of Parks, Recreation and Tourism has focused its marketing funds on

attracting visitors that will stay longer and spend more dollars. In 2004, more than \$7.2 billion was spent by out-of-state visitors, making travel and tourism the largest industry export in the state. This number has been on a steady increase since 2001.

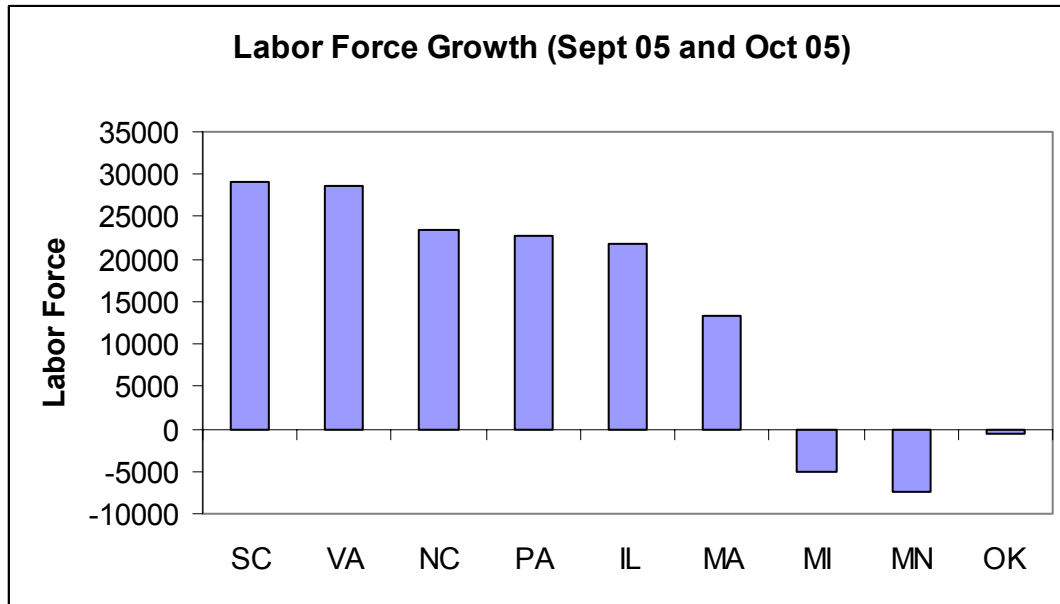


Source: Department of Parks, Recreation and Tourism

Opportunities for Improvement

Overall, South Carolina has continued to successfully recruit businesses despite our heavy tax burden and our regulatory environment. This administration has consistently focused its efforts on a comprehensive approach to job creation – one that not only offers the traditional financial packages, but one that gives companies an overall business climate that will allow them to grow and prosper. This approach addresses taxes on both businesses and individuals, incentives, and regulations. Improving these underlying soil conditions will help South Carolina continue to grow in this globally competitive marketplace.

During the three month period of September – November 2005, we added 13,917 jobs in South Carolina. That's three times more jobs than the state of New York created in the same time period. Even though South Carolina is creating jobs at a record pace, our unemployment rate continues to be among the nation's highest. One reason for this high unemployment rate is our rapidly-growing labor force. According to the U. S. Bureau of Labor Statistics (BLS), our labor force grew by 35,007, or 1.69 percent, during the three month period of September-November 2005. In fact, 7.1 percent of the entire nation's labor force growth over the last three reported months has been in South Carolina.



Source: U. S. Bureau of Labor Statistics

Despite having the nation's 26th largest population, we have experienced the 10th largest labor force growth in the nation in absolute terms. Our total growth has exceeded that of much larger states, like North Carolina (10,979), Pennsylvania (19,957), Michigan (29,091), and Massachusetts (22,854).

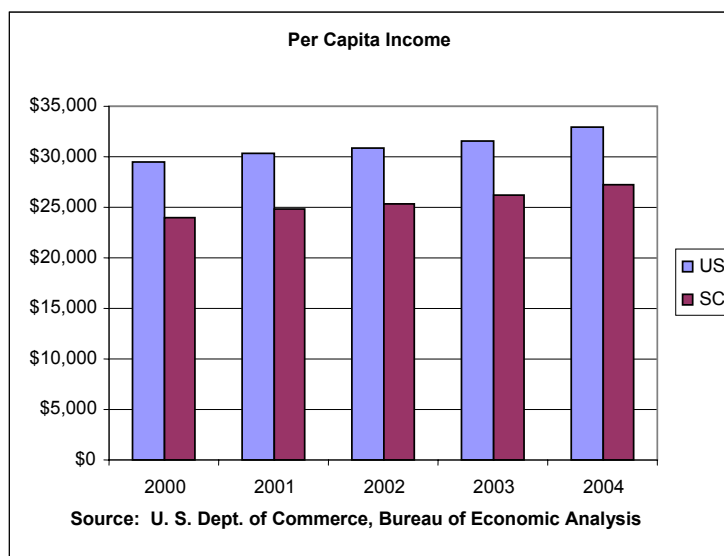
Typically, rising labor force participation is a positive sign for the economy – a greater portion of the population is becoming attached to the labor market. Yes, this may result in higher unemployment in the short term, but can also be beneficial over a longer period.

– Division of Research, Moore School of Business, Nov. 2005

The cornerstone of this administration has been to improve the per capita income levels of all South Carolinians. While the annual salaries for jobs created during this administration have been well above previous years, the long-term goal of moving South Carolina from its current ranking of 47th nationally can not be accomplished by government alone. The Council on Competitiveness, a non-profit, private-sector led group, comprised of leaders from business, government, and academia, is a welcomed partner in this endeavor.

Our combined focus is to improve the economic prosperity of all South Carolinians. This can be done in a manner that supports and enhances the quality of life. Directing all of our recruitment efforts towards high-skilled, high-paying jobs is the first step. To do this, we must attract jobs that pay above the state's current average income. In 2003, the average pay for jobs created was \$30,420. For 2004, the average wage for the 105

projects recruited by the Department was \$32,923, or 21 percent above the state's per capita income of \$27,172. For 2005, the average is \$39,283, or 45 percent above \$27,172.



Companies considering locating a facility in South Carolina are looking at specific areas in the state versus the state as a whole. They look for communities they would want their employees to live in as well as work in. For example, K-12 schools, higher education institutions, existing retail, infrastructure, and available housing are important to any site selection team. On all these fronts, we can improve the state's offerings. Whether it is giving parents more educational choices, improving our educational results, capping tuition at our schools of higher learning, or working to make home ownership more affordable, we must continue to look for ways to strengthen our individual communities and make the overall conditions ripe for economic development.

Film Industry

The film industry is another area for growth. This industry pays high wages and does not have the same infrastructure needs as those of traditional business development. Last year, the Legislature was supportive of our efforts to move ahead of our competitor states and improve our existing legislation allowing companies filming in the state to receive rebates for wages and goods/services on those dollars spent in South Carolina. Despite our efforts, the field has become more competitive than ever. To once again move ahead of the pack, we should increase our wage rebate to 30 percent, as well as our goods/services rebate. By leaving the existing caps in place at \$10 million and \$7.5 million, respectively, there would be no increased revenue impact. This would send a clear signal to the industry that South Carolina wants their business.

Purchasing Priorities

The major funding priorities are those that we think will best achieve our goal of improving the conditions for economic growth. Our four major funding priorities are:

Provide for the growth and sustainability of developed communities. South Carolina recognizably has a distinct divide between the haves and the have nots when it comes to developed communities. Growing and sustaining the success in those areas that have been fortunate is very important to keeping the employed in jobs and offering opportunities for additional jobs. The majority of this success is in communities classified as developed/moderately developed. Job creation incentives are tiered based on a community's development classification. Typically these areas rely on the state to assist with specific projects they are working on, but do not require the same degree of assistance as our underdeveloped communities.

Provide opportunities that prepare underdeveloped communities for change and growth.

While a majority of South Carolina is classified as rural, a great number of these communities are defined as least developed or underdeveloped. The goal would be to focus the state's energy and resources on improving the outlook for these communities by purchasing programs that have historically produced favorable outcomes. It is vital that we prepare these individual communities for the potential of success, while keeping the local economic development folks focused on the overall goal of not just recruiting jobs, but creating the right jobs. Through numerous grant programs, millions of dollars are available to communities for upgrading water and sewer infrastructure, industrial parks, and speculative buildings to plan for growth. Competitively awarded dollars are also available to units of government within non-metropolitan, rural areas for activities that primarily benefit low- and moderate-income people. They provide economic opportunities, decent, safe, and affordable housing, and a suitable living environment including the provision of basic infrastructure, public facilities, and services. Communities are also provided job location assistance, career development, and enhanced workforce skills to prepare individuals for job opportunities.

Provide a reasonable and safe business regulatory environment. For the benefit of consumers and businesses, it is important that the state have some degree of oversight. These business-friendly regulations should ensure some minimum level of skill for licensed practitioners to support health and safety, protect citizens from financially impaired companies, and enforce workplace safety in order to reduce injuries. When the safety or well-being of citizens is not an issue, market-based forces should replace the need for an excessive number of licensure boards. A large percentage of these functions are fee-based and require little general fund dollars.

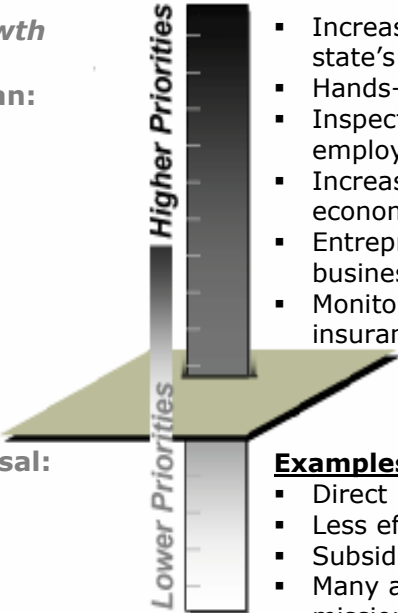
Provide for the effective marketing of our state's assets. A primary role of government is to promote an inviting image of our state and its resources. Through a targeted marketing campaign, the state's cultural, natural, and man-made tourism resources are promoted for the purposes of attracting visitors to the state to spend their discretionary

funds. There is a tangible economic impact from the state's investment – every dollar properly invested in marketing returns more than \$20 in direct tourism spending to the economy. The economic benefits of tourism are felt in all areas of the state – including rural and less-developed communities.

Also, by building governmental and business relationships between the state and other countries, networking opportunities are created for the state's businesses. Funds are spent to enable companies from across the state to market their products to potential buyers. This allows South Carolina's companies to make direct sales abroad.

Governor's Purchasing Plan – Highlights

We address our state's fiscal problems by purchasing only those services that deliver the greatest impact on improving the conditions for economic growth. We do not purchase some services that, while still considered valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget's total state economic development spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

<p><i>Improve the Conditions for Economic Growth</i></p>		<p><u>Examples of what our plan buys:</u></p>
<p>Purchasing Plan:</p> <p>\$67,460,110 General Funds</p> <p>\$349,795,516 Total Funds</p>		<ul style="list-style-type: none"> ▪ Increased funding of \$10,234,750 to enhance the state's economic competitiveness. ▪ Hands-on training for more than 5,000 students. ▪ Inspection of almost 1,700 workplaces to ensure employee safety. ▪ Increased marketing funds for our state's economic development agencies. ▪ Entrepreneurial support for the state's small businesses. ▪ Monitoring the solvency of more than 1,500 insurance companies.
<p>Savings Proposal:</p> <p>\$3,064,646 General and Other Funds</p>		<p><u>Examples of what our plan does not buy:</u></p>
		<ul style="list-style-type: none"> ▪ Direct pass-through funds. ▪ Less efficient, duplicative services. ▪ Subsidies to fee-based licensure boards. ▪ Many activities that fall outside agencies' core missions.

Our Plan Buys:

First-time funding for the South Carolina Community Economic Development Act of 2000. This Act was designed to support projects and activities of community-based, non-profit organizations that are focused on improving the quality of life and creating economic opportunity in low-income communities. Though the Act was approved in 2000, no funding has ever been made available for its operation. In last year's executive budget, we identified funding for the program but our proposal was not adopted by the General Assembly. This year we propose **\$1,000,000 in recurring funding** to activate and sustain this program.

Marketing dollars for the state's Agriculture and Forestry products. These dollars directed toward marketing would be the first in more than five years for the Department of Agriculture. The industry, with a more than \$2.5 billion economic impact, would spend the funds on traditional advertising, materials and trade shows for the South Carolina Quality Program. We propose **recurring funding of \$400,000** for this program.

A recurring increase for the Department of Parks, Recreation and Tourism's Media Placement budget. These marketing funds are spent to promote the state's cultural, natural, and man-made tourism resources for the purpose of attracting visitors to the state. According to the Department of Revenue, the ratio of tax revenues from tourism to public funds spent related to travel and tourism was \$2.46 to \$1 in 2004. With this more than two-to-one return we feel that these dollars are a good investment. Therefore, we propose **an increase of \$1 million** for the agency's media placement budget.

Dollars to market the state's resources to film makers and industry investors. The film industry has the ability to develop new sources of revenue for our state, and create high quality jobs, while putting very little demand on the state's education and infrastructure resources. To continue the state's successful efforts in recruiting film production to the state, we propose **maintaining current funding at \$513,074.**

Additional dollars for the Tourism Marketing Partnership Program at the Department of Parks, Recreation and Tourism. This program allows for an open, competitive process to help fund festivals and other events across the state. The demand for the program by organizations in every corner of the state makes it clear that the current funding is not enough to cover even the top applicants. We propose increased **funding of \$600,000** bringing the program total to **\$3,747,276 in recurring funding.**

**Agricultural
biotechnology**

research at Clemson PSA. This research is used to improve agriculture, the environment, and human health. Efforts are coordinated with the South Carolina Biotechnology Incubation Facility and the Department of Commerce to recruit biotech companies and assist with new company start-ups. We propose **maintaining current funding** at **\$1,206,947** in general funds, amounting to \$1,626,111 in total funds.

An Electronic Imaging and Workflow System for the Department of Insurance. Currently, all paperwork for the Department is kept in paper form. With a requirement that everything be maintained for 100 years, this is a huge storage expense. We propose **one-time funding** of **\$996,000** and **recurring funding** of **\$100,000** for an imaging system to help make the agency more efficient.

Funding for employees at the Department of Commerce to assist with job and investment

recruitment. These funds would be used to hire eight project managers, six research assistants/lead generators, one small business assistance program staffer, and a

The Success of WWW.SC.GOV

One of the state's biggest success stories of 2005 may also be the least known – the launch of the state's portal. The story is one of a private/public partnership, updated technology for citizens across the state, and savings by state agencies for years to come.

In 2004 the Office of the CIO went in search of a company to rebuild the state's web site. The company, SC Interactive, that successfully bid on the project proposed a "self-funded" model that required no state dollars. The funding mechanism would be a convenience fee added to the online purchase of drivers' records. This fee would generate enough dollars for the company to not only rebuild the state's homepage, but also assist any agency in the state with their web needs.

On November 1, 2005, the new www.sc.gov web site was launched. It gives easier access to information and links to all of the state's online services. Citizens can renew driver's license, book a campsite, and obtain a hunting license all at this one address.

Recognizing the potential for other agencies in state government to save taxpayer dollars, our administration approached SC Interactive about providing campaign disclosure information on the web. To begin the process of providing this information online \$400,000 was allocated in last year's budget, but SC Interactive could do it for \$0. The Governor's Office approached the Ethics Commission with this cost saving mechanism and we are happy to report that starting in early-January all donor information for candidates for statewide office will be available online.

Additionally, a number of 06-07 budget requests by agencies asked for new funding to address web needs. The State Museum was seeking \$100,000 for internet marketing and fulfillment, and the Department of Insurance was seeking \$500,000 for an electronic consumer complaint system and online premium filing and payment. Both of these requests can be done by SC Interactive at no cost. We think these examples are just the beginning.

community and rural development program manager. All of these positions are critical to the agency's ability to continue attracting record jobs and capital investments. We propose **recurring funding** in the amount of **\$1,234,750** for these positions.

Initial state funding of \$3,000,000 for the Capital Access Program (CAP).

This program is designed to give financial institutions operating in the state a flexible, non-bureaucratic tool to make business loans that are riskier than conventional loans and that may not meet conventional underwriting standards. This loan program will help grow the state's small businesses. Legislation creating the program passed the General Assembly in 2005. We propose **\$3,000,000** in unallocated Maybank funding from 05-06 for the start-up and operation of this program for two years.

Implementation of a Comprehensive Marketing Program at the Department of Commerce.

In today's global economy, many companies looking to expand perform all of their initial qualifying research over the internet. The agency's web site, which once was cutting edge, is now out-of-date. Additionally, funding is needed for business retention marketing, advertising, public relations, collateral materials, trade show participation, and industry specific events. This plan includes hiring a Strategic Marketing Director to oversee the agency's efforts. For all of these needed efforts, we propose **recurring funding** of **\$1,000,000**.

Annual payment for State Ports Authority for harbor dredging. The economic impact of the ports continues to grow with the recruitment of companies, such as Vought-Alenia and Daimler-Chrysler and the expansion of international companies, such as BMW and Michelin. Making the harbor passage deeper will keep this vital state asset competitive. We propose **non-recurring funding** of **\$2,400,000** for the Charleston Port's continued deepening efforts.

Reinstatement of the Department of Commerce's operating dollars. In the FY 2005-06 Appropriations Act, the agency was required by proviso to direct funds to a number of outside entities; however, these dollars were not added to the agency's budget, but served as direct cuts to their overall operations. We propose **increased recurring funding** of **\$700,000** to replace these dollars.

An increase in funding for the Center for Accelerated Technology Training.

One of the largest drivers for companies to expand or locate in South Carolina is the worker training program that is coordinated through our Technical College system and the Department of Commerce. The latest annual data indicates that 5,178 students were trained for 97 different employers. The current recurring appropriation for CATT is \$1,550,307. Because of the success of this program, we propose increased funding in the amount of \$4,500,000 – **recurring funding** of **\$1,500,000** and **non-recurring funding** in the amount of **\$3,000,000** in addition to the program's current General Fund appropriation.

Recurring funding for the International Center for Automotive Research (ICAR) at Clemson University. This project is a successful example of South

Carolina's efforts to focus on building knowledge-based industry clusters. The private-public partnership has created an opportunity for the state to become a leader in the United States for automotive research. Because of the current and expected economic impact of the partnership, we support the goals of the program and, therefore, propose **recurring funding of \$2,000,000** for personnel and equipment for the campus.

Monitoring the solvency of insurers in the state. There are approximately 1,530 companies authorized to transact the business of insurance in our state. Examination is required on a periodic basis for all companies to detect as early as possible those insurers and HMO's which are financially impaired so that appropriate action can be taken to protect policyholders. To perform this important function of government, we propose **maintaining current general funding at \$290,085** and continuing the fee paid by insurance companies for this transaction, which generates approximately \$2,000,000 annually.

A "Closing Fund" for Economic Development. When trying to attract new companies to South Carolina, we often stay in the running until the very end. At this point, other states throw additional value-added items on the table to sweeten the deal. We do not have an opportunity to do this because of the current restrictions placed on our recruitment funds. The new funds could only be used at the direction of the Coordinating Committee. We propose **\$7 million in recurring funds** to establish this very important fund.

Start-up and ongoing expenses for a statewide Hydrogen Fuel Cell Coalition. The coalition will be made up of the five regional hydrogen research organizations. It would be housed at the Department of Commerce. We propose **recurring funding of \$367,640** and **one-time funding of an additional \$81,230** to run the program.

Recurring dollars for a competitive grants program at the Department of Commerce. In the FY 2005-06 budget, the Department was given \$500,000 for a grants program, but control of awarding those dollars was directed to the Budget and Control Board. Programs such as the Council on Competitiveness and the Technology Alliance that aid in statewide economic development could benefit from a coordinated program housed at the agency that is charged with leading the effort. We propose **\$500,000 in recurring funding** for a Commerce-based grants program.

Funding for Beach Renourishment for our developed coastal areas. The administration's position on beach renourishment has always been that dollars should be directed to areas of the coast with development and infrastructure. For that reason, we propose **\$5,000,000 in non-recurring funds** be spent at the direction of the Department of Parks, Recreation and Tourism for our coastal communities based on need.

Local Workforce Investment to meet the employment, training, and labor market needs of businesses, jobseekers, and at-risk youth. These federal dollars are spent in

coordination with the state's economic development activities to help recruit high-paying jobs. The training programs are in industries that the Department of Commerce has targeted. **Projected FY 2006-07 federal funding is \$61,697,984.**

Our Plan Saves by:

Continuing our efforts to self-fund the Department of Labor, Licensing and Regulation's boards and commissions. In last year's executive budget, we proposed moving the remaining boards and commissions still receiving general fund dollars to Other Funds. Because this was recognized as a two-year process, a partial reduction was taken last year and the remaining will be taken this year. This results in a **general fund savings of \$469,543.**

Directing gasoline tax revenue to the petroleum inspection and testing program. The Department of Agriculture is charged with inspecting and testing gas pumps for accuracy and suitability for service. The current state law provides that, "For the purposes of providing funds for inspecting, testing and analyzing petroleum products and for general state purposes, there must be paid to the department a charge of one-fourth cent a gallon..." Currently, the department runs this program with general fund dollars. We propose directing the state amount of funds from the gas tax to run this program because it is statutorily required. This will allow the agency to hire the needed inspectors to ensure this program is run as expected. This will generate **general fund savings of \$664,468.**

Directing the Local Government Infrastructure Grants at the Budget and Control Board to the Department of Commerce. As lead agency on economic development for the state, the Department of Commerce should be the agency in charge of all funds directed at growing the economy of our urban and rural areas. Since taking office, this administration has had unmatched success in the state's rural communities. For example, Cherokee County has benefited from the addition of five new businesses in FY 2003-04. This is significant in light of the fact that the county only announced six during the eight year period preceding this administration. Additionally, in an effort to continue improvements toward workforce readiness in rural South Carolina, the Rural Infrastructure Fund (RIF) helped create Northeastern Technical College Information Technology Laboratory classroom at its Dillon County Community Campus. Moving this program and all associated grant funds to the Department of Commerce, to be used for economic development, would generate **general fund savings of \$137,771.**

Reducing pass through funding at the Department of Parks, Recreation and Tourism. The Department's existing tourism grants program gives the state's formidable events and organizations access to funding. The Contributions line item in PRT's budget is duplicative and should be deleted. This will result in a **general fund savings of \$377,586.**

Combining and eliminating licensure boards. In addition to the direct general fund savings listed above, there are a number of fee-based activity changes that we suggest implementing. While they will not all provide general fund savings, they will provide direct savings to the affected professionals and taxpayer.

Currently the Board of Barber Examiners and the Board of Cosmetology have two different oversight groups and regulations. Since the two professions are closely aligned by function, we propose combining staff and resources for a potential fee decrease to licensees.

The following boards are currently regulated by LLR. As a part of this budget, we are proposing their elimination.

- Board of Registration for Foresters
- Board of Registration for Geologists
- Auctioneers Commission
- Perpetual Care Cemetery Board
- Board of Pyrotechnic Safety

The primary focus of regulations at LLR should be to protect and preserve the health, safety, and welfare of the public. None of these boards satisfy this fundamental requirement for the existence of a regulatory agency.

Making Tough Choices:

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

Direct pass through funding. This administration has always believed that any public-private endeavor should employ an open and objective competitive process so that the most worthy projects receive public investment. We continue to believe the \$3,147,276 made available through the competitive grants program at PRT is a more fair way to fund these projects than with pass through funding. Therefore, we propose eliminating the following direct pass through funding items: Canadian Day, U. S. Youth Games, Spoleto Festival, and Southeastern Wildlife Exposition. This will **save \$491,000**, but will allow these organizations to apply to PRT for their funding.

Clemson Public Service Activities reaching outside of their core mission of agriculture. The administration continues to recognize the valuable role PSAs have played in our rural areas over the past several decades. However, as we mentioned before, we think that the agency should narrow its focus to more closely concentrate on its core mission of serving our state's agricultural community. Those non-core activities

we identified are Government and Public Affairs Research and Education, Rural Community Public Issues Education, Community and Economic Affairs Research and Education, and Rural Community Leadership Development. These activities represent a general fund **savings of \$826,590.**

Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.

Improve the Health and Protections of Our Children and Adults

Improve the Health and Protections of Our Children and Adults

South Carolinians expect state government to ensure the safety of our most vulnerable citizens and make available basic living needs for our state's children, seniors, adults with disabilities, and low-income citizens. Protecting them from physical harm, providing opportunities for self-sufficiency, and improving their economic status are core functions of state government that will lead to a better quality of life for our citizens, fuel our economy, and lower costs to society.

The more successful our state is at improving basic problems – like reducing child poverty, finding permanent homes for foster children, decreasing rates of child abuse and neglect, improving conditions for safe and stable living environments for our seniors and adults with disabilities, and improving rates of self-sufficiency among our low-income citizens – the more improvements we will see in employment rates, educational performance, health status and quality of life. All of these outcomes can directly benefit our children and vulnerable adults and indirectly benefit our taxpayers and the state as a whole.

Managing the rising cost of health care is one of the biggest fiscal challenges we face as a state. Preventing further declines in health care outcomes is a challenge in every community. South Carolinians deserve a more efficient health system that encourages cost-effective preventative care and offers a menu of health plans from which to choose for themselves and their families.

In order to provide the most innovative health and human services solutions to our citizens, we need a more efficient and accountable service delivery system.

If the South Carolina government were to be created today, it is virtually inconceivable to believe anyone would recommend a health care delivery structure like the one that we currently have. The unwieldy management structure of our state's health and human services system, with eight different agencies answering to six different authorities, is more a product of short-term political expediency than any long-range vision or results-oriented plan. It needs to be fixed.

Governor Sanford's Goals for **Improving the Health and Protections of our Citizens** are to:

- ✓ Increase the number of citizens leading healthier lives
- ✓ Increase access to health care
- ✓ Increase self-sufficiency
- ✓ Increase children living in a safe and stable living environment
- ✓ Reduce preventable injury, illness and death
- ✓ Reduce health disparities
- ✓ Reduce poverty

IMPROVE THE HEALTH AND PROTECTIONS OF OUR CHILDREN AND ADULTS

Developing our Purchasing Priorities

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently meeting its goal to improve the conditions for the health of our citizens. We have found some modest progress; however, there are many areas that need improvement. This section identifies the measures that help explain our state's level of progress in achieving our goal for a healthy citizenry.

Where we are succeeding

Reduce Preventable Injury, Illness or Death – Screening

One area of success is in our rate of women receiving mammograms. South Carolina ranks ninth in the nation for the percent of women receiving mammograms at appropriate ages and intervals. While our performance in this area is considerably better than the 16th and 25th rankings of our neighboring states, North Carolina and Georgia, respectively, we still have racial disparities in this area that need significant attention. While white women in South Carolina contract breast cancer 19 percent more often than their African American counterparts, African American women are 42 percent more likely to die from the disease, largely because they tend to be screened and detected later. Our breast and cervical screening and early treatment expansion last year will help in this regard.

Access to Care

Our state has had moderate comparable success in health care coverage, although there is certainly room for improvement. Overall, South Carolina has equal or fewer uninsured individuals per capita than the national average and our neighboring states, North Carolina and Georgia. One reason for this, however, is that a greater percent of our population is eligible to receive coverage through Medicaid. We are slightly under the national rate for employer-supported health insurance. In addition, there are several counties that have few or no specialty health care providers such as OB/GYN or Geriatric physicians.

Lack of Health Insurance (Overall State Population)	
State	% Uninsured
Alabama	13.5
Virginia	14.4
South Carolina	14.7
North Carolina	15.7
<u>U.S. Average</u>	<u>15.7</u>
Georgia	17.4
Florida	19.9

Health Insurance Coverage for All Citizens
United States, South Carolina, North Carolina & Georgia

Indicator	US	SC	NC	GA
Uninsured adults	19%	20%	22%	20%
Uninsured children	12%	9%	12%	13%
Uninsured whites	13%	15%	14%	15%
Uninsured blacks	21%	18%	19%	20%
Uninsured Hispanics	34%	NSD	56%	41%
Employer sponsored insurance adults	63%	62%	62%	65%
Employer sponsored insurance Child	56%	54%	52%	52%
Medicaid adults	8%	9%	7%	6%
Medicaid children	26%	31%	36%	30%

Source: Kaiser Family Foundation, 2004

Living in a safe, stable, environment

Improved rates of South Carolinians living in safe and stable environments are direct indicators of the economic and physical well-being of children and adults. Key measures of this indicator include lower rates of child abuse and neglect.

South Carolina is meeting some goals to ensure the safety of our children, adults with disabilities and seniors. With regard to children, from 1999 to 2003 the number of intentional child fatalities has decreased from 53 to 20 total deaths.

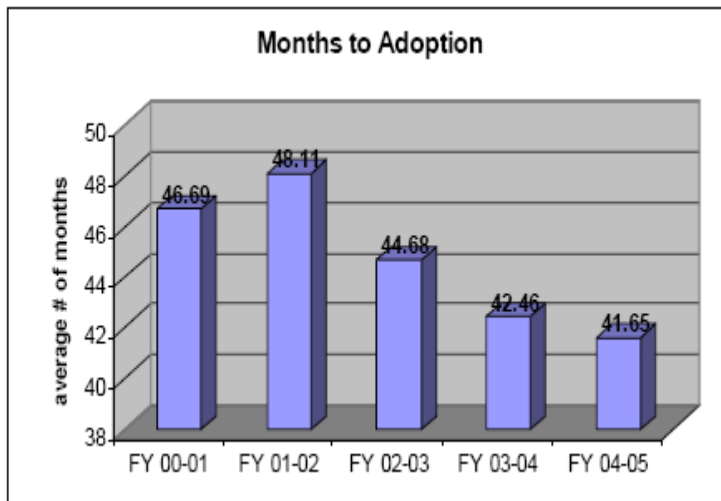
According to the most recent Department of Health and Human Services Child Maltreatment Report, South Carolina's child victimization rate is consistently lower than the national rate.

Year	Child Victims	Total State Child Population	Victims Per 1,000 Children (SC)	Victims Per 1,000 Children (US)
2000	11,246	1,009,641	11.1	12.2
2001	11,199	1,018,000	11.0	12.5
2002	10,738	979,163	11.0	12.3
2003	11,143	1,023,504	10.9	12.4

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The number of substantiated cases of child abuse and neglect has decreased between the years 2000 and 2002 by less than one percent. The number of children who are re-abused after the state returns them to the home is 2.2 percent, down from 3.4 percent in 2002 and significantly lower than the national standard of 6.1 percent.

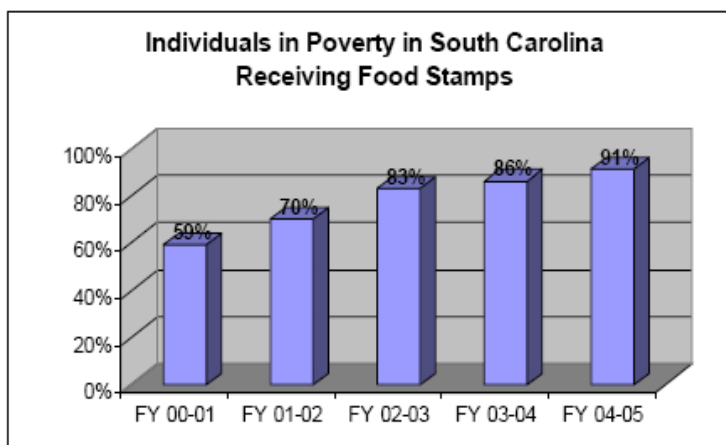
In the area of adoption, we have seen some improvement. In FY 2004-05, 381 children were adopted, up from 324 in FY 2003-04. The amount of time it takes for a child to be adopted has decreased each of the last four years, down from a high of 48.11 months in FY 2001-02 to 41.65 in FY 2004-05. We still do not meet the national standard of 32 percent of children being adopted within 24 months, but we have made substantial progress from 15.4 percent two years ago to 21 percent last year.



Self-Sufficiency Rates

Improved rates of self-sufficiency and independence are direct indicators of economic well-being. Key measures of this indicator include the percent of South Carolinians leaving state assistance (i.e., Temporary Assistance for Needy Families – TANF), the number of seniors and disabled persons able to remain in their own homes, and the unemployment rate, not only in general, but also for those with disabilities. Currently, families are the major providers of long term care for seniors providing 80 percent of care at home.

South Carolina is meeting some of its goals to increase opportunities for self-sufficiency among low-income families and adults with disabilities by providing basic needs. Efforts to maximize the eligible persons receiving food stamps in South Carolina have been very effective – approximately 91 percent of South Carolinians in poverty are receiving food stamps, up from 50 percent in FY2000-01. An



average of 216,602 households received food stamps last fiscal year. Child support distributed collections have steadily increased since 1997 from \$142 million to \$248 million collected in 2004.

Availability of affordable housing has improved since the State Housing and Finance Authority has implemented several new programs. The Authority introduced a new homeownership program for disabled citizens and their caregivers and took its Broker Program statewide to ensure that more citizens have access to the Agency's low-cost mortgages. While the national homeownership average dropped nearly a full percent from 2003 to 2004, the South Carolina rate rose 1.2 percent, making South Carolina 6th in the nation in homeownership.

Success should not be measured simply in the number of South Carolinians receiving assistance, but also in the number of those that are able to leave the system. The number of South Carolinians leaving state assistance and remaining off assistance for at least one year due to employment has remained over 75 percent for the past three years.

Percentage of mandatory TANF cases closed and remained off assistance for at least one year:	
<u>Exited in</u>	<u>Percent</u>
FY 2000 –	77.8%
FY 2001 –	74.6%
FY 2002 –	76.4%
FY 2003 –	78.9%
FY 2004 –	77.3%

From 2000 to 2003, the rate of adults with disabilities that were served and achieved employment outcomes steadily increased by over ten percent. However, it slipped slightly in FY2004 as competitive employment placements of blind and visually impaired individuals dropped from 312 in FY 2002-03 to 284 in FY 2003-04.

Opportunities for Improvement

While South Carolina does have areas of success, there is great room for improvement in addressing South Carolina's health care challenge. The bottom line is that our state currently ranks 46th nationwide in the overall health of our citizens. That's up from 47th last year; however, this is due more to other states struggling than to any significant improvement on our part. While health outcomes are poor across the South, South Carolinians generally fare worse than our neighbors in North Carolina and Georgia, who rank 36th and 43rd, respectively. This is particularly disappointing when one considers the fact that we rank tenth in the nation in spending on public health at \$219 per capita, well above Georgia (\$138), North Carolina (\$128) and the national average (\$162). The 2005 *Governing* magazine sourcebook ranks South Carolina 4th in state and local health

and hospital spending, and we are generally about average in total Medicaid spending. We are clearly not getting enough value for our health care dollars.

Increase the Number of Citizens Leading Healthy Lives

Unhealthy lifestyle choices made by too many South Carolinians contribute to the overall poor health of the state. The first table below, Health Risk Factors Rankings, indicates that we engage in behaviors that put our children and ourselves at risk. We now have the eleventh highest rate of smoking in the nation at 24.3 percent (a slight improvement from ninth last year at 25 percent) and the 12th highest rate of adults who engage in no physical activity. We rank among the worst of all states with regard to the number of women receiving appropriate prenatal care. These risk factors contribute to the poor health outcomes summarized in the second table, Health Outcomes Rankings. South Carolina's outcomes indicate poor health across the lifespan – from infancy to death.

Health Risk Factors Rankings

Comparison between South Carolina, North Carolina, and Georgia

Indicator	Ranking Among 50 States (<u>lower</u> number indicates <u>better</u> health status)		
	SC	NC	GA
Women receiving prenatal care starting in first trimester	45	24	22
Smoking rate	39	43	24
Smokers who attempted to stop smoking	16	20	3
Adults engaging in physical activity	38	32	39

Source: Kaiser Family Foundation

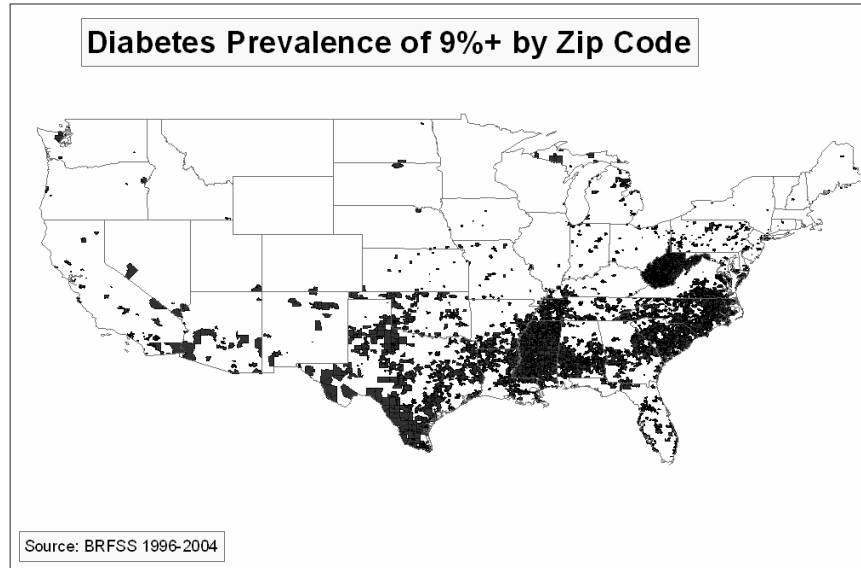
Health Outcomes Rankings

Comparison between South Carolina, North Carolina, and Georgia

Indicator	Ranking Among 50 States (<u>higher</u> number indicates <u>better</u> health status)		
	SC	NC	GA
Percent of preterm births of all live births	6	7	19
Infant death rate	6	10	9
Child death rate	13	23	12
Cancer death rate	13	19	21
Prevalence of diabetes in adults	4	11	15
Stroke death rate	2	7	9
Adult Obesity Rate	T11	T11	T11

Source: Kaiser Family Foundation

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Increase the number of children living in a safe and stable environment – Foster Care

The national standard/state objective to measure how well the state determines safety in the home when re-unifying foster children with their families is the following: We should not have more than 8.6 percent of children that had been returned home from a previous foster care placement re-entering foster care within a 12 month period. In South Carolina for 2004, the percentage of children who re-entered care due to re-abuse was slightly over at 8.64 percent, so the state currently fails this measure.

In addition, we are struggling with the stability of foster care placements. The national standard for stability is that of all the children who have been in foster care less than 12 months, 86.7 percent or more have two or less placement settings. South Carolina is currently at 82.6 percent, down from 86.6 percent in FY03 and short of the standard.

Reduce preventable injury, illness and death

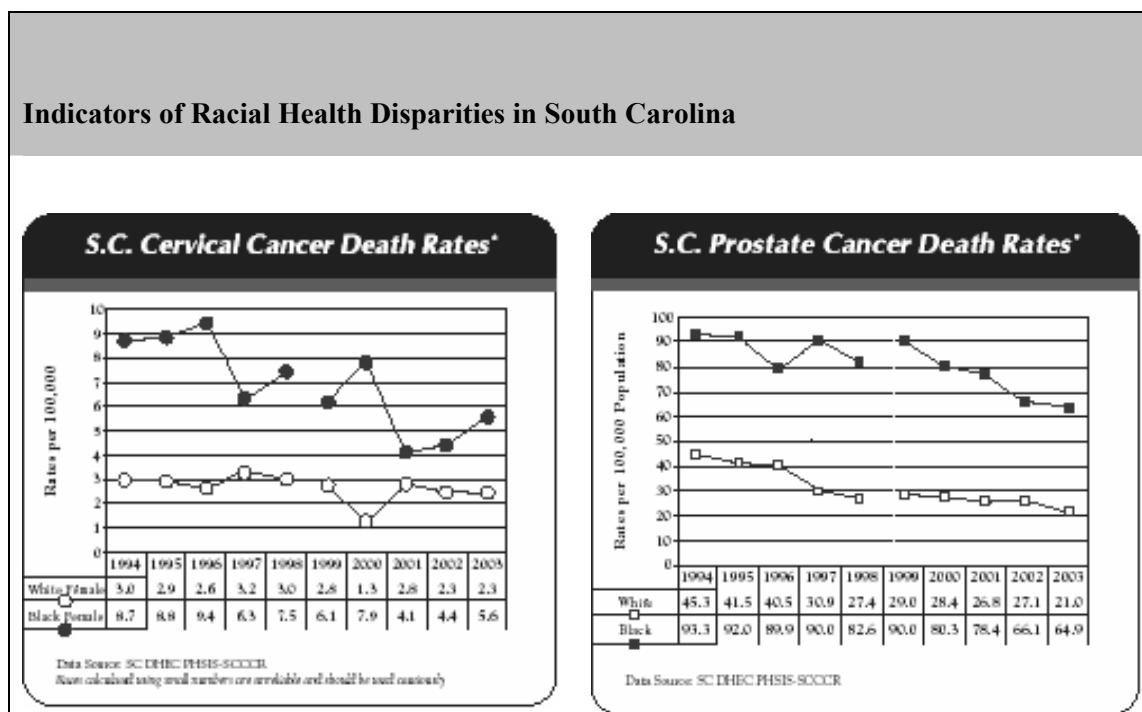
While South Carolina has historically been successful in the area of immunization, in 2005 our state slipped as only 79 percent of South Carolina's children 19-35 months were immunized, as opposed to 83 percent the year before. Nationally, 80.9 percent of children were immunized in 2005. Immunization against diseases is a cost effective strategy for improving the health of our citizens.

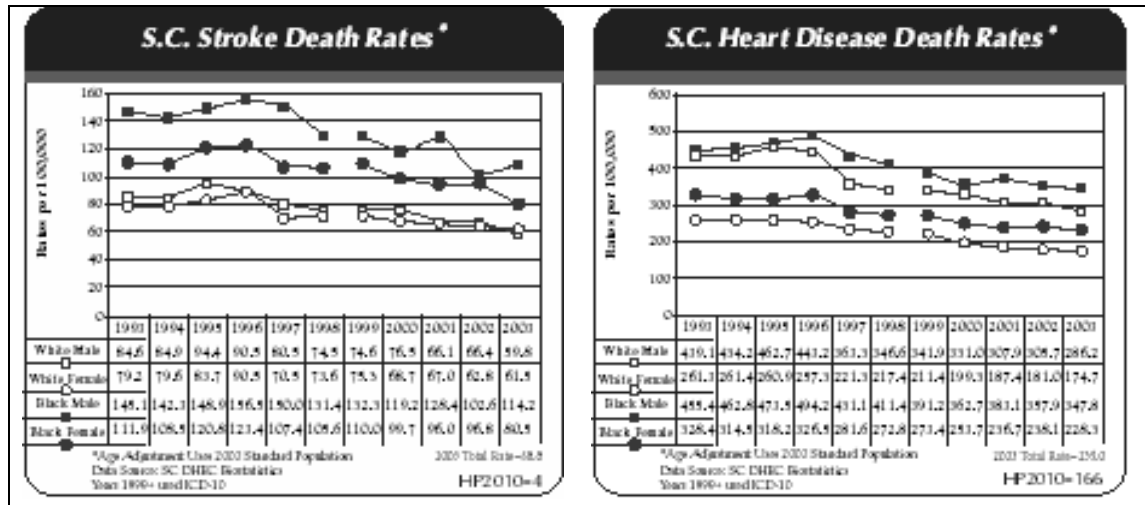
Unintentional injuries, or accidents, killed more than 2,000 citizens in South Carolina and this number has been increasing every year since 1997. In 2005, our state had 6.7 occupational fatalities per 100,000 workers, an increase from 5.8 per 100,000 workers in 2004. Accidents are the number one cause of death among children in South Carolina. Increased awareness of and compliance with safety laws and standards, appropriate vaccinations for major diseases, and increased emphasis on curbing

domestic violence are all potential ways to improve South Carolina's performance in this area.

Decrease Health Disparities

Disparities in health outcomes are a significant problem in South Carolina. The National Institute of Health has defined health disparities as "differences in the incidence, prevalence, mortality and burden of diseases and other adverse health conditions that exist among specific population groups in the United States." The conditions that disproportionately affect minorities living in South Carolina included cancer, cardiovascular disease, diabetes, kidney disease, HIV/AIDS, immunizations and infant mortality. Large health disparities exist in our state in numerous indices of health such as prenatal care, certain cancers, obesity and rates of death from diabetes, stroke and heart disease.





Reduce Poverty

Poverty rates are direct indicators of economic well-being of children and adults and are closely linked to physical well-being as well. South Carolina ranked ninth in the country for persons living below the poverty line with a poverty rate of 14.1 percent, higher than the national average of 12.7 percent. The percent of South Carolina children under age 18 living below the poverty line is 21.0 percent, well above the national average of 17.8 percent.

Coordination and Accountability

When all of the general funds allocated to the activities related to chronic disease prevention, minority health, smoking cessation, or promoting healthy lifestyles are totaled, they amount to a mere fraction of a percent of the over \$1.1 billion in total general fund spending allocated to improving the health of our citizens. Even when total funds are included, the percentage is abysmal. As well, many of the scarce resources we do spend are allocated in a fragmented manner or through entities such as Clemson PSA or South Carolina State PSA without any coordination from a statewide perspective. Unfortunately, the most significant prevention effort in our state may be related to the structure of our fragmented and largely unaccountable health care system, which prevents us from receiving more benefits from our health care expenditures. If we are going to get serious about improving our overall health and slowing the growth of our health care expenditures, we must better coordinate those resources and make wise spending decisions going forward. We attempt to do just that in this budget.

Our restructuring proposal, which we discuss in the “Fix the Structure” section of this budget, is intended to enhance the accountability, coordination, and efficiency of our health and human services agencies.

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Furthermore, our Medicaid reform plan, explained in the “Meeting the Health Care Challenge” portion of the budget, is designed in part to help more Medicaid enrollees benefit from more closely coordinated care, which will improve care and lower cost.

Purchasing Priorities

We developed this purchasing plan by taking proven and promising strategies and then prioritizing them in a way that will achieve the best results. The key strategies we identified are as follows:

Provide incentives to promote healthy lifestyles

Improved quality and length of life among South Carolinians begins with citizens making better choices about their own health. Engaging in unhealthy habits such as eating a poor diet, leading a sedentary life, and smoking cigarettes results in significant health care costs to our state. For example, the prevalence of adult obesity in South Carolina costs \$1 billion in medical expenditures, with about half of the costs being funded by Medicare and Medicaid. Obesity-related expenditures represent approximately 6 percent of South Carolina’s annual health care bill.

In addition, there is the challenge of teen pregnancy. Children of teen mothers are twice as likely to be victims of abuse or neglect. Teen mothers are more likely to have low birth weight babies. Less than one third of teen mothers finish high school. Seventy-five percent of unmarried teen mothers will go on welfare within five years of the birth of their first child.

Dr. William Galston, currently Director of the University of Maryland’s Institute of Public Policy and formerly President Clinton’s assistant for domestic policy, has said that there are basically three things a person has to do to lift their children out of poverty: graduate high school, get married before having a child, and have that child after the age of twenty. The rate of poverty for children of parents who do these three things is eight percent. The rate of poverty for children of those who fail to do this is 79 percent. South Carolina’s rate of success on all of those three measures is poor, and so, predictably, are our results in health, education, and economics. In 2003, a researcher at Johns Hopkins University estimated that each child born to a South Carolina teenager costs South Carolina taxpayers \$22,000.

Provide increased access to insurance and private payment for health care.

Access to appropriate health care in South Carolina is significantly impacted by uninsured citizens. Many South Carolinians are either underinsured or have no insurance. Health insurance coverage increases the likelihood that people will receive the preventive care they need to stay healthy. A high rate of uninsured individuals puts a strain on emergency care and increases the likelihood that health issues will go unaddressed until they are at a critical point. It has been estimated that the cost of un-insurance, nationally, is between \$65-130 billion dollars.

Provide for an increased number of providers in underserved areas.

There is a shortage of trained professionals in several health care areas. This is particularly true in rural areas. Since South Carolina is a rural state, improved access to rural health care services is an important part of meeting our public health needs.

Provide for measures to increase the number of individuals with an identified primary care physician or medical homes.

People with a regular provider of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the United States lack a usual source of care. Thus, more than 40 million persons have no particular doctor's office, clinic, health center, or other place where they go for health care advice.

Provide disease prevention and disease management.

Many of the health care and societal costs associated with physical and behavioral disorders can be reduced through improved disease management and prevention programs. The health outcomes in South Carolina clearly demonstrate that we fall short in the area of prevention and management of disease. Cardiovascular disease, cancer, and diabetes are among the leading causes of death. In South Carolina, the total direct and indirect costs of hospitalizations and emergency room visits were more than \$928 million for diabetes in 2001. Some of these costs could be reduced through improved blood sugar control and control of elevated blood pressure and high cholesterol and other disease management techniques.

According to the National Institute of Mental Health, over 15 percent of all adults in the United States meet criteria for at least one alcohol, drug abuse, or mental disorder. The prevalence of diagnosable mental disorders in children and adolescents has been estimated to be between 14 percent and 20 percent; among the elderly, it has been estimated at 15 percent to 25 percent. When mental disorders illnesses are not well treated and managed, they result in staggering costs to society. The indirect cost of mental illness was estimated to be approximately \$80 billion in the United States in 1990. With recent gains in mental health treatment, recovery has become a reality for many individuals suffering from a mental illness. Providing access to appropriate treatment could reduce the large indirect costs to society imposed by mental illness.

Provide adequate food and nutrition.

Undernutrition can have lasting negative effects upon the physical and cognitive development of children. The Food Stamp Program is the first line of defense in ensuring that low-income families receive adequate nutrition. Programs like the Summer Food Program, Child and Adult Care Food Program and the Emergency Food Assistance Program help families provide nutritional meals. Additionally, providing adequate food and nutrition, through programs like Meals on Wheels, encourages independent living for home-bound adults and seniors.

Provide opportunities for employment and independence

In order to improve economic well-being and self-sufficiency of our low-income population and our state's adults with disabilities, we must find ways to increase opportunities for employment. For adults and seniors, adequate supports (such as homemakers, personal care aides, Meals on Wheels, transportation) can prevent or delay nursing home institutionalization. Maximizing living choices for adults and seniors, especially if they choose to stay in their own homes or be cared for by family as long as possible, can be a cost-effective strategy for state government and for South Carolina citizens.

Provide for child support collections

In order to reduce the rate of poverty of South Carolina's children, we must find ways to increase child support collections. "Analyses of increases in child support enforcement strongly suggest that it has played a role in decreasing child poverty – one study estimated that child support lifted about a half million children out of poverty." [*Child Trends*, 2002]. Children in poverty are more likely to suffer poor health, more likely to die in childhood, more likely to be developmentally delayed, more likely to repeat a grade, more likely to drop out of high school, more likely to become pregnant during adolescence, and less likely to be employed after high school.

Provide measures to reduce time for foster children to be adopted

By reducing the time for South Carolina children to be adopted, we can increase the number of children in stable and safe environments and reduce the number of children in institutional settings. Another long term consequence of children aging out of the foster care system with no permanent family is the high incidence of homelessness experienced by former foster youth. Across the nation, various studies indicate that as much as 30 percent of homeless persons have a history of being in foster care.

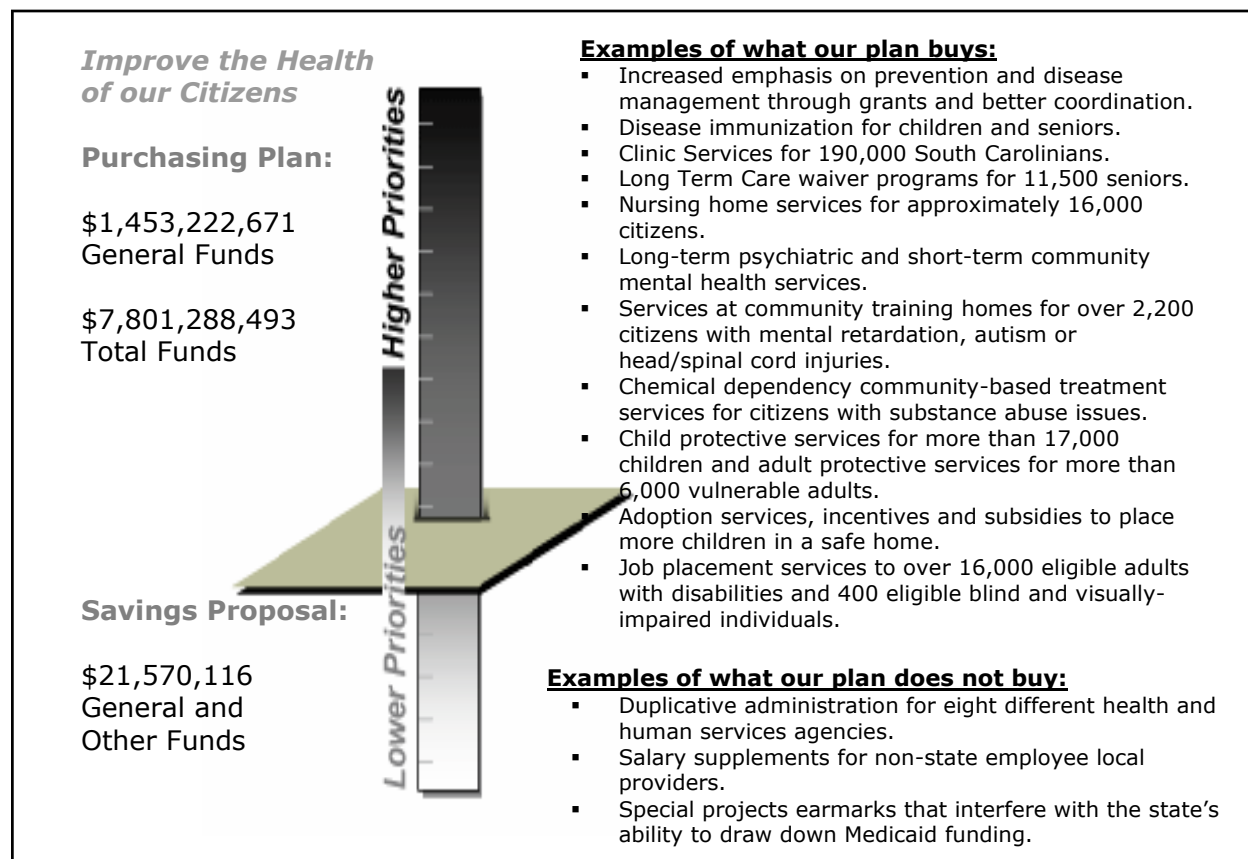
Provide timely and effective interventions when safety is compromised in the home or family environment

For children, the behavioral consequences of abuse and neglect include difficulties during adolescence – abused and neglected teens are 25 percent more likely to experience delinquency, teen pregnancy, low academic achievement, drug use and mental health problems. To reduce costs to society in the long term, children need to be protected from the effects of abuse and neglect. Psychological problems often manifest as high-risk behaviors, which in turn can lead to long-term health problems such as sexually transmitted diseases, cancer and obesity. For adults and seniors, timely and effective interventions will help prevent recurring abuse and improve the quality of care for residents in long term care facilities.

Governor's Purchasing Plan – Highlights

Our plan takes into account both the physical and fiscal health of our state. In our purchasing plan, we choose to fund or purchase those health and human services we

believe provide the most value and do not purchase some other items that are identified as of lower priority. The following table identifies key purchases within our executive budget's total state health care spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.



Our Plan Buys:

Increased emphasis on prevention and promoting healthy lifestyles

We continue to feel strongly about the need for an increased focus on prevention. Therefore, we propose to **increase funding for Prevention Partnership Grants by \$3,000,000**. The grants support programs that have proven successful or have the potential to reduce the amount of disability and disease and the related hospitalization and other health care costs. These grants can be awarded to government agencies, private foundations, and non-profit organizations, focusing on reinforcing successful ideas that measurably improve the health of our citizens. Some of the ideas funded may also qualify for federal matching funds, bringing additional dollars to our state for prevention.

Last year, our \$5 million request was reduced to \$2 million in the General Assembly, with half of that amount then earmarked by proviso for one particular activity. We request that this year we return to the original intent of the program to fund health care prevention grants based on their merits rather than political direction.

In addition, we would like to see all prevention efforts currently funded through agencies such as DHEC, Clemson PSA, and South Carolina State PSA more effectively coordinated with this prevention office for better overall results.

Immunizations for Polio, Measles, and other Contagious Diseases. Many serious childhood diseases are preventable through routine childhood vaccination. Diseases such as polio, whooping cough, and measles are easily spread through communities. Individuals who are not immunized increase the risk that they, and others in their community, will contract a contagious disease. The flu and pneumonia are among the leading causes of death in the senior population. Both are easily preventable through either an annual flu shot or a one-time pneumonia vaccine. To prevent disease, disability, and death from vaccine-preventable diseases and to avoid the exorbitant public health costs associated with these illnesses, **we propose to increase funding for this activity by \$449,705** amounting to \$4,537,930 in general funds and \$7,809,536 in total funds.

Funding for Maternal and Infant Health. This funding seeks to improve the health and well being of children in the state with an emphasis on eliminating health disparities. Activities include family support services, newborn screening and home visits, medical home partnerships, family planning, and nutrition. These activities also further our goals of promoting healthy behaviors and improving access to comprehensive quality health care. This funding will help increase the percent of very low birth weight infants delivered in Level III hospitals, which is tied to reducing infant mortality. We propose to **increase funding for this activity by \$333,605**, amounting to \$3,691,263 in general funds and \$138,354,604 in total funds.

Provide access to insurance and private payment for health care

Options for Medicaid Coverage for enrolled beneficiaries in South Carolina. The state reimburses the Managed Care Organizations an actuarially sound, capitated reimbursement rate for enrolled members. These organizations will generally provide a coordinated system of primary care aimed at establishing beneficiaries in a medical home. Additionally, they provide other health services such as health education and home visits. For this service, we propose to **increase funding by \$23,126,385** amounting to \$45,607,070 in general funds and \$201,030,716 in total funds.

In addition, as indicated in the “Meeting the Health Care Challenge” section of this budget, we recently enacted tort reform legislation to help stabilize insurance rates for doctors, and we are pursuing a Medicaid reform proposal which will bring the benefits of ownership, market competition and consumer choice to Medicaid.

Provide for measures to increase the number of individuals with an identified primary care physician or medical homes.

Healthy Connections Enrollment Counselors to serve 850,000 Medicaid beneficiaries. An important part of our Medicaid Reform efforts will be helping Medicaid beneficiaries choose the best health plan for them and their families. A key part of this effort will be providing Medicaid beneficiaries with a professional helping hand during the enrollment process. Trained DHHS enrollment counselors will provide basic information about the choices open to the beneficiary, the purpose of the Personal Health Account (PHA) and how the PHA can be effectively used. Counselors will be trained with a curriculum to ensure that the information provided to the beneficiaries is impartial, consistent and complete. **We will dedicate \$2,500,000 of the funding within the “Medicaid Eligibility” activity to hire and train Medicaid enrollment counselors for citizens in need.**

Provide disease prevention and disease management

Cancer Research and Treatment. Cancer is the second leading cause of death in South Carolina, claiming the lives of nearly 8,000 citizens each year. Our state will likely have over 17,000 new cancer cases diagnosed in the next year. A study released in November 2005 by a team from the Harvard School of Public Health, University of Auckland in New Zealand and University of Queensland in Australia found that up to a third of cancer deaths are actually preventable by changes in behavior. Hollings Cancer Center is a leader in cancer medicine, researching ways cancer can be prevented, diagnosed, treated and cured now and in the future. We, therefore, propose devoting **an additional \$500,000** in research dollars to the Hollings Cancer Center at MUSC to help with their efforts to bring more research and treatment resources to our state. We are committed to assisting the Hollings Cancer Center in its efforts to secure accreditation with the National Cancer Institute as a Comprehensive Cancer Center, and we encourage the Hollings Cancer Center to coordinate care with other agencies throughout the state, where possible.

While we are increasing funding to prevention related activities, our state must still deal with the reality that we remain among the unhealthiest populations in the United States and that this reality costs us every day – in terms of both dollars and lives.

Our budget proposes to continue purchasing many activities that manage illness. A significant portion of these activities are purchased through the state’s Medicaid program. Growth in this program was held to less than six percent in FY 2003-04, and the program ended the year balanced for the first time in several years. The growth the program experienced was well below the national average for Medicaid programs, but increases in costs and utilization are accelerating the rate of growth again. In FY 2004-05, funding growth was at approximately nine percent. Because managing illness among the poor and disabled is so vitally important to our state, this budget proposes to significantly increase funding for these activities so that continued health care cost

increases can be absorbed without services having to be reduced. Important activities include:

Prescription Drug Availability for South Carolinians on Medicaid. Today's pharmaceuticals are among the most advanced in history and produce noticeable results in terms of saving lives in emergency situations or during short-term illness, sustaining life in chronic or long term illness, or limiting the need for hospitalization. Medicaid's covered pharmacy services include the provision of most prescription and over-the-counter pharmaceuticals. Pharmacy utilization levels are growing in Medicaid just as they are in the State Health Plan and in other private insurance plans. **We propose to increase funding for this activity by \$19,093,859**, amounting to \$156,797,090 in general funds and \$777,866,464 in total funds.

Clinic Services to over 190,000 South Carolinians. While many private medical providers participate in the Medicaid program, a portion of Medicaid recipients are seen in Rural and Federally Qualified Health Centers. These centers provide primary medical care in underserved areas and are the backbone of our state's low-income health delivery system. Additionally, many Medicaid recipients have conditions such as kidney disease or HIV/AIDS that require specialized care in a clinical setting. Continued provision of these services is necessary if our state is to appropriately assist these individuals in managing their illness. To maintain this structure, we propose to **increase funding for this activity by \$1,462,850** amounting to \$30,953,708 in general funds and \$109,486,702 in total funds.

Inpatient and Outpatient Hospital Care. This activity is also vital to South Carolina's disease management efforts. Our prevention, pharmacy, medical professional, and clinic services seek to reduce Medicaid recipients' need for hospital care. Nevertheless, unforeseen circumstances arise, such as accidents, or illnesses become more severe and the best care can only be provided in a more specialized setting. We propose to **increase funding for Medicaid hospital services by \$11,058,247** amounting to \$184,066,912 in general funds and \$701,016,253 in total funds to ensure that our fellow citizens who require this high-level care continue to receive the help they need.

Hospice Care for over 600 South Carolinians in need. Hospice care is provided to eligible Medicaid recipients who have been certified as being terminally ill. A person is considered to be terminally ill if the individual has a medical prognosis that his/her life expectancy is six (6) months or less if the disease runs its normal course. Services provided include nursing, medical social services, physician services, counseling, medical appliances including drugs and biologicals, and aide, homemaker and therapy services. We propose to **increase funding for this valuable service by \$234,122** amounting to \$1,972,702 in general funds and \$7,304,298 in total funds.

Acute Psychiatric Services for consumers whose conditions are temporarily severe enough that they are not able to be treated in the community. Services are delivered in a

hospital setting with the intention of improving the functioning of the consumer and decreasing the number of consumers who have to return to a hospital setting for treatment. We propose to **increase recurring funding for this activity by \$1,000,000**, amounting to \$19,472,430 in general funds and \$34,835,391 in total funds.

Long Term Inpatient Psychiatric Services for 300 adult consumers whose conditions are of such severity that they are not able to be treated in the community and are not expected to return to the community. Services for these individuals are provided by a multidisciplinary team in a hospital setting. We propose to **increase recurring funding for this activity by \$400,000** amounting to \$12,472,430 in general funds and \$19,820,936 in total funds.

Crisis Stabilization is a service that evaluates and treats individuals in crisis, thereby diverting them from the emergency room. This is very important due to the negative impact emergency room utilization by mental health patients has upon the functioning of that setting. Last year, we provided a significant increase to help with this problem. We propose to **maintain our current level of state funding** for this activity amounting to \$12,111,220 in general funds and \$21,418,955 in total funds.

The need for mental health and substance abuse treatment is closely linked as many individuals with mental illness abuse alcohol and other drugs. The rate of concurrence of substance abuse and mental illness is extremely high. Furthermore, individuals who abuse substances are likely to neglect their health and have numerous co-occurring physical complaints. To meet the needs of this population, we propose the following support:

Chemical Dependency Community-Based Treatment Services. Services for individuals with chemical dependency range from locally available outpatient treatment to higher levels of specialized treatment such as detoxification, adolescent inpatient services and residential services. This funding would go toward evidence-based prevention for adolescents to prevent alcohol use or to stop alcohol dependency early. Secondly, it would be used for low-end treatment services within the community. The idea is to reach individuals early in the dependency cycle in order to reduce the need for more expensive, episodic treatment in residential facilities and hospital emergency rooms. We propose to **increase funding for this activity by \$750,000**, amounting to \$7,613,387 in general funds and \$24,339,129 in total funds.

Provide Adequate Food and Nutrition

Food Stamps and other food programs to more than 600,000 South Carolinians. Food stamps are cash benefits paid out to low-income families and individuals through the use of debit cards. For those who qualify, the Food Stamp program must provide work-related activities that will lead to employment and decrease dependency. The provision of funding to pay for food helps safeguard the health and

well-being of the state's population. South Carolina had the lowest error rate in the nation, which means only people who truly qualified for assistance received it. We propose to **maintain current funding for this activity** amounting to \$11,745,183 in general funds and \$622,552,623 in total funds.

To help people on Food Stamps make healthier choices with regard to their diet, our Department of Social Services is working with the United States Department to design, implement and evaluate a pilot project providing nutrition education to low-income families to change their eating habits (including increasing consumption of fruits and vegetables) and make healthier lifestyle choices. The U. S. Agriculture Department will pay 50 percent of the funding to run the project and 100 percent of the evaluation cost, leveraging our state's own efforts.

Provide opportunities for employment and independence

Vocational Rehabilitation Direct Client Services to more than 16,000 persons with disabilities. This activity provides assessment, counseling, guidance, and placement services as well as academic training, assistive technology, mobility and transportation, and retention services to eligible adults with disabilities to prepare for, achieve and maintain competitive employment. Successfully employed clients become taxpaying members of the workforce rather than relying on Social Security disability benefits, Medicaid, and other public assistance. The cost of their rehabilitation is paid back through their taxes in an average of 5.4 years. We propose using administrative savings derived from restructuring the Vocational Rehabilitation Department and the Commission for the Blind to **increase recurring funding** for this activity by **\$659,000** amounting to \$9,703,668 in general funds and \$40,568,470 in total funds.

Rehabilitation Services for over 400 eligible blind and visually impaired individuals. Vocational rehabilitation services led 284 blind and visually impaired citizens to competitive job placements in FY 2004-05. We propose to **maintain current funding** for this activity amounting to \$290,302 in general funds and \$3,989,257 in total funds.

Long Term Care Services for 11,500 seniors and a \$1 increase in the hourly rate for personal care aides. South Carolina now has the fifth fastest growing population of seniors 85 or older, and many are finding it harder to live on their own. Long Term Care Services allow Medicaid recipients to get needed personal care services, like bathing and meal preparation, in their own homes rather than moving into nursing facilities. In order to give our elderly population more choice and independence, we propose to **increase funding for this activity by \$2,159,394**, amounting to \$31,470,097 in general funds and \$107,814,982 in total funds. This will help DHHS add 500 news slots to the elderly/disabled waiver so more seniors can choose to receive long-term care at home, and it will cover a \$1 increase in the hourly rate for personal care aides. Bolstering the community long-term care program is a good investment for taxpayers since it can serve 2.5 seniors for every one person served in a nursing home.

Community Training Homes for more than 2,200 vulnerable South Carolina citizens. Community training homes offer the mentally challenged the opportunity to live in a homelike environment under the supervision of qualified trained caregivers. We propose to **provide \$2,242,351 in additional funding to help reduce the waiting list for the mentally challenged**, amounting to \$27,230,793 in general funds and \$113,377,653 in total funds. We will also **increase funding for community training homes for citizens with autism by \$219,795**, amounting to \$2,669,164 in general funds and \$9,762,822 in total funds, and **increase funding for community training homes for citizens with head and spinal cord injuries by \$29,222**, amounting to \$354,862 in general funds and \$638,697 in total funds.

Temporary Assistance to over 18,000 needy families per month. This program provides assistance to needy families with children and provides parents or caretaker relatives with job preparation, work experience, job placement, and support services to enable them to leave the program and become self-reliant. This activity assisted clients in finding over 11,000 jobs last fiscal year. We propose to **maintain current funding for this activity**, amounting to \$16,581,589 in general funds and \$101,200,524 in total funds.

Provide for Child Support Collections

Child Support Enforcement for more than 180,000 children receiving support from a non-custodial parent. Child Support Enforcement establishes paternity for children born out of wedlock, establishes and enforces orders for child support, and collects and distributes the support. Support collected from non-custodial parents totaled \$244 million in FY 2002-03. In actual performance, for every \$1 spent in child support activities, the return on that investment equals \$7. We propose to **maintain current recurring funding for this activity**, amounting to \$5,238,230 in general funds and \$66,923,013 in total funds. Total funds are increased because, in addition to the recurring funding, we will be providing \$16,500,000 in Capital Reserve Funding to help cover two fiscal years of a longstanding federal penalty related to the implementation of the child support enforcement system.

Provide measures to reduce time for foster children to be adopted

Foster Care Services for nearly 5,000 children who have been abused or neglected and are no longer able to safely stay with their families and are taken into the custody of the state. Foster care is the temporary placement of a child with a licensed foster family or group home. Foster care workers monitor the children in the foster or group home and arrange needed medical, educational, vocational, social, treatment and rehabilitative services. Foster care workers also identify needed services for the birth family if reunification is the plan. These services protect the child and provide them with a temporary home environment. We propose to **increase recurring funding**

for this activity by **\$1,002,476** amounting to \$4,924,169 in general funds and \$43,444,689 in total funds.

Adoption Services for 1,600 children with a plan of adoption to find safe, loving, and stable families for foster children, which includes recruiting parents, performing or contracting for home studies, placing children in families, and stabilizing placements after the adoption. We propose to **increase recurring funding** for this activity by **\$819,397** amounting to \$3,451,412 in general funds and \$15,134,810 in total funds.

Adoption Subsidies for 4,555 special needs children. This program provides a monthly subsidy payment to adoptive parents based on the needs of the child up to the amount the child received in foster care. We propose to **increase funding for this activity by \$2,000,000**, amounting to 9,866,719 in general funds and \$26,647,643 in total funds.

Adoption Incentives of up to \$1,500 per child to families to cover part of the legal costs to adopt a child. We restored this incentive in the past two years to help further our goal of finding permanent, stable homes for our state's 1,500 foster children with a plan for adoption. We propose to **maintain current funding at \$750,000** for this activity amounting to \$1,500,000 in total funds.

Provide timely and effective interventions when safety is compromised

Child Protective Services for over 17,000 children when child abuse or neglect was suspected. CPS workers investigated over 17,000 reports of child abuse and neglect in FY 2004-05. When abuse is confirmed, treatment services are provided to the family, allowing the child to remain in the home when possible. These services protect the children and prevent them from being removed from their families. We propose to **increase recurring funding** for this activity by **\$3,919,051** amounting to \$7,946,013 in general funds and \$33,229,353 in total funds.

Adult Protective Services for 6,000 vulnerable adults living in a non-institutional setting. This service identifies and corrects conditions of actual or potential abuse, neglect, or exploitation of persons eighteen years of age or older who are disabled or incapacitated. We propose to **maintain current recurring funding** for this activity, amounting to \$2,144,051 in general funds and \$12,096,597 in total funds.

Investigative Services for residents at long term care facilities. Almost 5,000 complaints of abuse, neglect, exploitation, and other problems concerning the quality of nursing home care were investigated by the Long Term Care Ombudsman program. Last year, we paid for five additional investigators to meet the national standard of one investigator for every 2,000 nursing home beds.

Yet the concern remains that too often law enforcement is brought into the investigative process too late to adequately determine wrongdoing. A General Accounting Office

study in 2002 found a direct correlation between delay in involving law enforcement and obtaining convictions for criminal abuse of vulnerable citizens in residential care facilities. We understand that there will be efforts in the Legislature to review the Omnibus Adult Protection Act and take steps to make investigations of suspected abuse at Department of Mental Health and Department of Disabilities and Special Needs facilities more independent and responsive. To facilitate that process, we are **providing \$450,000 in general funds** to fund additional investigators within the State Law Enforcement Division to increase the responsiveness and independence of abuse investigations.

Our Plan Saves by:

Restructuring our health care agencies. In the budget section “Fix the Structure,” we laid out in detail our plans for consolidating five health services agencies, which answer to four different authorities, into two agencies, each more directly accountable to the Governor and ultimately to the citizens of South Carolina. It is our expectation that creating an efficient health services delivery system will yield approximately **\$14 million in general fund savings in the first fiscal year**. The administrative savings are delineated as follows:

- Department of Health and Environmental Control: \$4,897,634
- Department of Mental Health: \$6,444,805
- Department of Disabilities and Special Needs: \$2,210,269
- Department of Alcohol and Other Drug Abuse Services: \$422,537
- Continuum of Care: \$144,885

Making our Human Services agency structure more efficient by merging the Vocational Rehabilitation Department and Commission for the Blind. The Legislative Audit Council recommended in 2002 that the General Assembly merge the Commission for the Blind and Vocational Rehabilitation Department to realize increased efficiency and lower costs. The LAC report found that this could be done without adversely affecting the quality of services provided by both agencies. The report further found that: (1) both agencies’ core missions and number one goal are to place clients in competitive employment; (2) over 50 percent of the commission’s budget is spent on competitive job placement; (3) ours is one of only 12 states with a stand-alone commission; and (4) the rehabilitation rate for merged agencies is higher than stand-alone Commissions for the Blind. We propose merging these two agencies **saving \$534,033 in the first year and redirecting those savings to fund direct client services at both agencies**.

Moving to a pharmaceutical reimbursement rate closer to the Southeastern average, and shifting the resulting savings toward providing services for more citizens in need. Currently, the pharmacy ingredient portion of the reimbursement rate we pay for Medicaid prescription drugs [Average Wholesale Price (AWP) minus ten (10)

percent] is among the highest in the Southeast. Florida's rate is AWP-15.4 percent; Georgia's is AWP-11 percent. Tennessee's rate is AWP-13 percent, while Louisiana pays independent pharmacies AWP-13.5 percent and chain pharmacies AWP-15 percent. Seventeen of 43 states responding to a 2003 survey by the United States Department of Health and Human Services' Office of the Inspector General (OIG) had recently reduced their Medicaid reimbursement formulas for prescription drugs. South Carolina has persisted in using the AWP-ten percent standard, at significant cost to the taxpayers. We believe that moving to an AWP-12 standard will leave South Carolina competitive with the other Southeastern states, while **achieving more than \$3.3 million in savings** which can be used on services for more needy South Carolinians.

Making Tough Choices:

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

Redirect a salary supplement for non-state employees toward increasing access at Community Training Homes. The Department of Disabilities and Special Needs has used contract workers at several local facilities with the intent to provide more cost-effective services. However, these workers have been automatically receiving the same cost-of-living adjustments (COLAs) as state workers, defeating the purpose of contracting the work in the first place. We believe that rather than continuing this automatic increase, taxpayers are better served by **redirecting \$2,491,368** toward increasing access to the department's Community Training Homes for citizens with mental retardation, autism or head/spinal cord injuries. Proposals for COLAs for contract workers are better left as an important part of future contract negotiations.

Make contributions to the Special Olympics Program voluntary. Special Olympics is a grassroots movement that provides year-round sports training and athletic competition to children and adults with intellectual disabilities through more than 200 programs in 150 countries around the world. Special Olympics chapters are not-for-profit organizations funded primarily through individual and corporate contributions. The Special Olympics organizations have a significant independent fundraising apparatus. We propose the program in South Carolina be self-funded, **saving taxpayers \$174,175**. Voluntary donations, in lieu of compulsory taxpayer funding, are to be admired and encouraged.

Redirect funding for the ReGenesis Center to fund an increase in the Breast and Cervical Cancer Early Detection and Treatment Program. Last year, the General Assembly included a brand new earmark in the budget for the ReGenesis Center in Spartanburg. This reportedly was to be used for fighting breast cancer, although no

mention was made of breast cancer in the bill. We believe that this funding would be better utilized by **redirecting \$100,000 to an increase in funding for the breast and cervical cancer early detection program**, which will benefit low income women throughout the state and which leverages each dollar of our breast cancer prevention efforts with more than three federal matching dollars.

Radio Reading funds diverted to Prevention of Blindness. The Commission for the Blind funds broadcasting fees and staffing for a radio program which reads newspapers and other materials to blind and visually-impaired persons in South Carolina. The Radio Reading Program is duplicative of other readily available radio and television news outlets that can provide similar information.

Last year, the General Assembly, while not eliminating funding, reduced the level of funding to a degree that the Director said it could not effectively operate.

While we understand this program is valuable to its listeners, we believe this funding is better utilized to support the commission's Prevention of Blindness Program. This program needs additional funding to meet the needs of identified individuals who are among South Carolina's poorest citizens. These individuals have no medical insurance and have been found to need medical eye care, which can prevent blindness or stabilize existing limited vision. We propose **diverting \$129,900** from the Radio Reading Program to the Prevention of Blindness Program.

Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.

Improve the Quality of
Natural Resources

Improve the Quality of Natural Resources

Whether it is Lew and Vi Rhoden from Sun City taking a kayak trip down the May River, Greenville's Troop 19 camping in Jones Gap State Park, or a Vought-Alenia executive biking through the Ashley River Historic District – folks are drawn to and folks stay in South Carolina because of our unique quality of life. And while quality of life means many things to many people in our state, none would dispute that the natural beauty of our woods and waters distinguishes us from a number of our competitors in the global marketplace. In a time of transformative change, with a mobile, dynamic economy and population, we cannot afford to take one of our strongest economic development tools, South Carolina's natural landscape, for granted.

In fact, we believe our most significant assets for economic development in South Carolina are our history, climate and natural resources. The only other place you can drive from the beach to the mountains in three hours is southern California – home to a high-paying technology sector.

The recent decision by Vought-Alenia to locate in the Lowcountry is testament to that appeal. Officials with both companies cited our quality of life as a major motivation to make South Carolina home to their new \$500 million operation. Vought-Alenia's site selection process also demonstrates how business and environmental interests can coexist, as they worked closely with the South Carolina Coastal Conservation League and others to plan a low impact development. Most importantly, the Vought-Alenia investment will allow 600 employees to live, work and raise their families in South Carolina.

Our climate and environment also provide for a sector of the economy that is not available to many states – retirement living. From Caesar's Head and Lake Hartwell to Hilton Head and Beaufort we have tremendous assets in our woods and waters to attract retirees. Multiplied thousands of times over, their average of \$110,000 in annual income supports a variety of service industries, retail operations, real estate ventures and other investments in our state. Simply put, quality of life attracts jobs.

So while we have talked a lot over the years about economic development being the key to keeping our state home to future generations, that belief is based on an assumption that South Carolina will continue to be a unique and desirable place to live. The great

Governor Sanford's Goals for **Improving the Quality of Natural Resources** are to:

- ✓ Manage state resources for public benefit.
- ✓ Produce outcome driven policies and solutions for citizen stewardship.
- ✓ Regulate and enforce quality standards.
- ✓ Market the value of our natural resources.

naturalist J. J. Audubon said, “A true conservationist is a man who knows that the world is not given by his fathers, but borrowed from his children.” Accordingly, our budget priorities will focus on those activities that deliver meaningful outcomes and ultimately enable our children to call South Carolina home.

Developing our Purchasing Priorities

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently reaching its goal to improve the quality of South Carolina’s natural resources. We have found that South Carolina is making progress, but faces a growing number of challenges. This section identifies the measures that help explain in what areas we are meeting our goals and what areas offer opportunities for meaningful improvement.

Generally speaking, we recognize that South Carolina has a high quality of life, but we cannot ignore the potential threats of haphazard land conversion and sagging air and water quality. So, in looking at the state of the resource, the question becomes: does our natural resources budget realistically and functionally address the state’s top priorities when it comes to natural resources?

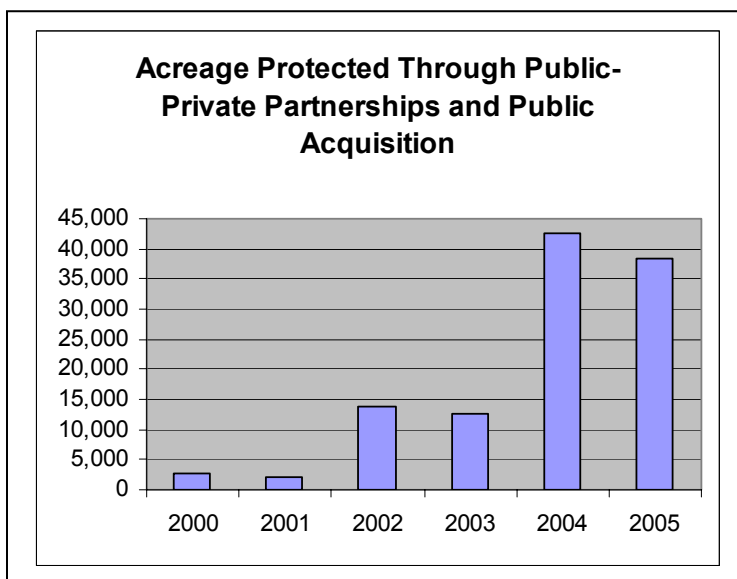
Where we are succeeding

Though a long-time staple of the economy, hospitality and retail businesses traditionally have not come to mind when most folks think about economic development in our state. However, in South Carolina – where tourism is the top industry and most jobs are created by small business – these businesses thrive when they can dovetail with the state’s natural appeal. Simply put, beaches and bluffs are our casinos. Just as Las Vegas would wither without gambling, South Carolina would struggle without clean land, air and water.

As a result, we have made a significant investment as a state in our natural resources and subsequently, a number of those investments have yielded very positive returns. For example, clean water is vital to our appeal – 81 percent of our rivers and streams and nearly 100 percent of our lakes now fully support recreation. On the coast, we have increased the percentage of shellfish beds that are approved for harvest from 64.1 percent in 2000 to 70 percent in 2004. Our red drum population is stable and remains one of the most sought after game fish in the state – with over half of all saltwater license holders targeting red drum on one or more trips. A 2001 study estimated a \$152.1 million economic impact and attributed 2,400 jobs to the red drum fishery.

Our most successful efforts as a state have been based on solid conservation principles – and we will continue to support those principles that encourage personal stewardship, support active land management, encourage resource conservation and do not borrow on the future.

One of the best examples of our state applying principles of limited government and facilitating rather than regulating is the early success of the South Carolina Conservation Bank. The Bank is already proving to be a valuable tool in protecting the integrity of our natural landscape through the conservation of lands with a considerable impact on air and water quality, as well as those with historical significance. We plan to build on success from years past, when we were able to work with the General Assembly to fully fund the South Carolina Conservation Bank. As a result of a \$13.2 million commitment by the General Assembly, the Conservation Bank was able to leverage over \$50 million for public and private landowners to protect our natural integrity, securing 28,210 acres at an astonishing rate of \$459 state dollars per acre. We support full funding for the Conservation Bank again this year.



As a component of ensuring that our landscape be protected, we also intend to make good on the state's obligation to provide for the safe maintenance of areas like the Barnwell Low-Level Waste Facility. Accordingly, our budget last year devoted \$25 million to the repayment of the Barnwell Trust Fund and nearly \$1 million for the complete repayment of the Pinewood Trust Fund. The General Assembly responded by paying off the Pinewood Fund and making a \$25 million appropriation to the Barnwell Fund. We would again urge the General Assembly to move toward completely restoring the Barnwell Trust Fund.

Finally, in last year's budget, we called for better assessment of the access points that enable millions of residents and tourists to enjoy South Carolina's natural resources each year. The Department of Natural Resources responded and has engaged a study of boat ramps to ensure that we can not only add access points in new areas of growth but maintain existing boat ramps. Through this scrutiny, we expect that the shortsighted practice of adding boat ramps without assurance that the existing ramps can be reliably maintained will end.

Opportunities for Improvement

One of the major threats to South Carolina's quality of life continues to be the fragmentation of large timber tracts and poorly planned land conversion. As we have

noted, the Conservation Bank has already played a key role in conserving sensitive lands, placing an emphasis on property in high risk areas and protecting large tracts. Perhaps more importantly in land protection, a number of private landowners have taken the initiative to utilize conservation easements and protect their land in perpetuity.

And while there may not be a budgetary answer for haphazard land conversion, there are certainly budgetary implications. We have noted this in the past but believe it bears repeating: experts expect South Carolina to grow by more than a million people by 2025, a third of whom will make their home along the coast. We are converting productive timber and agricultural land to urban and suburban uses at a rate of 200 acres per day. In the most recent study conducted by the U. S. Department of Agriculture, we are 9th in the nation in the total number of acres we converted to urban uses, with 539,700 rural acres converted for development between 1992 and 1997. We also had the 9th highest *rate* of land conversion among the 50 states. Accordingly, Representative Ben Hagood introduced Priority Investment Area (PIA) legislation last year. PIA promotes deliberate, efficient infrastructure investments in areas best suited for growth by encouraging local communication in the planning process. We believe that more disciplined planning can reduce sprawl and save tax dollars on infrastructure.

More directly related to our budget priorities, timber is the number one value delivered crop in South Carolina with receipts of over \$834 million. From nursery to finishing mill, the forest product industry in South Carolina reported a \$14.7 billion economic impact. To protect that value, wildland fire response time remained stable at 35.2 minutes in FY 2004-05, down from 35.7 minutes in FY 2002-03 as we continue to refine our response network. Perhaps more importantly, our network has been effective in limiting the average fire size.

The state has not been able to guard this investment alone, though, as large timber companies like Weyerhaeuser, Mead Westvaco and International Paper have maintained considerable firefighting capacity over the years. However, as their business model changed and they were forced to divest of South Carolina land holdings to compete – private fire fighting capacity diminished. Exacerbating the problem, as the rural economy changes and fewer folks are available as part-time wildland firefighters, our paradigm for wildland firefighting must change.

Aside from the implications for fire protection, the divestment of South Carolina lands by the timber industry has also had a much more macro impact on land conservation – placing our state at a quality of life crossroads. We can either stand by idly as the large timber tracts are parceled and hope everything turns out alright; or we can create a legacy of land conservation and protect expansive undeveloped tracts for future generations. We believe that we cannot afford to be lukewarm on this question. As a result, we are proposing \$10 million for a Timber Conservation Fund to complement the outstanding efforts already taking place at the South Carolina Conservation Bank. In conjunction with ongoing efforts by both public and private entities, we believe that the Timber Conservation Fund is a necessary step in a broader effort to preserve our quality

of life. This is a unique challenge that necessitates creative approaches by conservationists – and demands the attention of all those who hope for their children and grandchildren to call South Carolina home.

Purchasing Priorities

Having determined where we are succeeding and where opportunities for improvement exist, we next identified some proven or promising strategies that will determine our purchasing priorities and best achieve our goal.

We believe government has a two-fold responsibility in sustaining our natural resources. First, government should facilitate responsible and independent resource stewardship for citizens, and second, the state should work to minimize negative impacts on the environment. In facilitating stewardship, South Carolina has an obligation to manage the resources in the public domain and to produce outcome driven policies and incentives that encourage private landowners to do likewise. Through guidelines for the management and use of our natural resources, the state also serves to regulate and enforce quality standards. Finally, South Carolina furthers the appreciation and benefit of our natural assets through programs that market the value of our resources.

Manage state resources for the public's benefit. Though our environment is naturally sustaining, human manipulation of resources has made it necessary for us to take corrective action and mitigate our impact at times. Effective resource management can make for accessible natural areas for all of our citizens, while minimizing our impact and maximizing our benefit. Management purchases would be directed toward activities to correct or to sustain trends in natural resources. Such activities would include efforts to manage forests and fish and wildlife populations, gather biological data to support management efforts and manage state lands for public use.

Produce outcome driven policies and incentives to facilitate citizen stewardship. Our approach to sustaining South Carolina's environment includes government management; however, private citizens are the ideal stewards of our resources. We believe those most familiar and most vested in our natural inventory – landowners, outdoor enthusiasts, and industry – are best positioned to manage for quality, and government should facilitate responsible stewardship. These activities would include those that provide for flexibility, creativity, and quicker response for conservation and preservation efforts; pursue creative partnerships (inter-agency, non-profit or private and individual enterprise); enable landowners to manage responsibly; and support land use planning activities while working within landowner rights.

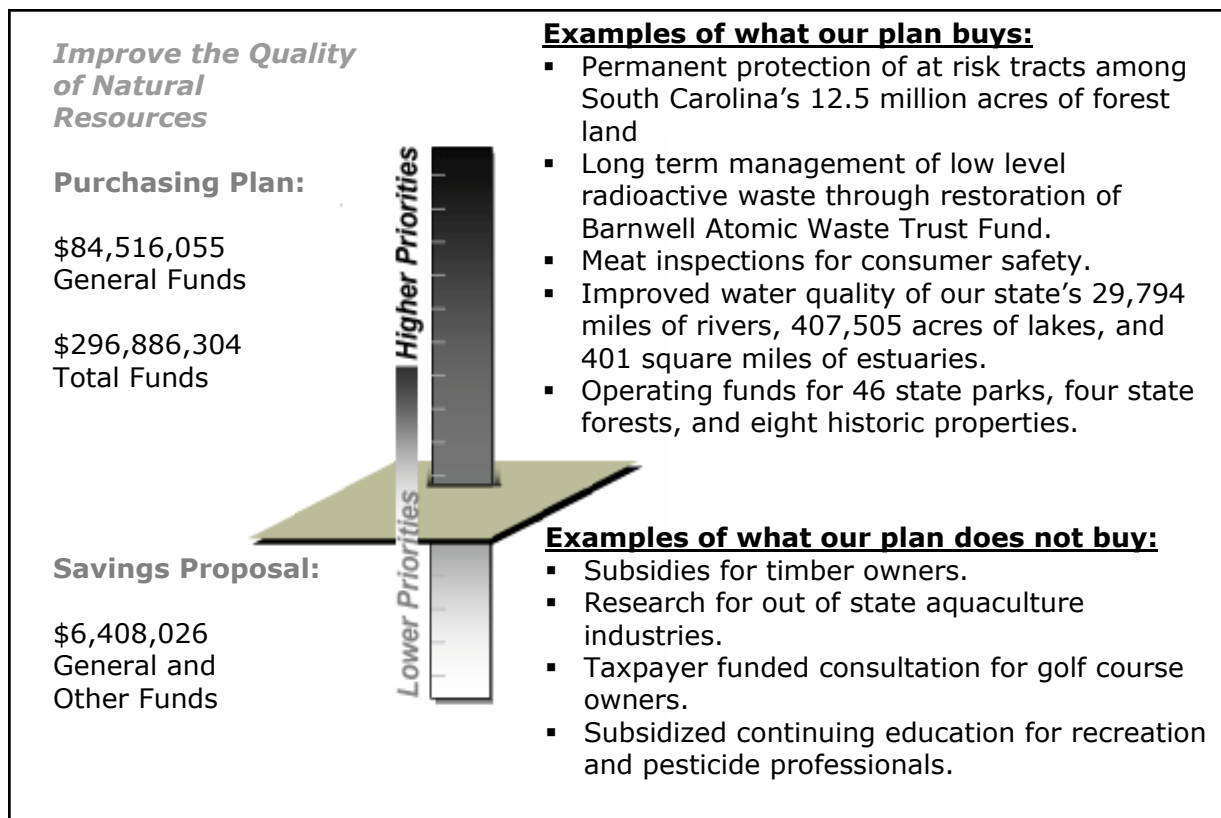
Regulate and enforce quality standards to sustain the low impact use of our resources. Government is in a unique position to establish standards and guidelines for the broader public interest. Our challenge is to prevent harm to natural resources without stifling creative solutions and techniques. To maintain quality standards relating to natural resources, regulations and enforcement should be clear, fair, and optimal. Planning

activities would take place at the watershed level when appropriate and would incorporate activities that monitor and ensure air and water quality, establish the ready availability of water and provide protection, and assurance for consumers of natural resources.

Market the value of South Carolina's natural destinations and products. It is vital to our economy that producers, retailers and consumers realize the value of South Carolina's natural resources. The notion of economic clusters, particularly a tourism cluster, absolutely relies on the availability of usable and sustainable natural resources. South Carolina should promote its natural resources for their recreational and commercial value, market local agricultural and forestry products, and market South Carolina's natural destinations.

Governor's Purchasing Plan – Highlights

We address our state's fiscal problems by purchasing only those activities that most directly address critical natural resources issues. We do not purchase some services that, while still considered valuable, have been identified as lower priorities. The following table identifies key purchases within our executive budget's total state natural resources purchasing plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.



Our Plan Buys:

Full funding for the South Carolina Conservation Bank. With productive timber and agricultural land being converted to urban and suburban uses at a rate of 200 acres per day, the Conservation Bank provides a unique chance for our state to permanently protect some of our most valuable lands. The Bank is able to leverage state dollars to protect significant acreage at a reasonable price by utilizing a mixture of easements and acquisitions. Through a variety of partnerships, the Bank is able to respect private property rights while providing for public accessibility. We believe **full funding** of an estimated **\$20,000,000** for the Conservation Bank is vital to the protection of our state's natural and historical legacy.

Replenishment of environmental trust funds that have been used to cover budget shortfalls in prior years. Since 2001, the General Assembly diverted \$90,231,429 from the Barnwell Atomic Waste Fund. The depletion places critical cleanup and maintenance efforts, and subsequently public and environmental health, at risk. The General Assembly adopted a recommendation of the FY 2005-06 Executive Budget by making a \$25,000,000 appropriation. For the FY 2006-07 Executive Budget, we propose **\$65,231,429** to fully restore the balance of the Barnwell Trust Fund.

Water pollution control for 11,000 miles of streams averaging 33 billion gallons per day and 1,600 lakes containing more than 15 million acre-feet of water. As a state, our ultimate goal is to make our rivers, lakes and coastal areas safe for people and wildlife. Our natural resources agencies ensure that we remain in compliance with a number of federal and state regulations, while also actively monitoring, testing and improving water in over 1,000 watersheds. In the pursuit of these goals, state agencies performed 4,632 inspections on permitted sites with a focus on wastewater and storm water control. To improve our state's water quality and permitting times for businesses, we propose **increased recurring funding of \$2,236,885 and one-time funding of \$666,000** for water pollution control – reaching **\$31,577,305 in total funds**.

Protection of expansive timber tracts to seize a once in a lifetime chance to create a legacy of land conservation and conserve our forests for future generations. In conjunction with ongoing efforts by both public and private entities, we believe that a Timber Conservation Fund that specifically targets large tracts divested by the major timber companies is a necessary step in a broader effort to preserve our quality of life. Our plan **proposes \$10,000,000** for a Timber Conservation Fund to take advantage of this unique opportunity and complement the outstanding efforts already taking place at the South Carolina Conservation Bank.

Over 80,000 acres of state parks and eight unique historic properties serving nearly 9,000,000 visitors. The Department of Parks, Recreation and Tourism (PRT) provides hundreds of access points to South Carolina resources, balancing public access needs with environmental concerns. PRT is able to deliver a high level of service while also achieving a high level of self sufficiency. South Carolina state parks are 5th in the nation with 72 percent self sufficiency compared to a Southeastern average of 49 percent. We propose **funding of \$5,718,729** in general funds.

Agronomic crop support for 9,700 producers. The state provides educational programs for agricultural producers in our state based on statewide research to improve the production efficiency, environmental sensitivity, and the profitability of their crop management systems. Our proposal **maintains recurring funding of \$4,437,614** in general funds.

Land and waste management for the 195,714 tons of hazardous waste produced in 2004 and the millions of tons produced over the last several decades. The state maintains registration records, permits, and conducts compliance monitoring activities while guiding cleanup activities for solid waste, infectious waste, and hazardous sites. This activity also supports the redevelopment of Brownfields or contaminated sites. At 42 percent, South Carolina continues to exceed the national average hazardous waste cleanup rate of 27 percent. We propose a **60 percent increase in recurring general funds** for a contaminated hazardous waste sites cleanup fund, totaling **\$3,268,641** in general funds and \$24,257,768 in total funds.

Animal health diagnostic services to provide surveillance for diseases that affect both humans and other animals. The stakes have risen in recent years for animal health

activities as our state continues to seek protection for livestock and consumers from animal borne illnesses. South Carolina performs diagnostic tests on livestock and poultry to identify and contain potential disease outbreaks. We propose **maintaining recurring funding** for animal health, totaling **\$1,036,248** in general funds and \$1,159,321 in total funds.

Reduced impact of animal agriculture on the environment for 400 livestock producers. South Carolina conducts agricultural research to improve the operation of confined animal systems and minimize their impact on the environment. The state also has an interest in developing ways to protect water quality around pastures and ways to improve the quality of life of those living around animal production operations. We propose **maintaining recurring general funds** at **\$407,374**, amounting to \$557,877 in total funds for this activity.

Wildlife management and outdoor recreational opportunities on over one million acres of land statewide through 39 Wildlife Management Area (WMA) agreements. These lands include some 67 WMA's, 32 public waterfowl areas and 47 public dove fields and support over 615,000 man-days of hunting. Additionally, DNR is wholly responsible for the management of over 175,000 acres of DNR owned WMA's and Heritage Preserves. Special hunting opportunities are also provided for over 800 youth and over 100 mobility-impaired sportsman. We support continued **authorization of \$5,683,211** in other funds to draw down \$10,052,869 in federal funds.

Growth and conservation mapping in support of coastal resource improvement for millions of residents and tourists. Our state's tourism cluster is centered around our coastal resources and without healthy beaches, much of our economy would be in danger. Our state must conserve and encourage the balanced and beneficial use of beaches, marshlands, waters, and other coastal resources. State government works with local governments and others to conserve and protect sensitive and fragile areas of the coastal zone while sustaining growth and development. Our proposal **provides \$350,000** to enhance growth and priority conservation mapping and **maintains \$1,193,008** in general funds for this activity, amounting to \$6,614,744 in total funds.

Our Plan Saves by:

Shifting wildland fire suppression infrastructure funding from general funds to capital funds. One of the most crucial state roles in natural resources is protecting the 12.5 million acres of our tremendously valuable forests from the detriment of wildland fires. For this to be successful, we must maintain a statewide network poised to respond quickly and effectively. Last year, the General Assembly adopted our funding proposal for enhanced fire protection forces and equipment. However, the capital portion of the need was annualized and appropriated from the general fund. We propose **shifting \$860,939** for fire fighting and prevention infrastructure from general funds to the Capital Reserve Fund.

Achieving self-sufficiency with master programs. Individuals who pursue Master Wildlifer, Master Naturalist, Master Gardener, Master Forester, Master Tree Farmer, Master Woodland Owner and Master Waste Educator programs should certainly be acknowledged for their commitment to education, the environment and volunteer work. However, in tight budget times, we are forced to compare the benefit of an investment in these programs with others competing for scant state dollars. The critical areas of health, education and public safety simply present more pressing needs, and, therefore, we recommend making these programs self-sufficient through program efficiencies and, if necessary, increased reliance on users for funding – **freeing up \$362,243** for more core functions of government.

Reducing administrative costs through consolidating agencies with similar missions. The divided structure of our natural resources cluster presents institutional barriers to achieving some of our basic goals, as well as a complicated and sometimes inaccessible structure for public users. Compounding this problem, the current structure is riddled with inefficiencies that cost taxpayers. We propose realigning the DNR, the Division of Environmental Quality Control at DHEC, and the Forestry Commission under the newly formed Department of Environment and Natural Resources. First year savings are estimated to be 18 percent of general fund administrative dollars, **producing efficiencies** amounting to **\$1,405,688**.

INTERNET TECHNOLOGY STREAMLINES HUNTING AND FISHING LICENSE SALES

Using internet technology, the S. C. Department of Natural Resources has implemented a major change in its system of selling hunting and fishing licenses. Traditionally, licenses were sold by more than 800 license vendors, primarily retail businesses, that were required to hand write licenses at each location.

With a new method implemented in late 2004, the S. C. Department of Natural Resources (DNR) and vendors that choose to participate can now sell licenses using an automated computer-based internet system and issue the license at point of sale. "The new system represents a commitment by DNR to better deliver licenses, services and information to the more than 700,000 licensed sportsmen and women of South Carolina," said Billy McTeer, DNR director of customer services.

South Carolina's DNR has contracted with Great Lodge Inc., a company based in Charlotte, N.C., to assist in providing this service. Great Lodge has successfully implemented similar point-of-sale systems in both Louisiana and Arkansas.

Adrian Rivera, DNR point of sale coordinator, noted that this program has several advantages for the vendor of hunting and fishing licenses: "In addition to being quicker, because all license sales are automated, vendors will no longer have to mail in copies of hand-written licenses to the DNR home office. In addition, the new system will automate many tasks, which means the vendors, or agents, will no longer have to be audited, complete monthly reports, or order licenses when supplies run short. The new system reports automatically all licenses sold, the agent's commission, and provides daily, monthly and yearly revenue totals for each agent."

This system will be a major improvement for the DNR by eliminating the time-consuming data entry process now required for more than 700,000 license holders. "In addition, it will provide us with an immediate database of our customers so that we can reach them when necessary," McTeer said. "Once a customer, or license purchaser, is in the system, the vendors will no longer have to request personal information. It will also allow the DNR to observe trends in license sales and predict future sales."

Making pesticide training and certification programs self-sufficient. Nearly all licensed professions under LLR are self-sustaining; however, certification for pesticide applicators costs the state \$376,025 annually in general funds. We recommend that this program achieve self-sufficiency over a two year period through contracting with LLR to more efficiently provide online certificates and renewals and extending renewal cycles to two years. Fees for seminars and certification should only be increased if necessary after the program has been made more efficient. This will allow for **first year savings of \$188,013** and **recurring annual savings of \$376,025**.

Encouraging the golf course industry to fund turf grass research. South Carolina currently has over 300 golf courses in operation, and we believe that golf courses should fund industry-related aspects of turf grass research, **eliminating** the need for **a state subsidy of \$145,200**.

Making Tough Choices:

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

Non-core mariculture and aquaculture programs. We propose limiting the DNR role in mariculture and aquaculture to permits, compliance, and research of significant benefit to South Carolina taxpayers. We believe that research for species like red drum is related to a viable state industry, but other research efforts can be performed by the industries, states and nations that realize the benefit – allowing us to **rededicate \$418,816** in general funds to more critical needs.

Subsidies for professional continuing education. The state currently provides educational programming for 155 recreation and tourism professionals. Continuing education for private professionals should not be funded by the state – as individuals, employers, and industry would be much more appropriate sources. Private funding **saves \$63,473** based on the general funds associated with this activity

Nuisance species abatement. South Carolina currently funds studies of the techniques for minimizing the impact of nuisance species such as beaver. We feel that, given our current budget needs, advancing the technology for eradicating nuisances is a lower level priority for government. DNR used to perform activities related to nuisance species; however, the agency now refers individuals to private Nuisance Wildlife Control Operators. In step with DNR, Clemson PSA should also defer to the private sector for related activities, **saving \$83,873** in general funds.

Forestry Enforcement. Forestry officers conduct timber theft and fraud investigations. However, wildfire prevention and suppression are more critical roles for

the Forestry Commission. Therefore, we chose the improvement of suppression measures over the **\$328,262** in general funds for this service. Fortunately, the strengthened force of DNR Wildlife officers is well-positioned to carry out this function.

Television and radio entertainment. Productions like "Your Day" and others are a difficult choice when compared to health care, law enforcement, corrections and other critical state functions. We believe it would be beneficial to coordinate with the Department of Agriculture and reevaluate the PSA communications strategy to ensure that these efforts are focused on serving the core agricultural constituency. We propose a **1/3 reduction** in television and print of **\$398,980** and a **reduction** of **\$83,018** in radio, rendering a comprehensive communications budget of \$797,960.

Forest Renewal Program Financial Assistance. Financial assistance is provided for private, non-industrial landowners for the first 100 acres of a project. Critical needs in other budget areas took precedence over the state's contribution of **\$200,000** for this landowner subsidy.

Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.

Improve the Safety
of People and Property

Improve the Safety of People and Property

Protecting South Carolinians from crime, natural or man-made disasters, and accidents is a core responsibility of state government.

Crime continues to be a major concern for the citizens of South Carolina. For instance, as recently as the year 2003, the state was ranked as having the 5th highest crime rate in the nation as reflected by data compiled by the Federal Bureau of Investigation (FBI). While Morgan Quitno, an independent private research and publishing company located in Lawrence, Kansas, correctly cautions against singularly focusing on a crime rate without regard to such factors as “population density, composition of the population (particularly the concentration of youth), climate, economic conditions, strength of local law enforcement agencies, citizen’s attitudes toward crime, cultural factors, education levels, crime reporting practices of citizens and family cohesiveness,” there nevertheless continues to be a pervasive crime problem within the state as evidenced by our sizable prisoner incarceration rate.

Governor Sanford's Goals for **Improving the Safety of People and Property** are to:

- ✓ Decrease personal injuries and property damage that result from natural and man-made disasters (non-criminal) and criminal activities.
- ✓ Increase the percentage of offenders managed successfully.
- ✓ Increase emergency response and recovery following natural and man-made disasters and criminal activities.
- ✓ Increase citizen confidence of their safety.

Additionally, South Carolina is threatened by natural and technological hazards. The threat posed by these hazards can be both immediate (e.g., hazardous chemical spills, hurricanes, tornadoes) and long-term (e.g., droughts, chronic chemical releases). These hazards have the potential to disrupt day-to-day activities, cause extensive property damage, and create mass casualties. Historically, the greatest risk was perceived to be from natural hazards (e.g., hurricanes, tornadoes, severe storms, floods, earthquakes). For instance, South Carolina has averaged 11 tornadoes each year since 1950, resulting in 47 fatalities and 1,057 injuries. Lately, however, the continued expansion of chemical usage is raising the risk posed by technological hazards (e.g., hazardous chemical releases/spills) in South Carolina such as the one experienced in Graniteville last year.

Finally, South Carolinians face numerous individualized hazards such as traffic collisions and hunting and boating accidents. In fact, South Carolina highways were recently cited as the 2nd most deadly roads in the nation with an average of three people dying on South Carolina roads each day.

Faced with such conditions and risks, it becomes apparent that an improvement for the safety of people and property is fundamental not only to the quality of life in South Carolina, but also to the vibrancy of its economy.

Developing our Purchasing Priorities

In order to develop our purchasing priorities, we first reviewed the major indicators related to the goal of improving the conditions for the safety of people and property. The four indicators of success as determined by the FY 2006-07 Safety to People and Property results team are defined as follows:

- 1) *Decrease personal injuries and property damage that result from natural and man-made disasters (non-criminal) and criminal activities.*

Since personal injuries and property damage associated with natural or man-made disasters occur mainly within the realm of the state's transportation system, an understanding of major transportation safety rates is an important component in determining the progress of the state with regard to this indicator. The state of South Carolina has several standardized measures available to it to assess non-criminal injury and loss, including such measures as the mileage death rate and economic loss from collisions. These rates come primarily from the Department of Public Safety (DPS).

A comparison of yearly crime rates is the best method to determine whether progress is being made towards a decrease in the criminal component of this indicator. Like non-criminal activities, the state of South Carolina uses several standardized measures to assess crime rates. The primary measure for major crime categories is the Uniform Crime Rate provided by the State Law Enforcement Division (SLED). Other statistical data is readily available from the Department of Natural Resources (DNR), DPS, and the FBI.

- 2) *Increase the percentage of offenders managed successfully.*

For this indicator, we considered the term offender to imply both adult and juvenile inmates within the South Carolina Department of Corrections (SCDC) and the Department of Juvenile Justice (DJJ), as well as parolees and those on probation monitored by the Department of Juvenile Justice and the Department of Probation, Parole and Pardon Services (PPP). In having a large offender population, the state has an obligation to monitor the success of its activities devoted to offender management so that it may be good stewards of taxpayer funds as well as to provide consistent treatment and opportunities to those offenders that are the concern of the state.

Additionally, this indicator is directly linked to the other criminal indicators in that the successful management of the offender population impacts both

crime rates as well as citizen confidence. Noting this, primary measurables for offender management are the recidivism rate, and escape and assault rates. Other pertinent statistical data is readily available from SCDC, DJJ, and PPP.

- 3) *Increase emergency response and recovery following natural and man-made disasters and criminal activities.*

Response and recovery is the end product of preparation for and/or the prevention of criminal and non-criminal activities. Successful measures for this indicator include response times to emergencies as well as the limiting of personal and property damage associated with criminal and non-criminal catastrophic events.

A measure of recovery is the successful completion of investigative work and prosecution following criminal activities.

- 4) *Increase citizen confidence of their safety.*

Increasing citizen confidence considers whether or not citizens perceive themselves and their belongings as being free from harm. Thus, if the above indicators represent actual improvements regarding case management, escape rates, response times, etc., citizen confidence seeks to measure perceived improvements. The implications for perceived safety are important in that other goal areas such as education and economic development often go hand-in-hand with perceived safety.

The results team determined that the best way to measure citizen confidence is through the use of opinion surveys, the tabulation of written comments to agencies, and other tools which measure the citizen's perception of service delivery. Unfortunately, with difficulties often associated with obtaining such feedback data, it was acknowledged that the next best way of establishing success regarding citizen confidence is through the measurement of outcomes which typically infer citizen confidence. Such primary measures include response rates, escape rates, case closure rates and prosecution rates. Other measures were input in nature and included a "presence" factor that related to the number of law enforcement officers available for a specific patrol.

Where we are succeeding

From FY 2000-01 to FY 2004-05, the major law enforcement and correctional agencies (SLED, SCDC, PPP, DJJ, DMV, DPS, and DNR) saw their budgets decline in excess of 25 percent. Due to this reduction, major law enforcement and correctional agencies realized budgets that were smaller as a percentage of the state's total budget in FY 2004-

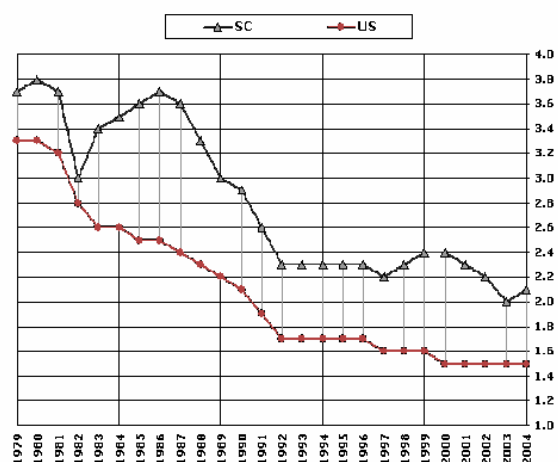
05 – 4.7 percent – than was the case in FY 1994-95 when the budgets of these agencies represented 5.2 percent of the total state budget. These reductions are felt most noticeably with the retention of staff and the breakdown of older equipment.

Despite these challenges, South Carolina continues to make gains within several key measurables that pertain to the safety of people and property. These include improvements in both preventable injury and loss as reflected in the state's mileage death rate and offender management as reflected in the state's inmate escape and assault rates and juvenile offender GED and diploma obtainment rates.

With regard to preventable injury and loss, South Carolina's mileage death rate (MDR – defined as the number of traffic fatalities per 100 million vehicle miles of travel), while continuing to be higher than the national average, shows a declining long-term trend similar to the national results.

In 2004, the MDR was at its second lowest level in the state's history at 2.2 deaths per 100 million miles of travel. And, while there was a slight increase of 5.8 percent in the rate for 2004, vs. 2003 (2.1), the four year trend reflects generally improving conditions within the state in relation to the factors which contribute to roadway fatalities.

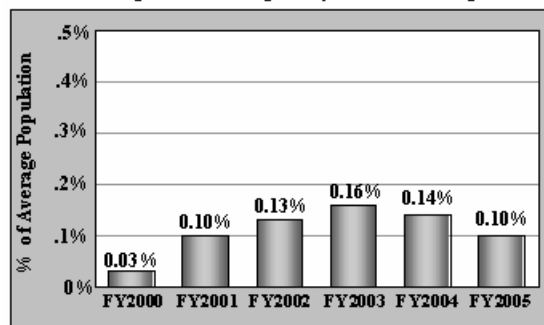
MILEAGE DEATH RATE
SOUTH CAROLINA vs. NATIONAL AVERAGE
1979-2004



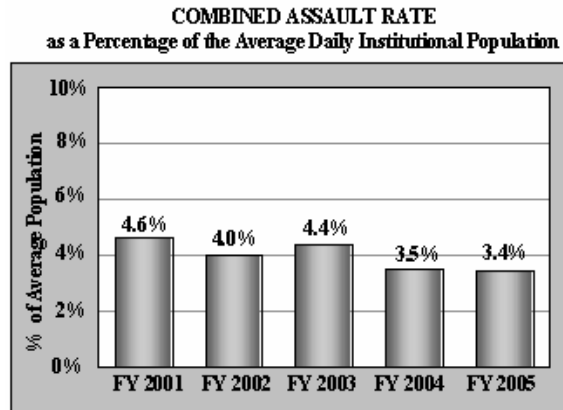
The 2004 MDR rate increase may be partly explained by a rapid increase in the number of licensed drivers from 2003 to 2004. For example, in 2003 the state had 2,982,986 licensed drivers, while in 2004 this number had advanced to 3,341,153, a 12 percent increase. This significant enlargement of the driver pool took place in the midst of a stagnant level of road miles available to citizens of the state. For example, while licensed drivers increased dramatically from the prior year, the state's roadway miles remained nearly constant as miles increased from 66,231 in 2003 to 66,252 in 2004, a 0.03 percent increase.

South Carolina is also making slight gains in terms of managing offenders based on decreases in the state's inmate escape and assault rates. These gains come even though South Carolina is ranked 6th in the nation for its prisoner incarceration rate with 551 prisoners per a 100,000 population – 28.1 percent higher than the national average of 430 prisoners per 100,000 population. Regardless of our substantial inmate population, as a

ESCAPE RATE
as a Percentage of the Average Daily Institutional Population



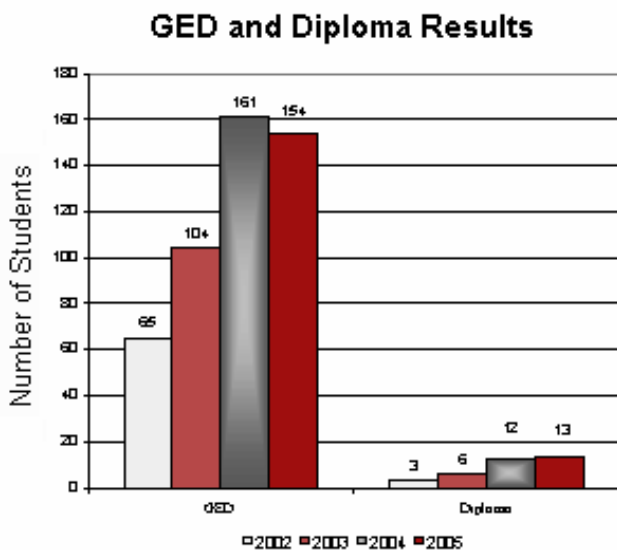
result of managerial and policy changes, the state's inmate escape rate further declined to 0.10 percent of the average daily institutional population for fiscal year 2005. This continued decline is in contrast to the sharp increase in inmate escapes which occurred from FY 1999-00 to FY 2002-03.



Additionally, the combined assault rate – the number of inmate assaults on fellow inmates, inmate assaults on guards and inmate assaults on other persons – has continued to decline over the past five years and is now down to 3.4 percent of the average daily institution population. As discussed earlier, improving inmate escape and assault rates often have an impact on the perceived safety of citizens within the state.

In addition to improving escape and assault rates, the Department of Juvenile Justice, within its school district, continues to work on the academics and basic literacy of juvenile offenders so as to increase their capacity for future productivity. As a result, the number of youth earning their GED Certificates/Diplomas has improved dramatically since school year 2002. At the same time, it should be noted that DJJ's School District has received "excellent" absolute and improvement ratings on its recent Department of Education report card resulting in it receiving a Palmetto Gold Award.

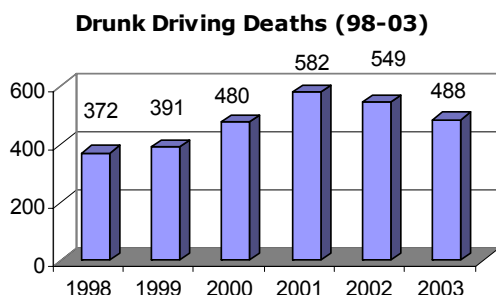
Finally, the favorable conclusion of a 13-year old federal class action lawsuit signified official recognition that DJJ has put measures in place to not only ameliorate overcrowding, but also to meet minimal constitutional standards to ensure the safety of juveniles within its facilities.



Opportunities for Improvement

There is still a great need for improvement in a number of key measurements that can advance our goals for public safety. These include Highway Patrol response times and

driving deaths – especially those related to drunk driving. Further, the yearly increases in economic loss associated with vehicle collisions needs to be reversed.



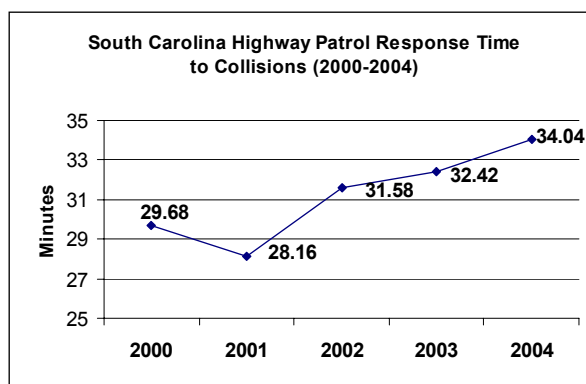
While there is evidence that state roadways continue to improve through measurements such as the MDR, over 1,000 people continue to be killed every year on the state's roads and highways – with 50 percent of these deaths resulting from drunk driving. This ratio of alcohol-related fatalities to overall fatalities is among the highest in the nation. While the number of alcohol-related fatalities has fallen over the past several years, the state is still

experiencing a spike that began in the late 1990s. As such, we remain committed to an even greater reduction in alcohol-related traffic deaths and have taken steps toward reducing such deaths.

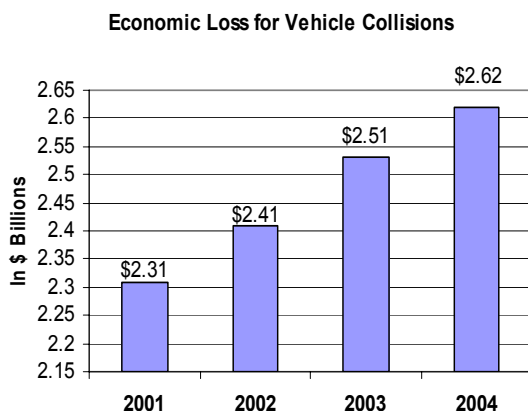
First, to strengthen our drunk driving laws, we will encourage the General Assembly to pass legislation which closes the loophole related to a motorist's protected rights while, at the same time, we use a 0.08 per se standard. Second, we plan to improve our ability to enforce drunk driving laws by increasing highway traffic enforcement through the funding of new officers for the second year in a row. This year, we intend to fund 100 additional Highway Patrol officers and 25 new State Transport Police officers. Last year, we funded 100 new Highway Patrol officers and 15 additional State Transport Police officers. These increases will reverse years of field officer declines at the Department of Public Safety. For example, the number of Highway Patrol and State Transport Police officers decreased from 1,169 (HP: 1,045, STP: 124) in FY 1994-95 to 886 (HP: 784, STP: 102) in FY 2004-05, a reduction of 15.2 percent over the past decade.

The above officers currently must patrol over 66,252 miles of state roadways and are responsible for enforcing traffic laws, investigating collisions, assisting motorists, and providing a safe motoring environment for the public. An increase in the level of troopers will help combat the state's high drunk driving rate as well as lower highway response time to collisions.

Regarding this latter initiative, for the past several years, the Highway Patrol's response time to collisions had hovered around 30 minutes. However, in 2002, South Carolina's Highway Patrol average response time increased considerably to 31:59 minutes from 28:17 minutes in 2001. In 2003, the response time to collisions slowed by nearly a minute to 32:42 minutes. The response time to collisions slowed even further during



2004 to 34.04 – nearly a minute and a half off of the pace for 2003. Obviously, response time to collisions is moving in the wrong direction. This administration has been aggressive in combating our response time problem as evidenced by our funding of several additional trooper classes during FY 2005-06 and our proposal to fund even more troopers in the upcoming budget year.



An expansion in enforcement efforts, coupled with greater individual practices from our citizenry, must occur if we are to prevent the state from subjecting itself to even greater levels of economic loss related to collisions. Since 2001, economic loss from vehicle collisions has steadily increased, and in fact, last year expanded from \$2.51 billion to \$2.62 billion – a 4.4 percent increase.

Purchasing Priorities

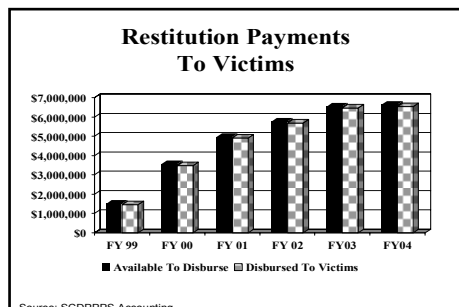
The major funding priorities are those that best achieve the results needed for our goal. The four key purchasing strategies as determined by the FY 2006-07 Safety to People and Property results team are defined as follows:

To provide for the preparation and prevention of criminal activities and natural or man-made disasters. Preparedness for either a criminal activity or a natural or man-made disaster is achieved when an agency is properly staffed, equipped, trained, and has a proven executable plan in place to deliver its services. The goal in preparing for either criminal or non-criminal events is to reduce the risk of harm to people and property that are either associated with or come in contact with these events. Prevention is an additional step to preparedness that can mitigate the factors which encourage criminal activities or man-made disasters.

To provide for the effective management of the state's offender population. Effective offender management is directly related to the strategy of criminal prevention due to the direct removal or monitoring of actual offenders by SCDC, DJJ, and PPP. As such, the goal of effectively managing offenders is the same as the crime prevention goal – reduce the risk of harm to people and property that are either associated with or come in contact with criminal activities.

To provide for the enforcement of state laws. Having more law enforcement officers can help prevent crime and result in greater compliance of state laws. Thus, while directly linked to the prevention of criminal activities, the primary focus of this strategy is

“point-of-contact” as it pertains to the enforcement of state laws. Examples of this strategy include traffic and commercial motor vehicle weight enforcement.



To provide for response and recovery activities following criminal activities and natural or man-made disasters. Response and recovery is the end product of preparation for and/or the prevention of criminal or non-criminal activities. This strategy includes components of response, such as criminal investigations and traffic accident response; and recovery, such as victims’ restitution and disaster clean up. For instance, regarding victims’ restitution, the Department of Probation, Parole, and Pardon

Services has steadily increased the total dollar amount of restitution payments collected and disbursed to victims. Effective response and recovery provides for a higher level of not only perceived, but actual safety for the citizens of the state.

Governor’s Purchasing Plan – Highlights

We address our state’s fiscal problems by purchasing only those public safety services most needed by citizens. We do not purchase services that, while still considered valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget’s total state public safety spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

Improve the Safety of People and Property

Spending Plan:

\$532,987,883
General Funds

\$980,240,821
Total Funds

Examples of what our plan buys:

- An additional 125 troopers and officers that, along with existing troopers and officers, will assist nearly 100,000 motorists and enforce commercial motor vehicle laws.
- Increased resources for incarceration of 22,905 violent and non-violent adult criminals and 1,867 juvenile offenders.
- Supervision of 47,420 jurisdictional offenders upon orders of the courts or Parole Board.
- Over 3,800 requests statewide for investigative services, including 188 fugitive cases.
- Increased resources for enforcement of boating laws.

Savings Proposal:

\$22,001,314
General Funds and Other Funds

Examples of what our plan does not buy:

- Reduced food service expenses at the Department of Corrections associated with the implementation of the Egg-laying/Pullet House, the Freezer Warehouse, and the Dairy Operations projects.
- Duplicative administration services for the Department of Probation, Parole and Pardon Services and the Department of Corrections.
- Duplicative parole boards for youth and adults

Our Plan Buys:

Troopers to patrol over 66,252 miles of state highway and to be responsible for enforcing traffic laws, investigating collisions, assisting motorists, and providing a safe motoring environment for the public. As an example, these troopers assist over 86,126 motorists and investigate 76,280 collisions. We propose to **increase recurring funding** for this activity by **\$5,023,781** in general funds. This increase will purchase an additional one hundred highway troopers representing a 12 percent increase over the current level (840) of troopers. In addition to the recurring funds, we propose an **increase of \$3,828,085 in non-recurring funds** to provide the necessary vehicles and ancillary equipment required of these troopers. An increase in the level of troopers will help combat the state's high drunk driving rates as well as lower the Highway Patrol response time to collisions.

Enforcement of commercial motor vehicle laws by State Transport Police (STP) resulting in 25,873 violations with 3,700 commercial motor vehicles placed out-of-

service. During 2004, 294,205 commercial motor vehicles were weighed by fixed, semi-portable and portable scales, while 2,218,984 were weighed by weigh-in-motion (WIM) scales. Both of these figures represent a material decline over the previous year as a result of aging equipment and an insufficient amount of officers to patrol the secondary roads that are often used by unscrupulous carriers seeking to evade enforcement. This is unfortunate because the weighing of these vehicles is a factor in reducing the deterioration of the state's roads and bridges. By prolonging the life of these roadways, we can delay the costly and inconvenient repaving jobs that too often are needed throughout the state.

To accomplish this goal, we propose an **increase in recurring funding** for this activity by **\$1,361,325** from additional fine and enforcement revenue. Additional sources of funding for this activity include a shift in the TERI cost savings identified at the Department of Transportation (DOT) to the Department of Public Safety. In total, these funding sources will purchase an extra twenty-five STP officers representing a 23 percent increase over the current level (109) of officers.

To provide for the increased enforcement, we are seeking a one-time infusion of \$10 million to cover the cost of weigh station improvements and expansions – for instance, only six of the state's nine operational weigh stations have WIM technology. Within the FY 2006-07 Executive Budget, we fund 50 percent of these improvements through the Capital Reserve Fund while the remaining portion we seek from the Department of Transportation. With the weigh station improvements in place, the department should be able to cover the yearly expenses associated with its existing STP officers through increased fine activity.

Finally, in conjunction with our TERI cost savings proposal, we are asking that the \$3,229,476 in savings that will accrue to the Department of Transportation as a result of the proposal, be forwarded to DPS – as DOT does not have an adequate level of general funds in which to extract the savings. Therefore, with the shift in TERI savings, the increased enforcement related to weigh station upgrades, and an increase in commercial motor vehicle fines, the Department of Public Safety should be able to realize a level of self-sufficiency within its STP division.

Officers to patrol and maintain security around state house and judicial complexes in Columbia resulting in thirty-seven criminal arrests by the Bureau of Protective Services (BPS). The goal of the BPS division of the Department of Public Safety is to ensure the safety and protection of visitors and state employees at these complexes, as well as the buildings and monuments that comprise these locales. We propose to **increase recurring funding** for this activity by **\$226,733** in general funds. In addition to the recurring funds, we propose an **increase of \$39,148 in non-recurring funds** to provide the necessary equipment required of these officers. An increase in the level of BPS officers will help to ensure the day-to-day continuity of government.

Maintenance of a law enforcement officer employment and training database resulting in the tracking of 4,826 changes in the employment status of law enforcement officials throughout the state. The registrar of the Criminal Justice Academy (CJA) is charged with providing timely and accurate admissions data, scheduling information, and officer certification and compliance services. We propose to **increase recurring funding** for this activity by **\$91,448** in general funds to purchase an additional three CJA employees to assist in the certification function at the Academy. Specific duties of these individuals will be to support legal review and misconduct issues that will include the Automated Fingerprint Information System. In addition to the recurring funds, we propose an **increase of \$580,000 in non-recurring funds** to update of an old database system that is currently used to house around 15,000 officer certification records, register officers for classes, allow field agencies to scrutinize officer training records, manage dorm assignments, and store facility maintenance efforts.

Motor vehicle compliance through the 228,000 violations and suspensions recorded on individual driving records. The motor vehicle compliance unit of the Department of Motor Vehicles (DMV) is charged with administering laws, policies, and procedures that relate to state motor vehicle and drivers' license laws. Specific duties for this unit include the posting of violations and suspensions to driver files, correcting information on driver files, and maintaining inventory of uniform traffic tickets for the state. We propose to **maintain recurring funding** for this activity by providing **\$4,480,866** in total funds during FY 2006-07.

Motor vehicle compliance through the 600,000 notices of insurance cancellation distributed to the DMV. Specific duties for this unit of the motor vehicle compliance unit of DMV include the administration and enforcement of laws related to the Financial Responsibility Act, Uninsured Motorist Act, the Registration and Financial Act and the Uninsured Motorists Database Act. We propose to **maintain recurring funding** for this activity by providing **\$5,173,579** in total funds during FY 2006-07.

Response to over 3,800 investigative services requests, including 188 fugitive cases. These services – provide by the State Law Enforcement Division (SLED) – allow for extensive investigative and technical assistance, upon request, to local, state, and federal agencies. We propose to **increase recurring funding** for this activity by **\$450,000** in general funds to purchase an additional seven SLED employees to investigate abuse at residential care facilities around the state.

Narcotic, alcohol, and gaming inspections and investigations resulting in 355 narcotic arrests, 1,370 alcohol related arrests, and the seizure of 1,500 illegal gaming devices. The goal of the VICE unit at SLED is to enforce state laws regarding narcotics, alcohol, tobacco, and gaming. This unit also provides background investigations for alcohol licenses and provides technical assistance to law enforcement agencies. We propose an **increase in recurring funding** for this activity by **\$1,100,000** in general funds to purchase an additional ten SLED employees to investigate methamphetamine cases during FY 2006-07.

Maintenance of over 38,800 criminal DNA profiles through the Combined DNA Indexing System Database. These services perform serological and DNA analysis of biological evidence. The overall purpose of the DNA/Serology laboratory is to manage, coordinate and provide DNA/Serology services through a partnership with local, state, and federal criminal justice agencies to improve law enforcement's capacity to assist in the detection, capture, and prosecution of criminal suspects, and ultimately, to assist crime prevention efforts. To partially offset a reduction in federal funds for this activity during FY 2006-07, we propose an **increase in recurring funding** for this activity by **\$625,756** in other funds.

Incarceration of 22,905 adult offenders at the state's seven high-security, eight medium-security, eleven minimum-security, and three multi-female institutions. These services provide for the proper housing, care, treatment, feeding, clothing, and supervision of inmates within a controlled and structured environment. We propose to **increase recurring funding** for this activity by **\$2,250,000** in general funds to provide a 192 bed lock-up unit at Turbeville. We are also proposing an **increase of \$7,000,000 in nonrecurring funding** to fund maintenance/renovation projects around the Department of Corrections. Currently, the department maintains around 6.3 million square feet, most of which are in twenty-nine aging institutions and various support facilities. Noting this, the agency has identified over \$35 million of deferred maintenance/renovation projects that need to be implemented. Our funding represents a portion of the deferred maintenance/renovation needs and adheres to one of the department's strategic goals of providing a safe, secure and suitable environment for inmates and employees.

Reduced grievances and complaints among the 1,605 inmates that participate in the Department of Corrections' program services division. This division provides programs and services in the areas of substance abuse, religion, recreation, volunteer activities, inmate organizations, and inmate correspondence. With an estimated 43 percent of the overall agency population in need of some kind of substance abuse treatment, we propose to **increase recurring funding** for this activity by **\$2,000,000** in general funds to provide for a continuation and expansion of the department's substance abuse program. By reducing grievances and complaints, the department will be fulfilling one of its strategic goals of providing a safer environment to inmates and to correctional officers.

Cost effective medical, clinical, dental and mental health services for the state's 22,905 adult offenders through the Department of Corrections' inmate health care services division. We propose to **increase recurring funding** for this activity by **\$1,500,500** in general funds to provide an expansion in the department's mental health services.

Incarceration of 1,867 violent and non-violent juvenile offenders. These services provide around-the-clock custodial care to committed juveniles. We propose to **increase recurring funding** for this activity by **\$1,739,495** in general funds. The funding will be used to re-open the Omega Dorm for sex offender treatment, where in

the past year the department has seen the sex offender population increase by 50 percent (\$1,246,346), and to provide for a girls transition home (\$493,149). The re-opening of the Omega dorm for sex offenders will require 24 additional staff in association with the population increase. Additionally, we are proposing an **increase of \$44,166 in nonrecurring funding** to provide the ancillary equipment required of the Omega Dorm staff. The girls' transition home will require 11 additional staff. These increases will move the Department of Juvenile Justice (DJJ) beyond the minimum requirements established by the federal district court.

Placement of 1,426 juvenile offenders in alternative community residential beds. These community-based services provide 24-hour care that includes treatment services, skill building, crisis stabilization, independent living, and education for non-violent juvenile offenders and juveniles on parole or probation. We propose to **increase recurring funding** for this activity by **\$581,160** in general funds. An increased use of community alternative placement by DJJ during FY 2004-05 resulted in a \$454,283 deficit in funding allocated for these services. Our proposal will offset these costs and provide the important community services and placement alternatives needed to help protect the community and enhance a juvenile's success on probation or parole.

Intensive probation and parole supervision of juvenile offenders leading to 39,310 community service hours being performed. These services help to reduce juvenile crime and enhance community safety by focusing intensive services on juveniles who pose the greatest risk to the community: serious, violent and chronic offenders. We propose **increasing recurring funding** for this activity by **\$2,065,049** in general funds in order to hire 42 intensive probation and parole officers to expand this program from the current 5 counties to 20 counties. Additionally, we are proposing an **increase of \$89,648 in nonrecurring funding** to provide the ancillary equipment required of these probation and parole officers.

Community supervision of 47,420 adult jurisdictional offenders. These services include the regular supervision of adult jurisdictional offenders upon the orders of the courts or the Department of Probation, Parole and Pardon Service's Parole Board. Supervision plans establish the offender's financial obligations and coordinate the referrals for alcohol and drug abuse, education, employment, and life skill services. We propose to **maintain recurring funding** for this activity by providing **\$14,425,371** in general funds during FY 2006-07.

Intensive community supervision of 1,427 adult jurisdictional offenders. These services include the intensive supervision of adult jurisdictional offenders upon the orders of the courts or the Department of Probation, Parole and Pardon Service's Parole Board. This is accomplished through the use of enhanced interventions such as electronic monitoring, home detention, and increased interaction with agents based on the risk and needs presented by the offender. We propose **increasing recurring funding** for this activity by **\$3,694,311** in general funds in order to provide for sex offender programming and the implementation of Act 141 of 2005. This programming

includes the use of Global Positioning Satellite electronic monitoring, polygraph, and risk assessments to effectively supervise sex offenders. Additionally, we are proposing an **increase of \$248,186 in nonrecurring funding** to provide the ancillary equipment required of these probation and parole officers.

Our Plan Saves by:

Reducing expenses associated with food services at the Department of Corrections through the Egg-Laying/Pullet House Project. In the 2004-05 Appropriations Act, the General Assembly included a proviso that allowed the Department of Corrections to secure private funding to build three egg-laying houses so that the department could become self-sufficient with its egg-based needs which, in turn, has saved taxpayer dollars. While the initial goal was self-sufficiency, early estimates pointed to a project that would generate excess cash which could then be used to reduce to the general fund needs of the agency. For instance, at the time of the proviso, it was noted that the houses would yield approximately 96,000 eggs per day, based on 120,000 birds producing at an average of eighty percent daily. With a projected value of \$1,362,683

for these eggs, plus \$43,200 that would be realized through fertilizer production, the estimated annual revenue stream for this venture was \$1,545,883. When deducting the projected annual costs for production and estimated debt service of \$875,833 and \$420,000, respectively, the agency anticipated a **savings of \$250,000** annually in general funds.

Reducing expenses associated with food services at the Department of Corrections through the Freezer and Food Warehouse & Dairy Operations Projects. By providing Capital Reserve Funding of \$4,887,005 for the agency's freezer and food

The DMV: A Case for Accountability

In June 2003, the Department of Motor Vehicles became a cabinet agency, making it directly accountable to the Governor. Since that time, the DMV has focused on delivering quality services to the citizens of South Carolina with less funding from the general fund. DMV has made great strides in reducing wait times and providing customers with alternatives to visiting field offices to complete their transactions. Additionally, the DMV has focused much effort on creating partnerships with other agencies as well as the private sector to further improve the quality of the services provided to its customers.

From fiscal year 2004 through fiscal year 2006, the DMV has reduced its appropriated funding by \$16 million dollars. Working in conjunction with the Governor, the DMV is proposing to return its remaining \$11 million of appropriated funding to the general fund in fiscal year 2007.

In addition to the voluntary reductions in appropriated funding, the DMV has returned \$10 million in one-time cash to the general fund for allocation to other agencies and/or programs.

These reductions in appropriated funding of \$27 million and contributions of one-time cash of \$10 million are a result of legislation that has allowed the DMV to establish a sufficient funding base from operating revenue funds.

warehouse in our FY 2006-07 Executive Budget, the agency has indicated that it will save \$500,000 annually. When coupled with the start up of the dairy operations, the agency indicates that it will **save \$750,000** annually in general funds.

Reducing expenses associated with penal facilities inspection at the Department of Corrections (to accommodate one facilities inspection per year as required by state law versus the two per year currently being performed) will generate annual general fund **savings of \$125,000**.

Reducing expenses associated with vehicle replacement at the State Law Enforcement Division (SLED). In FY 2004-05, the General Assembly provided SLED with \$3 million in recurring funds for vehicle replacement. Notwithstanding a statewide vehicle operational lease, we would object to funding such non-recurring items from a recurring source. Therefore, of the amount actually used by the agency for vehicle acquisitions, we are proposing within this year's budget, to shift the purchase of additional vehicles from recurring to non-recurring funds. To achieve this, we are proposing to fund \$2 million in replacement vehicles for SLED from the Capital Reserve Fund. This shift should **save \$1,600,000** annually in general funds.

Combining Parole Boards at the Department of Juvenile Justice and the Department of Probation, Parole and Pardon Services. Currently, the state has separate boards at PPP and the Department of Juvenile Justice. The parole board at PPP has seven members and a budget of \$753,347 while the DJJ board has a budget of \$721,561 with ten members. Regardless of similar-sized budgets, the DJJ board hears far fewer cases per year. Because these two parole boards have very similar missions, we feel this presents an opportunity to gain efficiencies and savings by merging them. Combining the two boards will **save around \$425,000** annually in general funds.

Funding the Department of Motor Vehicles from fee and fine revenue. Much like our proposal to shift the funding of STP officers from general funds to increased fines and enforcement revenue, we are proposing that DMV eliminate its general fund appropriations during FY 2006-07 and replace this source with its fee and fine revenue. By doing this, DMV will **free up \$11,149,579** in recurring general fund dollars in FY 2006-07.

Making Tough Choices:

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

Seeking alternative funding for Special Operations at the Department of Public Safety will result in a **reduction of \$129,929** in recurring general funds. During FY

2004-05, this two person unit undertook 48 assignments including such diverse events as bike rallies, State House rallies/functions, USC football games, and death row escorts. We encourage those maintaining this unit to seek other funding in order that this service may continue.

Reducing law enforcement expenses associated with the H. L. Hunley will result in **savings of \$117,287** annually in general funds. We encourage the Hunley Commission to retain the services of local law enforcement or a private security firm to provide for the security of this important state artifact through admission or other revenue associated with the Hunley.

Privately funding Volunteer Services at the Department of Juvenile Justice will result in **savings of \$7,655** annually in general funds. In FY 2004-05, 1,694 volunteers provided various services for DJJ and its Juveniles. We encourage those maintaining this effort to solicit for private donations and contributions in order that this valuable service may continue.

Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.

Strengthen Government's
Ability to Achieve Its Results
Efficiently and Effectively

Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively

This administration continues to strive for a government that is accountable to the people that pay for it – the taxpayers. Unfortunately, many agencies across the state are hindered by outdated regulations and a fractured government structure resulting in services that are inefficient and provide duplication across agency lines. We believe it is our job to push for policies that will provide an efficient government and give maximize value to the taxpayers.

Making the executive branch of government more accountable would be a step in the right direction. Currently, there are almost 70 agencies that do not report directly to the governor. Changing this policy would force all agencies – and not just the 14 cabinet agencies – to provide better results at a lower cost.

A changing business climate and improved technology give government an opportunity to be more competitive in this nation and world. Unfortunately, South Carolina has not taken full advantage of this opportunity as we still are the only state to have an entity such as the Budget and Control Board, still operate under human resource policies that are inflexible, and lack cost effective travel standards for all agencies. While these are just a few areas needing change for the better, there are many others that deserve our attention in order for us to thrive from a competitive standpoint. If we are to give the best value to the taxpayer, improvements must be made. In this section of the budget, we look at ways to improve statewide government structures and policies in order for it to operate more efficiently and effectively.

Developing our Purchasing Priorities

To develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently reaching its goal of operating

Governor Sanford's Goals for **Strengthening Government's Ability to Achieve Its Results Efficiently and Effectively** are to:

- ✓ Reduce fractured lines of responsibility in the executive branch of government.
- ✓ Modernize state human resources regulations to improve efficiency.
- ✓ Manage state-owned assets more cost effectively.
- ✓ Use information technology to save money and improve productivity.

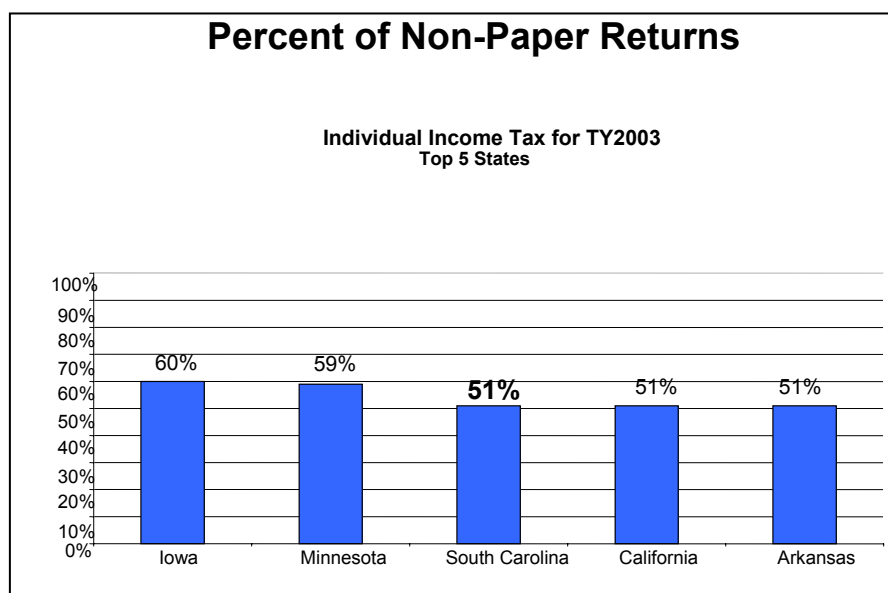
efficiently and effectively. We found South Carolina is performing well in some areas; however, there are many opportunities for improvement.

Where we are succeeding

This administration has continued to push for ways that will make government operate in a more effective and efficient manner. In fact, over the past few years many recommendations from this office have been adopted that would save the state money and ultimately the taxpayer. A recent vehicle study by Mercury Associates takes one such recommendation and moves it one step closer to becoming reality. The study suggests that we can save the taxpayers' money – approximately \$52 million over five years – by having a more centralized fleet management system and implementing a lease-purchase finance program to acquire vehicles. We urge the General Assembly to review this study and adopt as many savings as possible this session.

The recommendation to improve our fleet management system is just a beginning. Over the past couple of years, we have also suggested that renegotiating the contract for state phone rates would lead to a 30 percent reduction in state phone charges while new internet access contracts for agencies that are connected to the CIO's network would lead to a 50 percent reduction in internet charges. Our continuous effort to eliminate the inefficient Central Supply Office within the Budget and Control Board has also become a reality. As of December, the Central Supply Office is officially closed – relieving us from subsidizing a money-losing function that can easily be absorbed by the private sector. We give credit to the Budget and Control Board for making these recommendations and look forward to finding other ways such as this to save the taxpayer money.

Our Department of Revenue continues to excel when it comes to efficiency in collecting revenues. We are one of the top two states in the percentage of returns received that are filed electronically by collecting over 64 percent of tax dollars through this method. For the first time, the Department also had over 50 percent of individual income taxes filed electronically with over



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one million electronic returns – ranking us third in the nation. Our tax administration has also done a good job in the category of enforced collections by exceeding projected estimates. In addition, DOR, working with Commerce and other key agencies, has done an outstanding job in implementing and being the primary operator of South Carolina one-stop for business (SCBOS). This administration realizes the need to equip the small business community with the necessary tools to succeed in this global economy. Specifically, in one central electronic location, SCBOS guides potential new business owners through the process of starting a business while making it easier for existing business owners when filing and paying for business licenses.

South Carolina is also moving in the right direction on the technology front. This past year the Budget and Control Board hired South Carolina Interactive to develop a new portal for state government – at no cost to the taxpayers. The service requires no upfront tax dollars and is paid through a self-funded system of a nominal transaction fee assigned to the online purchase of drivers' records. The Ethics Commission is one of the first agencies to take advantage of this service. From efforts within this administration, the public will soon be able to view campaign finance reports of candidates for statewide office online. We urge all state agencies to take an in-depth look at the benefits of this new portal service – with the hope of agencies saving time and money from not having to design and operate their own website. The new portal agreement will help improve South Carolina's national ranking as *Governing* magazine currently ranks us only 42nd when it comes to effective government websites.

This administration has also stated the need for better management of state-owned facilities. There are currently many vacant offices throughout the state that should be filled or consolidated to save agency operating dollars. Last year, we estimated almost \$1.4 million in savings from this process just for the Columbia area. However, we know office space across the entire state can be used more efficiently. To this end, we are glad this push is moving us in the right direction – as the state recently received a real estate management system proposal from EDAW that introduces a system to be used by the Budget and Control Board to achieve maximum efficiency for our state-owned properties. We look forward to the Board adopting these recommended real estate management practices so that each office throughout South Carolina may be used in the most productive manner possible.

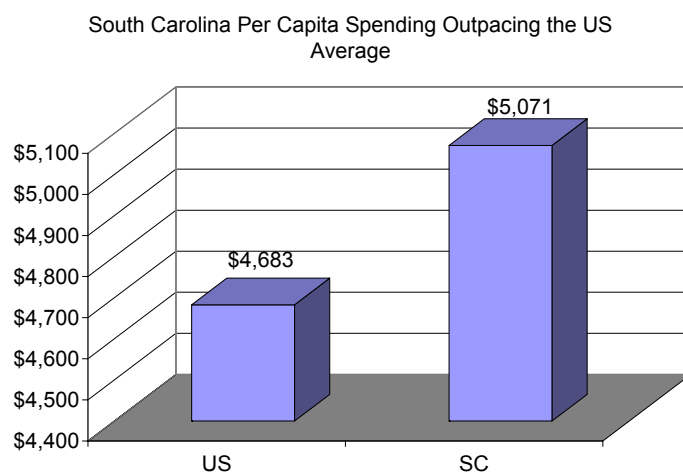
Opportunities for Improvement

There are many areas in government where we can be better stewards of the taxpayers' money by providing services in a more effective and efficient manner. We continue to believe there are many inefficiencies when it comes to state travel. A recent Legislative Audit Council (LAC) report on state travel reveals numerous areas where we are not being as cost efficient as possible. In fact, last year we spent over \$60 million in travel alone. And while our office reduced travel by 67 percent from two years ago, 16 state agencies' travel budgets grew by more than 10 percent during this time period. These

travel increases came during a time when we were trying to conserve travel dollars due to revenue decreases and mid-year budget cuts. But without accountability in state travel, growth such as this will continue to happen. Currently, our state has no centralized office to manage travel. Such an office would ensure more cost effective travel arrangements. For instance, with a centralized office, we would be able to negotiate and purchase bulk travel from hotels, conference centers, and airlines. In fact, a Legislative Audit Council report claims if the state were to use its bulk purchasing power to obtain contracts with airlines, we could save the taxpayers \$1.6 million.

Agency Travel Expenditure Growth (FY 02 to FY 04)	
Agency	% Change for FY 02 to FY 04
Administrative Law Court	519%
Conservation Bank, SC	100%
Consumer Affairs, SC Department of	18%
Education Lottery, SC	18%
Governor's School for the Arts and Humanities	68%
Insurance, SC Department of	10%
Jobs Economic Development Authority	37%
Judicial Department, SC	45%
Legislative Council	39%
Lieutenant Governor, Office of the	960%
Mental Health, State Department of	41%
Patriots Point Development Authority	101%
Research Authority, SC	56%
Sea Grant Consortium, SC	19%
Second Injury Fund	12%
Secretary of State, Office of the	37%
Compared to	
Governor's Office	-67%

South Carolina also lacks regulations for reimbursement of lodging. Other states and the federal government have implemented limits on the amount that can be spent on a hotel. In South Carolina, there is no limit; therefore, state employees and agencies are not effectively protecting the taxpayer's dollar. The LAC travel report showed several examples of employees taking advantage of the system. As previously mentioned, the Governor's Office has led by example on this front. We urge the General Assembly to adopt better practices because whether it be implementing new regulations or sharing a hotel room with another employee, there are better ways to spend the state's finite tax dollars.

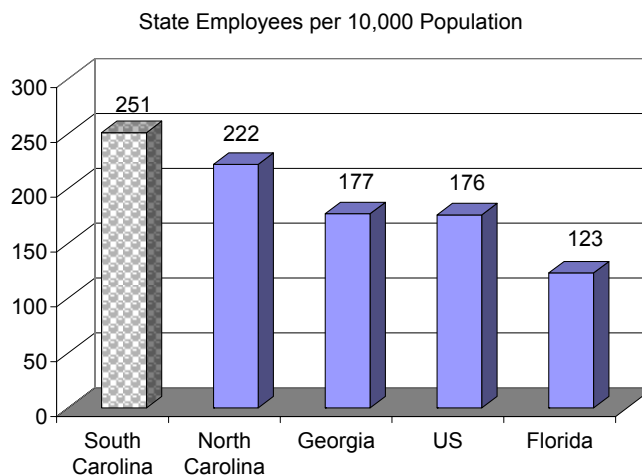


As mentioned earlier, we continue our efforts in reducing the fractured lines of responsibility across state government by providing more accountability within the executive branch. The federal government and most other states do not have this disconnect between the chief executive and the other branches of government. In fact, South Carolina state government ranks 47th in the nation – one spot worse than last year – in single source accountability for the day-to-day

STRENGTHEN GOVERNMENT'S ABILITY TO ACHIEVE ITS RESULTS EFFICIENTLY AND EFFECTIVELY

operations of state government. South Carolina elects eight other statewide constitutional officers and also has 70-plus agency directors. But the governor appoints only 14 of these directors leaving only 18 percent of all agencies accountable to the executive branch. This is a problem because it leaves the majority of state government unaccountable to the people that pay for it – the taxpayers. The bottom line is that a decentralized system of government leads to duplication and higher spending. South Carolina spends almost \$400 more than the average state in per capita government spending. Reducing the counterproductive entities of the state and putting more responsibility in the hands of the executive branch will put us more in line with other states and decrease the tax dollars we spend to operate such a system.

As an administration, we continue to push for a government that is run more like a private business and with that we need more flexibility in our human resource policies of state government. Currently our managers do not have the tools to run the administration of an agency effectively. Outdated and archaic regulations tie the hands of directors preventing them from getting the most out of their employees. In fact, we have a system that – after an employee serves a standard probationary period- makes it is virtually impossible to remove that employee from the state payroll. This has created a government with only two percent of employees being “at-will” – almost unheard of in the private sector. Inefficient human resource policies have led to our state having a higher number of state workers than the nation and our neighboring states. A recent *Governing* magazine comparison of state employees showed that South Carolina had 251 employees per 10,000 in population placing us 13th highest in the country – 42 percent more than the national average of 176. By comparison, North Carolina had 222, Georgia 177, and Florida only had 123 employees per 10,000 in population – almost half of South Carolina. We believe updated human resource regulations and more efficient administrative policies are needed to put us in line with the rest of the nation and our counterparts.

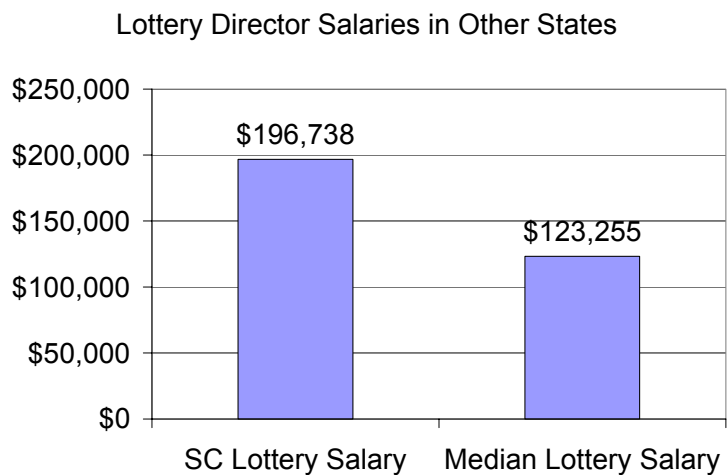


One such policy that we believe is vital to bring the number of state employees in line with the rest of the nation is to address the high number of employees enrolled in the Teacher and Employee Retention Incentive (TERI) program. We currently have almost 6,000 employees taking part in the system. However, agencies have an opportunity next year to demonstrate fiscal prudence with the taxpayers' money. By the end of FY 2006-07, over 2,000 state employees will be set to leave the TERI system. But, current

law allows the former TERI employee to be hired back by that agency if he or she is separated from the agency for only one day. If this scenario were to happen, the taxpayer is now being forced to pay an employee's salary and an employee's retirement package. In fact, this situation has already happened for one of the highest paid employees in state government. The Comptroller General and this administration were out-voted by other members of the Budget and Control Board last year when contemplating the rehiring of Board's executive director, Frank Fusco, once his TERI term expired at a salary of \$147,000. The problem with this rehiring is not so much Mr. Fusco's ability as a director, but instead, that government is again failing the taxpayers by not operating as efficiently as possible. Paying Mr. Fusco well over \$200,000 – with salary and retirement – to perform the same job does not fit into this category. For this reason, we are recommending that agency directors evaluate former TERI employee job duties to determine if they may be distributed among others in the agency, while also looking to hire qualified individuals that may be trained for the long-run.

It is our goal for the lottery to generate the maximum amount of money for our education system. However, this administration is concerned with particular operational practices within the South Carolina Education Lottery. During our budget hearing this past year with the lottery, it was discovered that lottery employees were paid salaries that were much higher than the average state employee – \$17,000 higher. If lottery

employees were paid the average state employee salary, \$2 million more could have been dedicated to increase teacher pay or improve our schools. And when looking at top management of the lottery, the situation is not any better. The executive director and five upper-level managers all received pay increases averaging more than 20 percent while other state employees only saw their paychecks increase 7.7 percent for the same time period. A recent Legislative Audit Council report reviewed the salaries for executive directors of lotteries in 18 states across the nation. The LAC discovered that our executive director was paid more than 16 of the 18 directors. In fact, South Carolina's director is paid \$74,000 (or 60 percent) more than the median salary of the states reviewed. We will continue to push for policies that will produce the maximum amount of dollars for our children – and unwarranted salaries do not fit in this category.



Purchasing Priorities

Having determined where we are succeeding and where opportunities for improvement exist, we next identified some proven or promising strategies that will determine our purchasing priorities and best achieve our goals. The key strategies we identified are as follows:

Reduce fractured lines of responsibility in the executive branch of government. We need to pass restructuring legislation to make the executive branch more accountable to taxpayers. We currently have over 50 agencies with little accountability to the people of this state. Our restructuring proposal is a step in the right direction towards making key functions of state government, primarily health care, education, and administration, answer to the governor's office, and thus to voters.

Modernize state human resources regulations to improve efficiency. Managers and employees need more flexibility to provide effective service to citizens in the 21st century. Our proposed changes to human resources regulations and staffing will save taxpayers money and increase managers' ability to change their agencies' staffing plans as changing circumstances require.

Make revenue collections more efficient – especially continuing to increase electronic filing. We need to collect debts owed to the state and spend less money where possible to bring in revenues. With a keen eye on the start-up of the North Carolina lottery, we propose significant savings in retailer commissions and more efficient means for the lottery to operate, which should redirect additional dollars into K-12 education without impacting overall lottery revenues.

Create a system that is more efficient regarding state-owned assets. By disposing of excess property and co-locating state agencies that deal directly with the public, citizens can take care of state business without having to search through a myriad of locations. We will also continue our efforts to push for a more cost efficient method to operate our fleet of vehicles across the state – including cost savings from recommendations in the recent vehicle study.


Reduce technology cost for state agencies. Many entities across the state are not using the most efficient means in maintaining their websites and with other technological operations. With the recent contractual agreement between South Carolina Interactive and the state, it is essential that South Carolina Interactive effectively market the benefits of online services that will save the state and taxpayers money.

Governor's Purchasing Plan – Highlights

We address our state's fiscal problems by purchasing only those administrative services most needed by citizens. We do not purchase some services that, while still considered

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valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget's total state administration purchasing plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

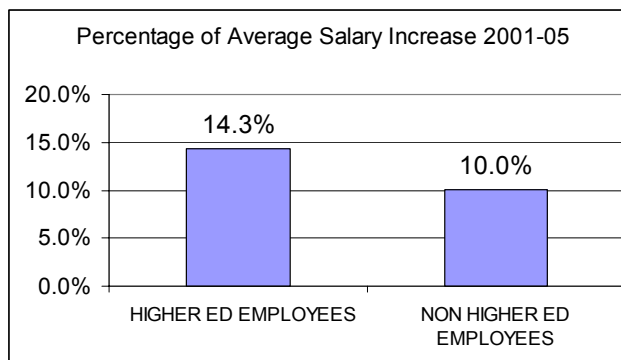
<p><i>Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively</i></p> <p>Purchasing Plan: \$42,500,702 General Funds</p> <p>\$223,328,921 Total Funds</p>		<p><u>Examples of what our plan buys:</u></p> <ul style="list-style-type: none"> ▪ Employee merit and other pay increases totaling over \$30 million. ▪ No increase in non-smoking employees' health care premiums. ▪ Over \$173 million to fully restore raided trust and reserve funds. ▪ Prepayment of \$16 million in bonds to lower our debt liability and save recurring dollars. ▪ Funding for the creation of a Sunset Commission. ▪ Creation of a Central State Travel Office to save travel expenditures statewide. ▪ A statewide accounting system (with reform to the current IT structure)
<p>Savings Proposal:</p> <p>\$42,708,139 Total Funds</p>		<p><u>Examples of what our plan does not buy:</u></p> <ul style="list-style-type: none"> ▪ Rehiring all retired TERI employees. ▪ Airline tickets purchased outside of state contract. ▪ Hotel reimbursements above established rates. ▪ Unnecessary reimbursement for use of personally owned vehicles. ▪ Lottery retailer commissions in excess of the national average.

Our Plan Buys:

Increased pay for targeted state employees to allow state agencies to address critical needs and provide incentives to their best employees. Unlike the norm seen in the private sector, South Carolina government has avoided targeted pay plans in past years. Instead, across-the-board pay increases have been the standard. We discussed in last year's budget that a one-size fits all compensation package does not produce the most effective results throughout our agencies. However, by proposing targeted dollars for particular government services, we can provide a true motivation to state employees which in turn will produce better results. We are providing **\$30,433,871 in new funding**, which would roughly be the equivalent of a three percent across-the-board

pay raise. However, we propose targeting our available dollars so that we can provide a bigger pay increase to those services where it will be the most effective.

As in last year's executive budget, we are once again proposing to allocate these dollars to state agencies rather than higher education institutions – as college salaries have grown at a much faster rate than agency salaries in past years. In fact, as of September 2005, the average wage for a higher education employee was \$47,847 – up 14.3 percent from 2000. Over that same period, the average wage for non-higher education state employees increased only 10.0 percent to \$34,816. In addition, including higher education in an across-the-board salary increase will lead to inflationary pressures to increase tuition.



Targeted pay increases are becoming more common across the country as federal agencies, states, and local governments look to provide incentives for hard work. In fact, Denver recently became the largest school district in the country to switch to paying teachers based on their students' achievement – as voters approved this measure in the November 2005 election. And for years, the state of Florida has allowed teachers to earn five percent of their pay through performance. Targeted pay will also help state agencies that experience high levels of turnover – such as the Department of Corrections where a 65 percent turnover rate of correctional officers has been seen in past years. This type of turnover is expensive and cost the Department of Corrections an average of \$3,500 per new hire for training. Other agencies have a similar need to maximize funding to their front-line employees.

Currently, the state does not provide pay increases to employees of most vendors that have a relationship with the state; however, we increase the salary for non-state employees that receive compensation from the agencies of DDSN, DAODAS, and the Office on Aging. As these are not employees of the state but rather of entities that have a contractual relationship with the state, we think it should be the duty of those contracting entities to provide pay increases to their employees. Therefore, we propose reallocating the **\$2.8 million** equivalent of a cost-of-living increase to non-state employees **to fund new and existing activities for those three agencies.**

The bottom line is our agency directors need the tools to get the most out of their employees and providing a pay plan that treats everyone equally will not get this done. A more flexible salary increase will allow agencies and agency heads the freedom to direct dollars to their areas of greatest need so that a state employee may work more efficiently and provide the services that all taxpayers of this state deserve.

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Continued health care coverage with no increase in non-smoking employees' premiums. In recent years, state employees have seen significant increases in the cost of their health insurance as the state has failed to fund its portion of premium increases. But, in last year's budget this administration made it a priority to relieve this burden from our hard working state employees by providing adequate funding to avoid premium increases. We again feel that this is a priority in the upcoming budget year. We, therefore, propose a net funding increase of **\$29,504,000** in general funds towards the state employees' health plan. This increase in funding will allow non-smoking employees to receive the same health care coverage *with no increase in premiums* after years of double-digit increases.

Restoration of trust funds. Over the past few years, the General Assembly has used money from a number of trust fund accounts to make up for critical revenue shortfalls. Last year it was a priority of the administration to maximize our efforts in replenishing these funds. This goal was partially accomplished at the end of the day. It is our priority once again to address this problem to protect the fiscal integrity of the state. Given the amount of one-time funds available next year, the upcoming budget presents us with an opportunity to fully replenish the remaining deficit in our state trust and reserve funds. Therefore, we propose a total of **\$173,281,718 in one-time revenue to fully restore trust and reserve funds.**

Prepayment of bonds. This administration has always strived for policy changes and proposals that will strengthen the fiscal backbone of South Carolina. As in last year's executive budget, we believe it is important to concentrate on our state's outstanding debt. Our annual obligation for debt service has increased from \$142 million in FY 1996-97 to an estimated \$241 million in the coming FY 2006-07, an increase of nearly \$100 million. The recurring dollars that we are spending towards this debt are dollars that could be dedicated towards higher teacher salaries, more troopers, or improving the economic environment across the state. The current \$241 million in annual debt service deserves our attention – as reducing this amount will only strengthen the state's fiscal integrity in the eyes of the credit rating agencies. A significant amount of one-time money gives us an excellent opportunity to do just that. We propose using **\$16 million from one-time revenue sources to pay down some of the state's outstanding debts** and free up recurring dollars for our other needs.

Specifically, we recommend using up to \$16 million to retire the following outstanding Budget and Control Board lease revenue bonds:

Series 1986 (Adjutant General)	Series 1998 (Broad River)
Series 1994 (Harden Street Facility)	Series 1999 (Robert Mills)
Series 1997 (Columbia Mills-State Museum)	Series 2001 (Arts Commission)

Of all outstanding bonds, the prepayment of these revenue bonds will produce the greatest amount of savings in the upcoming year. The State Treasurer's Office has estimated that this early retirement will generate more than \$1.7 million in gross savings

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over the remaining term of these bonds and will free up **\$4.6 million in recurring appropriations** next year. We have deducted the following bond portions from the noted agencies' rent expenditures as a result of this prepayment. It is important to recognize these are not budget cuts for these agencies.

Adjutant General	\$ 243,351
DSS	108,145
DHEC	564,317
Arts Commission	147,711
Budget & Control Board	823,680
Department of Revenue	990,561
State Museum	<u>1,688,004</u>
<i>Total rent reductions</i>	<i>\$4,565,769</i>

Though these early payments will only have a small impact on the state's overall debt burden, it is a down payment on a policy we believe is critical to making us more competitive and easing the overall burden to South Carolina's taxpayers. The recurring appropriations freed up by this debt repayment will only be available in future years assuming the General Assembly does not authorize the state to take on future debt to replace the debt we propose paying off.

Establishment of a Sunset Commission to evaluate whether government programs should be continued. In the past, the House of Representatives has adopted a measure which would have created a Sunset Commission as described earlier in our "Fix the Structure" section. Unfortunately, this legislatively-controlled division of the Legislative Audit Council was not adopted by the Senate. Our budget provides **new funding of \$585,570** for the creation of a Sunset Commission next year.

Tax collections, compliance, and processing. In recent years, our cost to collect taxes has been reduced to \$.00678 per dollar. At the same time, enforced collections now exceed \$300 million with total collections exceeding \$6 billion. Noting this, we propose to **maintain funding at \$16,217,118** in general funds for tax collections, compliance, and processing during FY 2006-07.

Taxpayer assistance. Taxpayer assistance includes the Contact Center as well as regional and satellite offices that provide statutory compliance with registration, licenses, and explanation of correspondence and forms. Taxpayers need a clear, trustworthy channel of communication to answer their questions about the taxes they pay. We propose to **maintain funding at \$3,470,224** in general funds for taxpayer assistance during FY 2006-07.

Statewide budget development analysis and implementation. The Budget and Control Board's Office of State Budget assists the Governor and General Assembly in the preparation and implementation of the annual state budget. We propose to **maintain funding at \$2,346,742** in general funds for the Office during FY 2006-07.

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A Central State Travel Office. We discussed previously in this section about how our state can be more efficient in managing state travel. The Legislative Audit Council recently reported that this was a result of our state not having a centralized office that is responsible for ensuring that agency travel expenditures are cost effective. This type of office will use the state's high volume of travel to reduce costs and oversee each agency in being efficient in its travel practices. Specifically, the newly created Central State Travel Office within the Comptroller General's Office will make sure that each agency adheres to the contractual agreements that are established with airlines and hotels. It will also be the responsibility of this new office to make sure that hotel stays remain within a newly created limit for lodging reimbursement. We propose working with the state's hotel/motel associations to create a regional rate structure similar to the one used by the federal government. Savings from bulk airline purchases and capped lodging rates will be discussed later in this section.

Other states, such as Louisiana and Mississippi, and the federal government have a central office that handles travel. Currently, Mississippi's central travel office consists of one employee. We believe it is time South Carolina fall in line with the travel practices of other states and the federal government – as a centralized travel office will produce more efficient agency travel and save the taxpayer money. Our budget provides **new funding of \$50,000** for the creation of a Central State Travel Office.

An integrated financial reporting and management system for the state, which is essential to standard and meaningful multi-year technology planning. In our veto message last year, we indicated our concerns with implementing the South Carolina Enterprise Information System (SCEIS) without reforming the structure of the Chief Information Officer's (CIO) office. A Chief Information Officer in our proposed Department of Administration would lead to innovation in technology, strategy, and oversight. A strengthened CIO could ensure cost-effective, reliable delivery of technology infrastructure and services, as well as governance that involves all stakeholders in technology decision-making in state government. A CIO accountable to one person rather than a board is also critical to successful implementation of the SCEIS project.

While this project offers a potential of up to \$120 million dollars in annual work process savings after five years of implementation, it also brings the potential for significant cost over-runs and failure if not managed properly. Given our state's difficulties in recent years with managing large information technology (IT) projects such as DMV's "Project Phoenix" and the "SCECIS project" at DSS, we should all be concerned about attempting this large project spanning across most state agencies with our current IT structure.

Additional concerns regarding SCEIS are that this past year, the Budget and Control Board had to pull out of its contract with a primary contractor for the project, BearingPoint, due to financial difficulties within the company. This has delayed the project by approximately six months; however, the first phase is still to be completed during this fiscal year. But, because of running into problems with vendors and with no

current restructuring in the CIO's office, we still have concerns regarding the efficiency of the project over the long-run.

Under the current structure, the CIO answers to the Director of the Budget and Control Board, who answers to five separately elected officials. In a report assessing the state's management of IT, the Gartner Group finds South Carolina to be the only state in the Southeast or the Middle Atlantic with a CIO position with narrow influence and with structurally deficient depth of support.

If a restructuring plan to make the CIO more accountable to the Governor is adopted by the General Assembly next legislative session, we will support **new funding** in the amount of **\$5,700,000 in capital funds and \$ 2,790,000 in recurring funds** for the continuation of completing the five-year SCEIS project. Like last year, we believe this is a significant opportunity to reform South Carolina's government and make it more efficient.

Statewide General Election in 2006. Every two years, the Election Commission is tasked with ensuring that every citizen is given an opportunity to participate in a fair and honest General Election. Our state conducted a successful General Election two years ago when a record number of South Carolinians cast votes – 1.6 million. This administration continues to believe in the core values that are associated with the democratic process – the notion that the people should have the right to rule themselves. We encourage the over 2.3 million voters of this state to participate in this process in the upcoming election. We also look forward to the voters having the opportunity to decide on the merits of our proposed Taxpayer Empowerment Amendment in the 2006 General Election. This budget provides funding of **\$3,125,000 in non-recurring funds** for the 2006 General Election.

Our Plan Saves by:

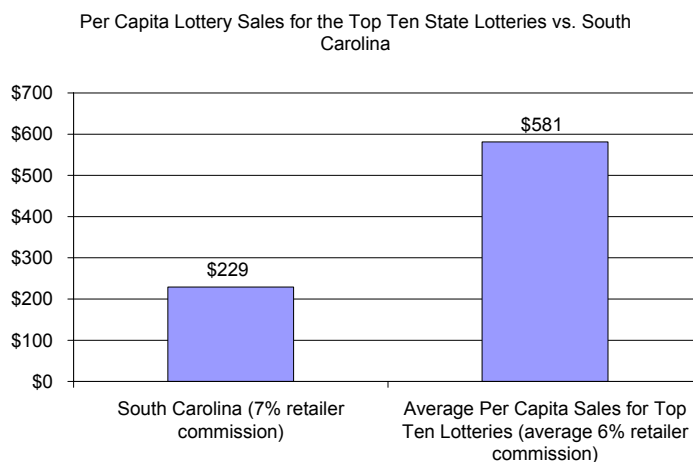
Restructuring for a more accountable executive branch. There are many services throughout state government that are being duplicated. This is not only inefficient but it also costs the taxpayers. Staff of the Legislative Audit Council, members of the MAP Commission, and many participants of the budget hearings agree that restructuring is needed. The bottom line is our state government can function better and in a more efficient manner. Restructuring will allow for this to happen by holding agencies more accountable and in turn provide better results at a lower cost. The **total dollar savings over five years – \$95 million in state funds** – from adopting our restructuring proposals are recognized in the separate budget goal areas that would be impacted.

Reducing lottery commissions to approximately the national average is another idea that we have proposed in our last two budgets to provide significant new dollars for education in our state. This policy decision is particularly relevant

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considering the start-up of a North Carolina lottery in the next year. When fully operational, the North Carolina lottery is expected to take 10 percent (or almost \$30 million) away from our lottery. To this end, it is important that we make every effort to run our lottery as efficient as possible so maximum dollars can go to educate our children.

Data from lotteries across the country show there is no correlation between a higher retail commission and higher lottery sales. In fact, the top ten lotteries across the nation in sales had average per capita sales of \$581. But, their average retail commission was one full percentage point less than ours and one-tenth lower than the national average of six percent.



When the Education Lottery was established, retailer commissions were set at a minimum of seven percent. Had sales for the lottery's first year been the \$500 million that was predicted, retailers statewide would have shared in commissions of approximately \$35 million. As the lottery sales are now over \$950 million annually, commissions are over \$66 million. In other words, retailers signed up to a program that projected average annual commissions of \$10,000 but have been rewarded with average annual commissions of over \$19,000 per retailer. A reduction of retailers' commissions from seven percent to the approximate national average of six percent will still leave retailers making an average of over \$16,000 per store – 60 percent more than the initial projections. More importantly, paying retailers a six percent commission will **free up an estimated \$8.4 million** annually that can be used for education in our state.

Savings from a Central State Travel Office and instituting travel guidelines.

The recent Legislative Audit Council report on state travel shows that our state can do a better job when it comes to managing its travel. This is why we have recommended the creation of a Central State Travel Office. With no current centralized travel agency, we have over 70 agencies making travel decisions with no standard regulations – resulting in a very inefficient system. Several reports in recent years have found numerous examples of excessive spending of finite state resources on hotel rooms. Prior to this administration, the Department of Commerce paid over \$750 per night for a hotel room in Milan, Italy, and a whopping \$879 per night for a hotel room in Paris. Even though our state spends tens of millions annually in travel-related costs and we have countless examples of employees staying in hotel rooms costing hundreds of dollars per night, South Carolina government has no maximum rate to limit an employee's hotel expenditures. As mentioned previously, we are proposing reimbursement for lodging

based on a newly created limit for in-state travel and the federal lodging rates for out-of-state travel. We recommended a similar limit last year and commend the House for making it a part of their budget for FY 2005-06. Unfortunately this provision was removed in the Senate during last year's budget debate. We urge the Senate to take a closer look at the merits of a lodging cap – a cap that will save all agencies money. We believe it is reasonable for each agency to save at least 15 percent of their lodging travel budget by implementing a hotel limit. This administration and the agencies within our Cabinet have already led by example on this front.

The LAC also discussed inefficiencies when it comes to agency airline purchases. Currently each airline transaction is bought at the individual agency level and results in a more expensive ticket. This additional cost to the taxpayer can be avoided by taking advantage of bulk purchasing. According to the LAC report, other states and the federal government utilize pre-negotiated contracts with airlines for discount prices. We propose joining the federal government and other states by utilizing bulk purchases with airlines. The LAC estimates each agency will reduce airline expenditures 25 percent if purchased through this mechanism.

We also propose that members of the Worker's Compensation Commission, the Employment Security Commission, and the Public Service Commission be covered by the same guidelines as other state employees when traveling 50 or more miles from their homes.

The newly created Central State Travel Office within the Comptroller General's Office will make sure that each agency adheres to the state's provisions for travel. This management, coupled with savings from bulk airline purchases will provide an **annual savings of \$726,365** during FY 2006-07.

Removing funds for increased enforced collections. The Department of Revenue is currently in the second year of its efforts to increase enforced collections through additional tax collectors. The department may collect revenues from any source within its jurisdiction, which may include, but is not limited to, corporate, individual, or sales tax collections. Specific emphasis is on enforced collections and outstanding liabilities. During the first year of funding the program, the Department of Revenue received \$3 million in appropriations to purchase one-time infrastructure needs to increase collections. In our executive budget last year, we recommended these dollars be returned to the general fund since the infrastructure had already been purchased. However, at the end of the budget process, these additional dollars remained in the Department of Revenue's budget. We again believe that it is only fair to recommit these dollars back to the general fund. Returning these dollars back to the general fund will provide **annual recurring savings of \$3,000,000** during FY 2006-07.

Savings from high number of TERI employees set to leave state government. There are currently almost 6,000 state employees enrolled in the Teacher and Employee Retention Incentive (TERI) system. In many instances, the

TERI program has accomplished its goal – retaining experienced teachers and good people in critical positions of government. However, in many other instances, it has prevented qualified individuals from entering the state’s workforce at lower rates of pay. The TERI program has in essence been unfair to the taxpayers of the state because it asks them to contribute more tax dollars to high salaried managers simply because they were able to take advantage of a system. In fact, TERI employees are paid \$17,000 more than the average non-TERI state employee.

The first class of TERI participants will have hit the five-year mark as of this past calendar year. The majority of agencies will not be hiring these employees. We are instead recommending that agency directors look to disburse these job duties among other remaining employees while also looking to hire and train qualified individuals so that the agency will be better prepared for the long-run. This type of management will not only reduce duplication and create a more efficient office, but will also create a savings for all agencies with TERI employees set to leave. According to numbers from the Human Resource Office in the Budget and Control Board, if each agency’s budget were reduced by taking the difference between the average TERI employee salary and the average overall salary for that agency, an **annual savings of \$23,745,476** in general and other fund dollars would be provided. We want to make it clear that this proposal is not about terminating any current employees but instead represents the natural process of replacing many positions with less tenured individuals at lower pay.

Adopting more efficient practices for our fleet management program. This administration has constantly said there is a better way to operate the management of our state’s vehicles. As a result, the consultant group of Mercury this past year released specific recommendations on how to provide more effective vehicle services for state employees. The consultant group found that these recommendations, if adopted, will lead to significant opportunities to achieve cost-savings in the upcoming budget year and in the future. The Mercury study projects savings over a five year window to be almost \$52 million dollars.

The report discussed three primary ways that our state can provide a better return to the taxpayers when it comes to managing our fleet. First, it was discovered that many of our agency-owned vehicles have exceeded their recommended life cycle. Going beyond this life cycle often leads to increasingly high maintenance costs. The Mercury report suggests using a lease-purchase financing system to replace the aged vehicles that are creating a drain on government resources and the taxpayer. Instead of owning their vehicles, many agencies would benefit by gradually replacing their fleet over a five year cycle with leased vehicles which could reduce maintenance costs and allow the agency to concentrate more its core mission.

Second, the study discussed ineffective management in the area of reimbursement of employees for using their personally owned vehicles (POV) when traveling. In fact, this kind of travel cost taxpayers over \$13 million last year while some agency employees received over \$10,000 per year in mileage reimbursement payments. These kinds of

costs could have been avoided with stronger regulations for state mileage reimbursement practices. Currently, there is a proviso in the budget that states that an employee will be reimbursed at a lower rate if a personal vehicle is used while a state vehicle is available. But, this mandate is not followed on a consistent basis according to the study. For this reason, we believe each agency can be more cost efficient in using personally owned vehicles.

And third, it was recommended that the state sale agency surplus vehicles. These vehicles are costly to the state and over time have created a financial burden for agencies to maintain. The selling of these assets will generate revenue of \$1.8 million in FY 2006-07. As mentioned earlier, we are recommending a portion of this revenue be returned to the agencies.

Making Tough Choices:

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

Elimination of state matching dollars for the Help America Vote Act. In 2002, Congress passed the Help America Vote Act (HAVA). The Act has provided payments to South Carolina for election administration improvements, training, and replacement of punch card machines. In last year's budget, \$700,000 in state money was appropriated to draw down federal dollars in accordance with the HAVA program. The Election Commission, however, has drawn down all the federal HAVA dollars it can to help improve voting procedures in our state. Returning these matching dollars back to the general fund will provide **annual savings of \$700,000.**

The Civil Contingency Fund is a reserve fund at the Budget and Control Board that is used to help an agency cover unplanned expenses. Over the past two years, payments from the fund have averaged only \$43,000 per year. Therefore, during FY 2006-07, we propose cutting recurring general fund dollars in the amount of **\$161,902** to the fund.

Making ancillary human resources functions self-sufficient. The Budget and Control Board provides a number of human resources services such as training and development, temporary employment services, and recruiting services to various state agencies. The Board charges agencies a fee for these services. In addition to the fees they collect, these services also receive a general fund appropriation. We propose removing the general fund appropriation for these ancillary services and require the Board to justify their expenditures entirely in terms of services provided to agencies. Removing the general fund supplement for Training and Development Services, Temporary Employment Services, Recruitment Services, Workforce Planning, and Executive Education Training will **save a total of \$ 1,097,680** next fiscal year.

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Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.

Appendices

Revenue and Allocation Summary

FY 2006-07 Governor's Purchase Plan

FY 2006-07 BEA Estimate Gross General Fund Revenue (Nov. 10, 2005)	6,432,777,763
Less: Tax Relief Trust Fund	(515,396,670)
Plus: Tax Relief Trust Fund Carryforward	<u>10,752,036</u>

Net General Fund Revenue Estimate FY 2006-07	5,928,133,129
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Revenue Adjustments:

Use of BEA Certified Surplus Revenue (FY 2005-06)	275,666,570
Unobligated Surplus (FY 2004-05)	118,029,004
Maybank Surplus (FY 2005-06), following distributions from Grants Committee	34,050,000
Taxes and Fees Redirected from Economic Impact Zone	8,650,352
Taxes and Fees Redirected from RDA's to General Funds	2,829,578
Excess Debt Service, from lapse	3,507,254
Excess Agency Cash (DMV)	4,000,000
Sale of Property (Sullivan's Island: \$250K; Sale of Vehicles \$450K))	700,000

Adjusted General Fund Revenue Estimate	6,375,565,887
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Spending Limit: Pop. (1.508%) + Infl. (3.64%) = (5.15%), plus exemptions	<u>5,930,205,345</u>
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Difference of Revenue and Spending Limitation	445,360,542		<i>Available for Trust Fund Repayment, Embedded Deficit, Debt Repayment, & Tax Refund</i>
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Incremental Statewide Items:

General Reserve Fund	14,243,425
Capital Reserve Fund	9,495,617
Local Government Fund	19,115,137
Employee Pay Plan - 3% Excluding Higher Ed & Nonstate Employees	30,433,871
Employee Health Insurance - Annualization & Growth	<u>29,504,000</u>
Total Statewide Items	102,792,050

Spending Limit Less Incremental Statewide Items	5,827,413,295
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RESULT AREA	FY 2005-06		FY 2005-06		FY 2006-07		FY 2006-07	
	General Funds	% of General	Total Funds	% of Total	Executive Budget	% of General	Total Funds	% of Total
Improve K-12 student performance	2,044,463,288	36.4%	3,407,082,919	18.7%	2,164,393,663	37.1%	3,543,817,499	18.6%
Improve the health and protections of our children & adults	1,336,689,750	23.8%	7,434,245,104	40.8%	1,453,222,671	24.9%	7,801,288,493	41.0%
Improve our higher education system & cultural resources	728,815,079	13.0%	3,404,247,719	18.7%	713,515,327	12.2%	3,574,083,493	18.8%
Improve the safety of people and property	528,337,841	9.4%	889,505,945	4.9%	532,987,883	9.2%	979,181,217	5.2%
Debt Service	228,393,608	4.1%	240,393,608	1.3%	228,393,608	3.9%	228,393,608	1.2%
Improve the quality of our natural resources	86,732,326	1.5%	304,080,833	1.7%	84,516,055	1.5%	296,886,304	1.6%
Strengthen govt's ability to achieve results efficiently & effectively	70,729,684	1.3%	244,191,224	1.3%	42,500,702	0.7%	223,328,921	1.2%
Improve the conditions for economic growth	53,347,366	1.0%	334,121,214	1.8%	67,460,110	1.2%	349,795,516	1.8%
Statewide - Legislative, Judicial, and Transportation	539,672,516	9.6%	1,974,958,776	10.8%	540,423,276	9.3%	2,029,233,872	10.7%
TOTAL	5,617,181,458	100.0%	18,232,827,342	100.0%	5,827,413,295	100.0%	19,026,008,922	100.0%

Revenue Allocation Analysis FY 2006-07 Executive Budget

Revenue		Governor's Budget	\$ Change (From Base)	% Change (From Base)
FY 2006-07 BEA Estimate Gross General Fund Revenue (BEA: 11/10/05)		6,432,777,763		
Less: Tax Relief Trust Fund		(515,396,670)		
Less:				
Plus: Tax Relief Trust Fund Carryforward		10,752,036		
Net General Fund Revenue Estimate for FY 2005-06	5,617,181,458	5,928,133,129	310,951,671	5.54%
Revenue Adjustments				
Use of BEA Certified Surplus Revenue (FY 2005-06)		275,666,570		
Unobligated Surplus (FY 2004-05)		118,029,004		
Maybank Surplus (FY 2005-06), following distributions from Grants Committee		34,050,000		
Excess Debt Service, from lapsed		3,507,254		
Taxes and Fees Redirected from Economic Impact Zone		8,650,352		
Taxes and Fees Redirected from RDA's to General Funds		2,829,578		
Excess Agency Cash (DMV)		4,000,000		
Other Revenue Adjustments - Sale of Property (Sullivan's Island: \$250K; Sale of Vehicles \$450K)		700,000		
Adj. Gen. Fund Rev. Estimate compared with FY 2005-06 GF Approp. less Vetoes	5,617,181,458	6,375,565,887	758,384,429	13.50%
Spending Limit: Pop. (1.508%) + Infl. (3.64%) = (5.15%), plus exemptions	5,617,181,458	5,930,205,345	313,023,887	5.57%
Difference between Revenue Increases and Spending Limitation		445,360,542	- Available for: (i) Trust & Reserve Repayment; (ii) "Embedded" Revenue Deficit; (iii) Debt Repayment; and/or (iv) Tax Refund	
Expenditures (Budget)			173,281,718	T/R Total P/O
Constitutional/Statutory Items			104,934,400	Embedded Deficit
General Reserve Fund		14,243,425	16,455,000	Debt Repayment
Capital Reserve Fund		9,495,617	150,689,424	Tax Refund (total)
Local Government Fund (4.5% of FY 2004-05 Revenue)		19,115,137	445,360,542	
Employee Health Plan - Annualizations & Growth		29,504,000		
Pay Plan-3% Increase (Excluding Higher Ed & Non-state Employees)		30,433,871		
Total New Spending: Constitutional/Statutory		102,792,050		
Net General Fund Revenue		5,827,413,295		

Revenue Allocation Analysis FY 2006-07 Executive Budget

RESULT AREA				
Improve our K-12 Student Performance				Meets Education Funding Requirement of \$137.6M When Including Sch. Dist. Portion of Health Ins. & \$1.5M to Tech. Bd.,
- EFA and Fringe (BSC projection \$2,367 BEA 8/8/05)			58,127,911	
- School Buses (Nonrecurring Funding in FY 2005-06)				
- Students Health & Fitness Act of 2005 (Act 102, H3499)			4,140,340	
- Education and Economic Development Act (Act 88, H3155)			14,871,640	
- Other K-12 (Teaching Standards)			6,214,500	
- K-5 Reading, Math & Science Prog. Move from Lottery to General Fund			36,575,984	
				Total K-12 Education
				119,930,375
Improve the Health and Protections of our Children and Adults				Total Health Care & Protections
- Department of Health & Human Services			108,259,394	
- Department of Health & Environmental Control (Health)			1,511,410	
- Department of Alcohol and Other Drug Abuse Services			758,000	
- Department of Social Services			14,815,046	
- Lieutenant Governor			140,000	
- MUSC Hypertension Initiative, Hollings Cancer Center			750,200	
- Vocational Rehabilitation			659,629	
- Department of Mental Health			6,085,200	
- Department of Disabilities & Special Needs			4,893,868	
- Commission for the Blind			130,090	
- Continuum of Care, DJJ, Deaf & Blind School (Targeted Case management)			100,200	
- Health Cost Savings			(20,612,408)	
- Health Below-the-Line Savings			(957,708)	
				Total Health Care & Protections
				116,532,921
Improve the Safety of our People and Property				Total Public Safety
- SLED	Available for new agency spending: less: New agency spending (with savings): Surplus/(Deficit):	210,231,837		
- Department of Public Safety		(210,231,837)		
- Department of Corrections		0	1,550,000	
- Department of Juvenile Justice			6,590,866	
- Department of Probation, Parole & Pardon Services			5,750,500	
- Department of Juvenile Justice			5,272,709	
- Department of Probation, Parole & Pardon Services			3,694,311	
- Adjutant General			992,970	
- Prosecution Coordination Commission			2,200,000	
- Department of Natural Resources			600,000	
- Safety Cost Savings			(21,658,360)	
- Safety Below-the-Line Savings			(342,954)	
				Total Public Safety
				4,650,042
Improve the Conditions for our Economic Growth				Total Economic Development
- Department of Commerce			11,577,390	
- Department of Agriculture			400,000	
- Department of Parks, Recreation & Tourism			1,600,000	
- Clemson University Int'l Car for Auto Research			2,000,000	
- Tech. & Comp. Education (Center for Accelerated Tech Training)			1,500,000	
- Department of Insurance			100,000	
- Economic Cost Savings			(1,747,056)	
- Economic Below-the-Line Savings			(1,317,590)	
Improve our Higher Education System and Cultural Resources				14,112,744

FY 2006-07 Executive Budget

Revenue Allocation Analysis FY 2006-07 Executive Budget

- LIFE (funded in Lottery)		
- Palmetto Fellows (funded in Lottery)		
- Education Endowment (Barnwell)	738,317	
- Academic Program Review	250,000	
- SC State (Transportation Center)	748,365	
- State Library (Discus)	250,000	
- <i>Higher Ed. and Cultural Cost Savings</i>	<i>(16,413,372)</i>	Total Higher Ed. & Cultural
- <i>Higher Ed. and Cultural Below-the-Line Savings</i>	<i>(873,062)</i>	(15,299,752)
Improve the Quality of our Natural Resources		
- Department of Health & Environmental Control (Other Natural Resources)	4,191,755	
- <i>Natural Resources Cost Savings</i>	<i>(4,831,604)</i>	Total Natural Resources
- <i>Natural Resources Below-the-Line Savings</i>	<i>(1,576,422)</i>	(2,216,271)
Strengthen our Governments Ability to Achieve its Results Efficiently and Effectively		
- Budget & Control Board (SCEIS)	2,790,000	
- Comptroller General (Travel Office)	50,000	
- <i>Efficiently and Effectively Cost Savings</i>	<i>(28,998,451)</i>	Total Efficiently and Effectiveness
- <i>Efficiently and Effectively Below-the-Line Savings</i>	<i>(2,074,371)</i>	(28,232,822)
Statewide - Legislative, Judicial, and Transportation		
- Commission on Indigent Defense	347,351	
- Legislative Audit Council (Sunset Commission)	585,570	
- <i>Statewide Cost Savings</i>	<i>(178,321)</i>	754,600
Total New Spending: Results Teams	210,231,837	
Net General Fund Revenue less Results Area Expenditures	5,617,181,458	
Less: FY 2006-07 Beginning Base (After Vetoes)	5,617,181,458	
Surplus/(Deficit)	0	

Executive Budget Purchase Plan

SUMMARY OF FY 2006-07 BUDGET APPROVALS

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Capital Reserve Fund	State	Federal	Other	Total	FTEs			
											State	Federal	Other	Total
A20	Legislative Audit Council	Statewide	Sunset Commission	Performance Auditing	NEW		585,570			585,570				
	Constitutional/Statewide		Agency Total			-	585,570	-	-	585,570				
D10	Governor's Office-SLED	Safety	10 Agents for VICE Enforcement	Narcotics/Alcohol Enforcement/Gaming	38		1,100,000			1,100,000	10.00			10.00
		Safety	Abuse Investigations at Residential Care Facilities	Investigative Services	30		450,000			450,000	7.00			7.00
		Safety	Datamaster Equipment	Forensic Lab - Implied Consent	46	1,920,000				1,920,000				
		Safety	800 MHz Statewide User Fees	Invest Ser, Arson/Bomb, Tactical, Support, Narcotics, Vehicle Crimes, Counter Terrorism	28 30 31 33 38 39	250,000				250,000				
		Safety	Shift in Vehicle Funding			2,000,000				2,000,000				
	Safety of People and Property		Agency Total			4,170,000	1,550,000	-	-	5,720,000	17.00			17.00
D17	Governor's Office - OEPP	Health	Targeted Case Management	Continuum of Care			41,100		1,356,300	1,397,400				
	Health & Protections		Agency Total			-	41,100	-	1,356,300	1,397,400				
E04	Lieutenant Governor	Health	Loan Forgiveness Program	State Level Activity Geriatric Physician Loan Program	1535		140,000			140,000				
	Health & Protections		Agency Total			-	140,000	-	-	140,000				
E12	Comptroller General	Efficiency	Travel Office	Travel Office	NEW		50,000			50,000	1.00			1.00
	Efficiency & Effectiveness		Agency Total			-	50,000	-	-	50,000	1.00			1.00
E21	Prosecution Coord. Comm.	Safety	Criminal Domestic Violence Prosecutors	Office of Solicitor State Appropriations	151		2,200,000			2,200,000				
	Safety of People and Property		Agency Total			-	2,200,000	-	-	2,200,000				
E23	Comm. on Indigent Defense	Statewide	Conflict Fund Increase	Conflict Fund	162		297,351		1,500,000	1,797,351				
		Statewide	Death Penalty Trial Fund	Death Penalty	161		50,000		3,000,000	3,050,000				
		Statewide	Legal Aid Funding	Legal Aid Fund	160		-		1,800,000	1,800,000				
	Constitutional/Statewide		Agency Total			-	347,351	-	6,300,000	6,647,351				
E24	Adjutant General's Office	Safety	State Regional District Operations Pgm	EMD Homeland Sec, Nat Haz Prep & Resp	181 183 184	203,088	776,724			979,812	12.00			12.00
		Safety	Statewide Emergency Comm Sys	EMD Homeland Security & Operations Support	181 190		100,974			100,974				
		Safety	Air Guard Operations & Maintenance	Air Support-Operations & Maintenance	183 194 175		115,272	345,816		461,088	2.25	6.75		9.00
	Safety of People and Property		Agency Total			203,088	992,970	345,816	-	1,541,874	14.25	6.75		21.00
E28	Election Commission	Efficiency	2006 General Election	2006 General Election	1537	3,125,000				3,125,000				
	Efficiency & Effectiveness		Agency Total			3,125,000	-	-	-	3,125,000				
F03	Budget & Control Board	Efficiency	SC Enterprise Information System Project	Enterprise Projects	253	5,700,000	2,790,000			8,490,000	8.00			8.00
	Efficiency & Effectiveness		Agency Total			5,700,000	2,790,000	-	-	8,490,000	8.00			8.00

SUMMARY OF FY 2006-07 BUDGET APPROVALS

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Capital Reserve Fund	State	Federal	Other	Total	FTEs			
											State	Federal	Other	Total
H03	Comm. On Higher Education	Higher Ed	Higher Ed. (Barnwell) Academic Program Review	Education Endowment NEW	297		738,317 250,000			738,317 250,000				
	Higher Ed./Cultural		Agency Total			-	988,317	-	-	988,317				
H12	Clemson University (E&G)	Economic	Clemson Univ. Int'l Ctr for Auto Research	Research	351		2,000,000			2,000,000				
	Economic Growth		Agency Total			-	2,000,000	-	-	2,000,000				
H18	Francis Marion University	Higher Ed	FTE Request	Nursing Program	422					-	25.00			25.00
	Higher Ed./Cultural		Agency Total						-	-	25.00			25.00
H24	South Carolina State University (E&G)	Higher Ed	University Transportation Center	Transportation	455		748,365			748,365				
	Higher Ed./Cultural		Agency Total			-	748,365	-	-	748,365				
H27	University of South Carolina - Columbia	Health	Equipment	Palmetto Poison Control Center	1560	200,000				200,000				
	Health & Protections		Agency Total			200,000	-	-	-	200,000				
H51	MUSC	Health	Hypertension Initiative	NEW	NEW		250,000			250,000				
		Health	Provide Recurring Funding	Hollings Cancer Center	1566		500,000			500,000				
		Health	Targeted Case Management				200		6,600	6,800				
	Health & Protections		Agency Total			-	750,200	-	6,600	756,800				
H59	Technical & Comp. Education	Economic	Center for Accelerated Tech Training	Center for Accelerated Tech Training	661	3,000,000	1,500,000			4,500,000				
	Economic Growth		Agency Total			3,000,000	1,500,000	-	-	4,500,000				
H63	Department of Education	K-12	EFA & Employer Contributions	EFA and Fringe	675-676		58,127,911			58,127,911				
		K-12	School Transportation	School Transportation System	794 751 708	6,993,546	17,006,454			24,000,000				
		K-12	Instructional Materials- Shift to EIA											
		K-12	Funds	Instructional Materials	760		(17,006,454)			(17,006,454)				
		K-12	Education & Economic Dev. Act (EEDA)	NEW	NEW		14,871,640			14,871,640	5.00			5.00
		K-12	K-5 Reading, Math & Science Prog	Move from Lottery to General Fund	713		36,575,984			36,575,984				
		K-12	Student Health & Fitness Act	Coordinated School Health Program	764		4,140,340			4,140,340	3.00	2.00		5.00
		K-12	Teacher Quality - Nat'l Bd for Professional Teaching Standards	NBPTS; ADEPT	688 693		6,214,500			6,214,500	1.00			1.00
	K-12 Education		Agency Total			6,993,546	119,930,375	-	-	126,923,921	9.00	2.00		11.00
H73	Vocational Rehabilitation	Health	State/Federal Fund Match	Direct Client Services	839		659,629	2,437,221		3,096,850				
	Health & Protections		Agency Total			-	659,629	2,437,221	-	3,096,850				
H75	School for the Deaf & Blind	Health	Targeted Case Management				9,500		313,500	323,000				
	Health & Protections		Agency Total			-	9,500	-	313,500	323,000				
H79	Archives & History	Higher Ed	Digitization Program Upgrade	Archival Services	857	217,000				217,000				

SUMMARY OF FY 2006-07 BUDGET APPROVALS

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Capital Reserve Fund	State	Federal	Other	Total	FTEs			
											State	Federal	Other	Total
	Higher Ed./Cultural		Agency Total			217,000	-	-	-	217,000				
H87	State Library	Higher Ed	DISCUS Content Enhancement	Information Services	872		250,000			250,000				
	Higher Ed./Cultural		Agency Total			-	250,000	-	-	250,000				
J02	Health & Human Services		Medicaid Annualization & Pgm Growth	All funded Medicaid Activities	894-899 925 932- 934 938 942-943		101,000,000	245,011,043		346,011,043				
	Health		Hospital Services	Medicaid - Hospital Services	901		100,000			100,000				
	Health		Hospital Services - Tobacco Deallocation Appropriation	Medicaid - Hospital Services	901				8,000,000	8,000,000				
	Health		Increase Personal Care Rate by \$1 per hr	CLTC, IPC	911 930		950,000	2,135,417		3,085,417				
	Health		Add 500 Slots to elderly/disabled waiver	CLTC	911		1,209,394	2,718,485		3,927,879				
	Health		Annualize N/R funding for Prevention Partnership Grants	Prevention Partnership Grants	1585		5,000,000			5,000,000				
	Health & Protections		Agency Total			-	108,259,394	249,864,945	8,000,000	366,124,339				
J04	Health & Env. Control		TMDL/Reduce Pollutant Loading	Water Pollution Control Program	952	666,000	2,236,885			2,902,885	26.00			26.00
	Health		General Sanitation Program	Infectious Disease Prevention	966		365,000			365,000				
	Health		Immunization Program	Infectious Disease Prevention	968		449,705			449,705				
	Health			Infect. Disease Prevention Surveillance, Investigation & Control Program	967		323,000			323,000				
	Health			Maternal & Infant Health	970		333,605			333,605				
	Health			Minority Health	977		36,700			36,700				
	Health		Targeted Case Management				3,400		112,200	115,600				
	Natural Res		Conservation Mapping	Coastal Resource Improvement	954	350,000				350,000				
	Natural Res		Contaminated Hazardous Waste Sites Cleanup Fund	Land & Waste Management	959		1,954,870			1,954,870	13.00			13.00
	Health		Vehicles			206,631				206,631				
	Natural Resources/Health		Agency Total			1,222,631	5,703,165	-	112,200	7,037,996	39.00			39.00
J12	Mental Health		Colleton County Veterans Home	Veterans Nursing Homes	1008		3,600,000		7,360,000	10,960,000				
	Health			Acute Psych	1003		1,300,000			1,300,000				
	Health			Long Term Inpatient Psych	1002		400,000			400,000				
	Health			Inpatient Alcohol & Drug	1006		100,000			100,000				
	Health			Community Residential (Housing) Support	1590		600,000			600,000				
	Health		Targeted Case Management				85,200		2,811,600	2,896,800				
	Health		Vehicles			48,657				48,657				
	Health & Protections		Agency Total			48,657	6,085,200	-	10,171,600	16,305,457				
J16	Disabilities & Special Needs		Mandated Increases Medicaid Match Rate Change/BabyNet Early Intervention Services	Agency wide; Early Intervention	1014		1,968,000		1,580,000	3,548,000				
	Health			Head and Spinal Cord Injury Waiver Services	1024		112,000			112,000				
	Health			Mental Retardation Community Training Homes	1027		2,242,351			2,242,351				
	Health			Autism Community Training Homes	1029		219,795			219,795				
	Health			Head and Spinal Cord Injury Community Training Homes	1030		29,222			29,222				
	Health		Targeted Case Management				322,500		10,642,500	10,965,000				

SUMMARY OF FY 2006-07 BUDGET APPROVALS

											FTEs				
No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Capital Reserve Fund	State	Federal	Other	Total	State	Federal	Other	Total	
Health & Protections						Agency Total	-	4,893,868	-	12,222,500	17,116,368				
J20	Alcohol & Other Drug Abuse Svcs		Community Based Treatment Services	Chemical Dependency Based Services	1037		750,000			750,000					
		Health	Targeted Case Management				8,000		264,000	272,000					
Health & Protections						Agency Total	-	758,000	-	264,000	1,022,000				
K05	Public Safety	Safety	Hwy Patrol Replacement Trooper Class	Highway Traffic Enforcement	1058	3,828,085	5,023,781			8,851,866	100.00			100.00	
			STP New Class of Officers (funded by transfer of gas tax from DOT)	All Law Enforcement Department Wide	1059-61 1063 1068-1069	1,361,325			1,332,600	2,693,925	25.00			25.00	
		Safety	BPS Add'l Law Enforcement Officers	State House & Complex	1081	39,148	226,733			265,881	5.00			5.00	
		Safety	Advancement of Troopers & TCOs	Highway Traffic Enforcement	1058		1,248,904			1,248,904					
		Safety	CJA Certification/Registrar	Registrar	1074		91,448			91,448	3.00			3.00	
		Safety	CJA Certification/Registrar	Registrar	1074	580,000				580,000					
		Safety	Criminal Justice Academy		1079	1,000,000				1,000,000					
		Safety	Vehicle Purchases			3,000,000				3,000,000					
		Safety	Vehicles			129,489				129,489					
		Safety	Weigh-Station Upgrades (with 1/2 DOT)			5,000,000				5,000,000					
Safety of People and Property						Agency Total	14,938,047	6,590,866	-	1,332,600	22,861,513	133.00		133.00	
L04	Social Services	Health	Automation of Child Support Enforce Sys	Child Support Enforcement	1101	16,500,000				16,500,000					
			Child Welfare Services Program Improvements	Agency Activities	1088 1090 1092 1094-1096 1098 1100		14,334,646	2,742,492	6,521,111	23,598,249	350.00				
		Health	Targeted Case Management				480,400		15,853,200	16,333,600					
Health & Protections						Agency Total	16,500,000	14,815,046	2,742,492	22,374,311	56,431,849	350.00		350.00	
L24	Commission for the Blind	Health	Prevention of Blindness		1129		129,990			129,990					
		Health	Targeted Case Management				100		3,300	3,400					
		Health & Protections						Agency Total	-	130,090	-	3,300	133,390		
N04	Dept. of Corrections	Safety	Operating Funds - 192 Bed Turbeville	Incarcerate Offenders	1155		2,250,000			2,250,000	28.00			28.00	
		Safety	Facility Maintenance	Incarcerate Offenders	1155	7,000,000				7,000,000					
		Safety	Substance Abuse Programs	Inmate Program Services	1168		2,000,000			2,000,000	4.00			4.00	
		Safety	Computer Upgrades	Administration & Support	1170	489,850				489,850					
		Safety	Improve Mental Health Services	Inmate Health Care	1156	1,100,000	1,500,500			2,600,500	9.00			9.00	
		Safety	Multi-Purpose Buildings	Inmate Program Services	1168	600,000				600,000					
		Safety	Vehicles			422,900				422,900					
		Safety	Construction of Food Service Warehouse	Food Service	1622	4,887,005				4,887,005					
Safety of People and Property						Agency Total	14,499,755	5,750,500	-	-	20,250,255	41.00		41.00	
N08	Probation, Parole & Pardon Svcs	Safety	Sex Offender Programming	Community Supervision	1173	248,186	3,694,311			3,942,497	47.00			47.00	
		Safety of People and Property						Agency Total	248,186	3,694,311	-	-	3,942,497	47.00	
N12	Juvenile Justice	Safety	Intensive Probation & Parole Supervision	Other Community Services	1186	89,648	2,065,049			2,154,697	42.00			42.00	

SUMMARY OF FY 2006-07 BUDGET APPROVALS

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Capital Reserve Fund	State	Federal	Other	Total	FTEs			
											State	Federal	Other	Total
		Safety	Alternative Placements & Intensive PPS	Alt Res.Placement/Oth Comm. Serv	1181 1186		581,160			581,160				
		Safety	Re-Open Omega Dorm	Incarceration Services	1180	44,166	1,246,346			1,290,512	24.00			24.00
		Safety	Video Conferencing	Other Community Services	1186		155,000			155,000				
		Safety	Girl's Transition Home	Incarceration Services	1180		493,149			493,149	11.00			11.00
		Safety	Sex Offender Treatment Pgm	Other Community Services	1186		160,500			160,500				
		Safety	Electronic Monitoring	Other Community Services	1186	4,722	571,505			576,227	3.00			3.00
		Safety	Vehicles			113,400				113,400				
		Safety	Replacement of Dormitories at Willow Lane & J.G. Richards	Incarceration Services	1180	4,961,871				4,961,871				
		Health	Targeted Case Management				49,600		1,636,800	1,686,400				
	Safety of People and Property/Health & Protections		Agency Total			5,213,807	5,322,309	-	1,636,800	12,172,916	80.00			80.00
P12	Forestry Commission	Natural Res	Shift Funding to CRF	Wildland Fire Suppression	1624	860,839	-			860,839				
	Natural Resources		Agency Total			860,839	-	-	3,273,600	4,134,439				
P16	Dept. of Agriculture	Economic	SC Quality Program	Marketing & Promotions	1216		400,000			400,000				
	Economic Growth		Agency Total			-	400,000	-	-	400,000				
P24	Dept of Natural Resources	Natural Res	Information Technology	Agency wide		2,800,000				2,800,000				
		Safety	Law Enforcement	Enforce game, fish & related natural resource laws	1247	250,000	600,000			850,000	12.00			12.00
		Safety	Equipment- law enforcement	Enforce game, fish & related natural resource laws	1247	2,000,000				2,000,000				
		Natural Res	Infrastructure Repairs	Provide Public Info; Wildlife Reg. Oper	1237 1242	1,500,000				1,500,000				
		Natural Res	Timber Conservation Fund	New		10,000,000				10,000,000				
	Natural Resources/Safety		Agency Total			16,550,000	600,000	-	-	17,150,000	12.00			12.00
P28	Parks, Recreation & Tourism	Economic	Advertising	Media Placement & Production	1274		1,600,000			1,600,000				
		Economic	Beach Renourishment	New		5,000,000				5,000,000				
	Economic Growth		Agency Total			5,000,000	1,600,000	-	-	6,600,000				
P32	Dept. of Commerce	Economic	Agency Operating	Agency wide			700,000			700,000				
		Economic	Additional Personnel & Fringe Benefits	Business Dev., Business Solutions, Community & Rural Dev.	1291 1295		256,000			256,000				
		Economic	CDC Initiative	Community Development Corporation	1299		1,000,000			1,000,000				
		Economic	Governor's Closing Fund	NEW			7,000,000			7,000,000				
		Economic	Competitive Enhancements	NEW			2,253,750			2,253,750	12.00			12.00
		Economic	Capital Access Program	NEW					3,000,000	3,000,000				
		Economic	Hydrogen/Fuel Cell	NEW		81,230	367,640			448,870				
	Economic Growth		Agency Total			81,230	11,577,390	-	3,000,000	14,658,620	12.00			12.00
R04	Public Service Commission	Economic	FTE Request	Utility Regulation	1319					-			1.00	1.00
	Economic Growth		Agency Total						-	-			1.00	1.00
R20	Dept of Insurance	Economic	Elect Doc Image Mgmt & Workflow Sys	Agency wide	1336-1346	996,000	100,000			1,096,000				
	Economic Growth		Agency Total			996,000	100,000	-	-	1,096,000				

SUMMARY OF FY 2006-07 BUDGET APPROVALS

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Capital Reserve Fund	State	Federal	Other	Total	FTEs			
											State	Federal	Other	Total
R40	Dept of Motor Vehicles	Safety	Shift in temp positions to permanent	Agency wide	1401	-	-	-	-	-			230.00	230.00
		Safety of People and Property	Agency Total			-	-	-	-	-			230.00	230.00
R60	Employment Security Commission	Economic	SC Occupational Information System SCOIS		1432								4.00	4.00
		Economic Growth	Agency Total			-	-	-	-	-			4.00	4.00
Y14	Ports Authority	Statewide	Harbor Dredging	Harbor Dredging	1470	2,400,000				2,400,000				
		Constitutional/Statewide	Agency Total			2,400,000	-	-	-	2,400,000				
Statewide Items:														
			General Reserve Fund Required Contribution				14,243,425			14,243,425				
			Capital Reserve Fund Formula Growth				9,495,617			9,495,617				
			Local Government Fund Formula Growth				19,115,137			19,115,137				
			Employee Pay Plan (3% Increase with Exclusions)				30,433,871			30,433,871				
			Employee Health Plan				29,504,000			29,504,000				
			Legal Bill (License Plates) - SCDC, DSS, DMV			157,810				157,810				
			Statewide Total			157,810	102,792,050	-	-	102,949,860				
GRAND TOTAL						102,325,596	414,605,566	255,390,474	68,730,511	841,052,147	788.25	8.75	235.00	1032.00

(A) Recurring General Fund - FY 2006-07

Population Plus Inflation Growth "New Funds"	313,023,887
FY 2006-07 Executive Budget Approvals	414,605,566
Cost Savings / Below-The-Line Needs	(101,581,679)
- Cost Savings Recommendations	94,443,412
- Below-The-Line Recommendations	7,138,267
FY 2006-07 Recurring General Funds	-

(B) Capital Reserve Fund - FY 2005-06

FY 2005-06 Capital Reserve Fund	102,325,596
Capital Reserve Fund Needs	(102,325,596)
Debt Repayment	
FY 2005-06 Capital Reserve Fund	-

Goal Area Key

- 1) Improve our Higher Education System and Cultural Resources
- 2) Strengthen Governments Ability to Achieve its Results Efficiently & Effectively
- 3) Improve the Health and Protections of our Children and Adults
- 4) Improve our K-12 Student Performance
- 5) Improve the Quality of our Natural Resources
- 6) Improve the Conditions for Economic Growth
- 7) Improve the Safety of our People and Property
- 8) Constitutional/Statewide

Improve our K-12 Student Performance FY 2006-07 Governor's Purchase Plan

Activity Number			Agency Name	Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
					General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
NEW	State Department of Education	Education and Economic Development Act (EEDA)																			14,871,640									14,871,640	5.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
682	State Department of Education	Advanced Placement (AP) Implementation and oversight of the educational accountability system					3,078,265																									3,078,265																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
9	Educ. Oversight Committee																																705,313																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
718	State Department of Education	Charter School Program																															2,606,081																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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714	State Department of Education	Academic/Instructional Assistance to High Poverty Schools and Students (Title I, Part A, of NCLB (Basic Grants))																																168,165,911																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
744	State Department of Education	Alternative Certification Programs																															574,731																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
747	State Department of Education	Teacher Quality - Title II A of the No Child Left Behind Act																															43,268,930																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
756	State Department of Education	Student Identifier																																891,370																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
760	State Department of Education	Instructional Materials - Textbooks																																20,492,350																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
684	State Department of Education	Gifted and Talented (G&T) Instruction																																29,497,533																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

Improve our K-12 Student Performance FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding Proviso	May/bank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
697	State Department of Education	Service to Students with Disabilities - Special Needs School Transportation System - Supplement				4,205,017					4,205,017					4,205,017			4,205,017	
708	State Department of Education	Bus Driver Salary & Fringe Supplement	40,656,418			450,776					41,107,194		40,656,418			450,776			41,107,194	
712	State Department of Education	SAT Improvement	282,919								282,919	0.75	282,919						282,919	
717	State Department of Education	Comprehensive School Reform CSR (Title I, Part F and Fund for Improvement, in NCLB)		2,072,474							2,072,474	1.45		5,160,255					5,160,255	
732	State Department of Education	Innovative Programs (Title V of NCLB)		4,784,349							4,784,349	1.05		4,892,130					4,892,130	
763	State Department of Education	School Food Services and Food Distribution System	171,250	156,753,462							156,924,712	18.00	171,250	162,118,088					162,289,338	
815	Governor's School for Math and Science	Statewide Outreach	322,704		520,260			116,250			959,214	1.85	322,704		520,260				842,964	
854	School for the Deaf & the Blind	Outreach	1,449,173	144,575	637,060						2,230,808	30.84	1,449,173	166,175	1,085,543				2,700,891	
12	Educ. Oversight Committee	Public Awareness			310,286						310,286				310,286				310,286	
722	State Department of Education	21st Century Community Learning Center Program (Competitive Grants)		7,593,903							7,593,903			16,796,471					16,796,471	
733	State Department of Education	Rural Education Achievement Program - REAP (Title VI of NCLB)		1,586,781							1,586,781	0.55		1,586,781					1,586,781	
754	State Department of Education	Enhancing Education Through Technology (E2T2); Title II Part D of NCLB		8,615,363							8,615,363			11,325,035					11,325,035	
809	Governor's School for Arts and Humanities	Admissions, Outreach, Recruiting, and Special Programs (Summer Programs)	300,000		379,771						679,771	4.00	300,000		379,771				679,771	
814	Governor's School for Math and Science	Life in Residence	1,306,155		155,140			310,000			1,771,295	11.42	1,306,155		155,140				1,461,295	
677	State Department of Education	Retiree Insurance	55,444,902								55,444,902		55,444,902						55,444,902	
680	State Department of Education	Increase Credits for High School Diploma				23,632,801					23,632,801				23,632,801				23,632,801	
695	State Department of Education	Services to Students with Disabilities - Special Needs Children - Aid Sch Dist-Pilot Ext	43,316								43,316		43,316						43,316	
725	State Department of Education	External Reviews - External Review Teams				826,800					826,800	4.00			826,800				826,800	
766	State Department of Education	School Health Finance System (Medicaid)			2,367,370						2,367,370	6.10			2,367,370				2,367,370	
777	State Department of Education	Teacher Quality - Teacher Recruitment				5,871,014					5,871,014				5,871,014				5,871,014	
778	State Department of Education	Teacher Loan				5,367,044					5,367,044				5,367,044				5,367,044	
799	State Department of Education	FIRST STEPS - EARLY EDUCATION	4,372,432		750,000						5,689,099		4,372,432		750,000				5,689,099	
800	State Department of Education	FIRST STEPS - CHILD CARE	4,372,432	1,000,593	750,000						6,889,692		4,372,432	1,000,593	750,000				6,889,692	
801	State Department of Education	FIRST STEPS - PARENTING/FAMILY LITERACY	6,801,561		750,000						8,418,227		6,801,561		750,000				8,418,227	
825	Educ. Television Comm.	Pre K - 12 Educational Services	3,023,720		1,641,668			448,000			5,113,388	69.00	3,023,720		2,241,668				5,265,388	
852	School for the Deaf & the Blind	Student Support	1,145,858	114,315	503,722						1,763,895	65.66	1,145,858	114,315	932,052				2,192,225	
1116	John de la Howe School Education	Education	730,527	73,500	250,886						1,054,913	17.96	730,527	59,640	315,288				1,105,455	
679	State Department of Education	Summer Schools (Recurring & Nonrecurring)				31,000,000					31,000,000				31,000,000				31,000,000	
696	State Department of Education	Service to Students with Disabilities - Special Needs Children - Aid Sch Dist- Handicapped	129,928								129,928		129,928						129,928	

Improve our K-12 Student Performance FY 2006-07 Governor's Purchase Plan

Activity Number			FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
731	State Department of Education	English Speakers of Other Languages - ESOL (Title III, of NCLB)		827,432							827,432	1.00		827,432					827,432	
742	State Department of Education	Teacher Certification	1,910,000		882,163	1,364,514					4,156,677	35.00	1,910,000		882,163	1,364,514			4,156,677	
751	State Department of Education	School Transportation System - Bus Purchase	10,676,931				3,000,000	7,584,957	5,000,000		26,261,888		10,676,931						10,676,931	
779	State Department of Education	Career Changer Loan	1,622,662								1,622,662		1,622,662						1,622,662	
824	Educ. Television Comm	Agency Fundraising	353,682		481,385						835,067	10.20	353,682		481,385				835,067	
833	Wii Lou Gray Opportunity School	Academic Program	780,119		670,609						1,450,728	18.38	780,119		710,931				1,491,050	
1579	Governor's School for Arts and Humanities	Residential Life - One Time actions / improvements.						775,000			775,000							5,367,044		
135	State Treasurer	Student Loans-Teachers			5,367,044						5,367,044							1,000,000		
700	State Department of Education	High Schools That Work (HSTW)				1,000,000					1,000,000						1,000,000			
702	State Department of Education	School Lunch Program Aid	413,606								413,606		413,606						413,606	
713	State Department of Education	Enhance Teacher Skills and Student Performance in English, Math, Science and Social Studies in Grades K-5 and 6-8	58,610				48,500,000				48,558,610	0.60	36,634,594				11,924,016	48,558,610		
721	State Department of Education	Homework Centers				6,810,000					6,810,000									
794	State Department of Education	State Board of Education and SCSBA	65,735								65,735		65,735						65,735	
802	State Department of Education	FIRST STEPS - HEALTH	647,769		750,000						1,397,769		647,769		750,000				1,397,769	
808	Governor's School for Arts and Humanities	Residential Life	815,000		50,000						865,000	25.31	815,000		50,000				865,000	
997	Department of Mental Health	School-Based Services	8,650,054	1,534,161	9,908,573						20,092,788	463.59	8,650,054	1,224,187	10,208,573				20,082,814	
690	State Department of Education	Professional Development and Support for Math and Science				2,900,382					2,900,382					2,900,382			2,900,382	
704	State Department of Education	School Facilities - Buildings		3,654,652	19,617,500						23,272,152			3,654,652	9,300,000				12,954,652	
720	State Department of Education	Reduce Dropouts - Truancy, Dropout and Youth Court Initiative (Non-competitive grants)		260,313							260,313			220,387					220,387	
752	State Department of Education	Technology Support and Assistance	3,944,137		887,000	2,277,405					7,108,542	49.30	3,944,137		887,000	2,277,405			7,108,542	
793	State Department of Education	EOC Public Relations				226,592					226,592					226,592			226,592	
807	Governor's School for Arts and Humanities	Art Programs	1,086,757		50,000						1,136,757	18.70	1,086,757		50,000				1,136,757	
834	Wii Lou Gray Opportunity School	Vocational Program	117,511		87,795						205,306	3.23	117,511		92,676				210,187	
836	Wii Lou Gray Opportunity School	Student Services Program (Residential Program)	331,672		8,000						339,672	13.15	331,672		8,000				339,672	
837	Wii Lou Gray Opportunity School	Support Services Program	1,022,041	240,000	461,840			2,000,000			3,723,881	17.69	1,022,041	240,000	461,840				1,723,881	
1118	John de la Howe School	Dietary	246,084	60,000	35,544						341,628	6.00	246,084	80,000	53,440				379,524	
689	State Department of Education	Teacher Supplies				12,500,000					12,500,000					12,500,000			12,500,000	
698	State Department of Education	Career and Technology Education - Modernize Vocational Equipment	4,800,452			3,963,520					8,763,972		4,800,452			3,963,520			8,763,972	
719	State Department of Education	Character Education Program	311,524								311,524	1.00	311,524						311,524	
727	State Department of Education	Accreditation of Schools	530,000								530,000	9.00	530,000						530,000	
736	State Department of Education	Early Childhood Education-- Four-Year Old Early Childhood	180,000		367,230	22,554,944					23,102,174	13.00	180,000		367,230	22,554,944			23,102,174	
738	State Department of Education	Competitive Teacher Grants				1,287,044					1,287,044									
741	State Department of Education	Career and Technology Education (CATE)	310,000	24,177,682							24,487,682	27.30	310,000	22,471,324					22,781,324	

Improve our K-12 Student Performance FY 2006-07 Governor's Purchase Plan

Activity Number			FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan										
			Capital Reserve Fund					Maybank Funding Proviso		Total Funds			Capital Reserve Fund					Federal Funds		Total Funds			New FTEs
Agency Name			Activity Name			General Funds	Federal Funds	Other Funds	EIA	Lottery	Supplemental Funding Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	
746	State Department of Education	Teacher Evaluation (ADEPT)							100,000				100,000	1.00					100,000			100,000	
748	State Department of Education	Teacher Advancement Program (TAP) NON-EAA				300,000							300,000	0.50			300,000				300,000		
749	State Department of Education	School Transportation System	28,667,018			6,230,358					4,000,000		38,897,376	481.02	28,667,018		6,230,358				34,897,376		
750	State Department of Education	School Transportation System - EAA	4,000,000										4,000,000		4,000,000						4,000,000		
788	State Department of Education	Writing Improvement Network							288,444				288,444					288,444			288,444		
790	State Department of Education	SC Geographic Alliance							184,508				184,508					184,508			184,508		
791	State Department of Education	School Improvement Council							180,192				180,192					180,192			180,192		
1113	John de la Howe School	Medical Care	104,617		17,503								122,120	3.00	104,617		17,503				122,120		
678	State Department of Education	Reduce Class Size							35,047,429				35,047,429					35,047,429			35,047,429		
691	State Department of Education	Critical Teaching Needs							602,911				602,911					602,911			602,911		
693	State Department of Education	Teacher Quality - ADEPT	2,217,245										2,217,245								2,217,245		
703	State Department of Education	Principal Salary Supplement							3,098,123				3,098,123					3,098,123			3,098,123		
710	State Department of Education	Professional Development on Standards							4,413,485				4,413,485					4,413,485			4,413,485		
711	State Department of Education	Professional Development on Reading to Teachers - Institute of Reading	500,000						1,512,874				2,012,874		500,000			1,512,874			2,012,874		
723	State Department of Education	Teacher Specialists Assistance and Technical Support	400,000						31,367,776				31,767,776	21.00	400,000			46,880,000			47,280,000		
726	State Department of Education	Palmetto Gold and Silver Awards Program							3,050,000				3,050,000	0.70				3,050,000			3,050,000		
771	State Department of Education	School Leadership Executive Institute-Developing Aspiring Principals							94,385				94,385	1.50							94,385		
789	State Department of Education	Education Oversight Committee (EOC)							1,214,538				1,214,538					1,214,538			1,214,538		
1111	John de la Howe School	Cottage Life	703,055		1,360								704,415	33.00	703,055		144,458				847,513		
1115	John de la Howe School	Family Enrichment	149,092		12,896								161,988	7.00	149,092		12,896				161,988		
1117	John de la Howe School	Buildings and Grounds	497,914		132,422								630,336	5.55	497,914		132,422				631,336		
11	Educ. Oversight Committee	Family Involvement			45,338								45,338				45,338				45,338		
1549	University of Charleston	Effective Teaching/Learning	501,800										501,800	4.25	501,800						501,800		
709	State Department of Education	Curriculum and Standards Services	1,236,751	17,531,971					1,443,117				20,211,839	35.33	1,236,751	18,957,217		1,443,117			21,637,085		
734	State Department of Education	Arts Curricula Instruction	85,000						1,613,701				1,698,701	1.31	85,000			1,613,701			1,698,701		
758	State Department of Education	Conduct Research and Prepare Reports	969,322						971,793				1,941,115	17.00	969,322			971,793			1,941,115		
761	State Department of Education	School Facilities Support	603,460		61,425								664,885	8.00	603,460		61,425				664,885		
774	State Department of Education	Office of School Leadership Technical Assistance							75,321				75,321					75,321			75,321		
775	State Department of Education	School Leadership Executive Institute for District Administrators (SLEI DA)							27,017				27,017	1.00				27,017			27,017		
810	Governor's School for Arts and Humanities	Library	181,200										181,200	3.00	181,200						181,200		
811	Governor's School for Arts and Humanities	Institutional Advancement	257,820		250,000								507,820	5.00	257,820		250,000				507,820		
1112	John de la Howe School	Social Services	219,469		51,444								270,913	11.00	219,469		53,047				272,516		
1123	John de la Howe School	Public Relations & Alumni	43,202		5,000								48,202	1.00	43,202		5,000				48,202		
1124	John de la Howe School	Information Technology	35,205		11,742								46,947	1.00	35,205		12,090				47,295		
699	State Department of Education	Tech Prep		1,661,751					4,064,483				5,726,234			1,661,751		4,064,483			5,726,234		
706	State Department of Education	Safe Schools - Middle School Initiative							4,937,500				4,937,500					4,937,500			4,937,500		
724	State Department of Education	Retraining Grants							5,845,000				5,845,000	5.30				280,000			280,000		
764	State Department of Education	Coordinated School Health Programs		408,600									408,600		4,140,340	408,600					4,548,940	5.00	

Improve our K-12 Student Performance FY 2006-07 Governor's Purchase Plan

Activity Number			FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan															
			General Funds		Federal Funds		Other Funds		EIA	Lottery	Capital Reserve Fund	Supplemental Funding Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds		Federal Funds		Other Funds		EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
768	State Department of Education	GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs)					20,000														20,000					20,000		
772	State Department of Education	Principal Evaluation and Induction						148,857														148,857					148,857	
787	State Department of Education	State Agency Teacher Pay																									9,210,936	
796	State Department of Education	Governmental Services	332,581																								332,581	
828	Educ. Television Comm.	National Programming	596,278				2,215,713																				2,811,991	
835	Wii Lou Gray Opportunity School	Library Program	56,397				16,833																				74,546	
1114	John de la Howe School	Therapeutic Activities	194,036				3,670																				197,706	
174	Adjutant General	Army Support - Youth Challenge					3,640,000							250,000													4,060,000	
180	Adjutant General	Fox																									220,000	
222	Budget & Control Board	Confederate Relic Room & Museum Services	628,332				28,100																				656,432	
683	State Department of Education	Junior Scholars																									223,767	
728	State Department of Education	Principal Specialists, Mentors, Leaders	163,135																								163,135	
729	State Department of Education	Progress Energy School Leadership Executive Institute (SLEI)																									1,031,370	
762	State Department of Education	Safe and Drug-Free Program					4,830,848																				4,830,848	
765	State Department of Education	Healthy Schools Programs					252,642																				252,642	
795	State Department of Education	Ombudsman Services	86,750																								86,750	
1119	John de la Howe School	Garbage Pickup/Motor Vehicle Opr	82,558				3,000																				85,500	
1120	John de la Howe School	Laundry/Supply/ Housekeeping Services	49,510																								49,510	
1477	Clemson PSA	Agricultural Education Teachers Salaries (pass-thru)	405,599				276,533																				276,533	
1562	USC - Columbia	Augusta Baker Children's Literacy																									1,500,000	
688	State Department of Education	National Board Certification (NBC) Incentive	2,617,126																								8,831,626	
737	State Department of Education	Parenting and Family Literacy Services					2,205,986																				2,199,074	
767	State Department of Education	Community Service Learning	78,535				513,000																				78,535	
773	State Department of Education	School Leadership Executive Institute - Tapping Executive Educators (SLEI-TEE)																									85,558	
776	State Department of Education	Topical Seminars for School Administrators																									49,510	
780	State Department of Education	Archives & History	34,918																								405,599	
1578	State Department of Education	Interpreter Recruitment	100,000																								405,599	
1508	Clemson PSA	4-H and Agricultural & Natural Resource Programs for Youth	4,292,162				1,331,557																				276,533	
743	State Department of Education	Teacher Recognition (Teacher of the Year)																									1,500,000	
745	State Department of Education	Teacher Education																									86,750	
781	State Department of Education	Status Offender	527,835																								85,558	
783	State Department of Education	Aid Sch Dist-Felton Lab	165,659																								49,510	
786	State Department of Education	EOC Family Involvement																									168,058	
730	State Department of Education	School Leadership Executive Institute-Technology Training					670,000																				49,510	

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Activity Number			FY 2005-06 Agency Fundings										FY 2006-07 Governor's Purchase Plan									
			Agency Name	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
82	Lieutenant Governor	Lieutenant Governor's Young Writer's Program	49,908									49,908	2.00	49,908							49,908	
770	State Department of Education	Parental and Community Partnerships	76,370							1,000,000		1,076,370	1.00	76,370							76,370	
784	State Department of Education	Holocaust	44,065									44,065									44,065	
785	State Department of Education	Youth in Government	18,445									18,445									18,445	
826	Educ. Television Comm	Educational Radio	244,761									1,168,407	9.00	244,761			923,646				1,168,407	
1271	Department of Parks, Recreation & Tourism	Interpretive & Resource Management	476,521									585,377	9.00	476,521			88,856				585,377	
769	State Department of Education	Commission on National and Community Service	89,700	2,163,023								2,252,723	3.50	89,700	2,163,023						2,252,723	
1593	John de la Howe School	Therapeutic Wilderness Camping	382,332									382,332	10.00	382,332							382,332	
8	Educ. Oversight Committee	Agency Administration: overhead			139,852							139,852	1.50				139,852				139,852	
751	State Department of Education	School Transportation System												17,006,454					6,993,546	24,000,000		
757	State Department of Education	Technology Initiative																15,947,619			15,947,619	
797	State Department of Education	Finance	1,537,801		1,026,109		640,845					3,204,755	38.00	1,537,801			1,026,109	640,845			3,204,755	
798	State Department of Education	Administration	2,603,113		88,000		329,449					3,020,562	51.46	2,603,113			88,000	329,449			3,020,562	
803	State Department of Education	FIRST STEPS - ADMINISTRATION	1,956,772									1,956,772	14.00	1,956,772							1,956,772	
804	State Department of Education	FIRST STEPS -FEDERAL PROGRAM		2,244,854								2,244,854										
812	Governor's School for Arts and Humanities	Administration	2,739,154		250,000							2,989,154	17.49	2,739,154			250,000				2,989,154	
816	Governor's School for Math and Science	Administrative Overhead	287,028		13,700							339,478	2.75	287,028			13,700				300,728	
831	Educ. Television Comm	Administrator	2,900,556		132,495				38,750			3,033,051	32.00	2,900,556			132,495				3,033,051	
832	Wil Lou Gray Opportunity School	Administration Program	422,991									422,991	10.00	422,991							422,991	
855	School for the Deaf & the Blind	Administration	991,493		459,275							1,554,997	19.13	991,493			612,724				1,604,217	
1121	John de la Howe School	Business Operations	322,178									322,178	8.00	322,178			12,832				335,010	
1122	John de la Howe School	Administrator	127,318		1,000							128,318	3.00	127,318			1,000				128,318	
Total			2,044,463,288	584,130,074	76,492,692	610,949,585	51,500,000	13,821,547		10,000,000	15,725,833	3,407,082,919	2,398.68	2,164,393,663	651,160,653	72,001,779	637,343,842	11,924,016	6,993,546	3,543,817,499	11,000	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan										
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds
NEW	Comm. on Higher Educ.	Academic Program Review											250,000					250,000	
311	Comm. on Higher Educ.	Need Based Grants					11,246,093				11,246,093	0.20					14,246,093	14,246,093	
573	Medical University of South Carolina	Instruction: College of Medicine	16,600,915	135,279	50,436,871						67,173,065	509.26	16,600,915	135,279	71,182,871			87,919,065	
628	Technical & Comp. Educ.	INSTRUCTION: Basic Skills (CIP 32)	4,386,140	185,507	4,259,481						8,831,128	89.81	4,386,140	185,507	4,259,481			8,831,128	
469	USC - Columbia	Instruction: Law School	5,793,074	70,947	9,410,055						15,274,076	74.65	5,793,074	70,947	12,224,218			18,088,239	
		Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	14,518,851	119,321	15,826,199						30,464,371	309.05	14,518,851	119,321	21,147,265			35,785,437	
471	USC - Columbia	Instruction: College of Pharmacy	1,108,369	9,032	3,367,447						4,484,848	34.53	1,108,369	9,032	3,367,447			4,484,848	
574	Medical University of South Carolina	Instruction: College of Nursing	1,256,153	10,236	3,816,441						5,082,830	37.40	1,256,153	10,236	3,816,441			5,082,830	
575	Medical University of South Carolina	School of Engineering	1,045,673		963,406						2,009,079	16.28	1,045,673		1,112,211			2,157,884	
323	The Citadel	Instruction-College of Architecture, Arts and Humanities	16,115,980	4,155,524	5,740,213						26,011,717	203.04	16,115,980	4,155,524	6,186,266			26,457,770	
362	Clemson University (E&G)	Instruction-College of Engineering and Science	30,801,072		11,008,532						41,809,604	379.38	30,801,072		11,662,217			42,463,289	
445	SC State Univ.	Instruction	11,758,276		7,753,292						19,511,568	316.00	11,758,276		13,747,647			25,505,923	
465	USC - Columbia	Instruction: Arts and Sciences	44,120,949	456,805	60,588,135						105,165,889	778.35	44,120,949	456,805	75,800,619			120,378,373	
		Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	727,044		1,191,912						1,918,956	17.21	727,044		1,441,103			2,168,147	
485	University of South Carolina - Aiken	Instruction: College of Education	2,360,443		2,813,370						5,173,813	54.80	2,360,443		2,813,370			5,173,813	
557	Medical University of South Carolina	Instruction: College of Dental Medicine	2,906,392	23,683	8,830,195						11,760,270	89.19	2,906,392	23,683	8,830,195			11,760,270	
577	Medical University of South Carolina	Instruction: College of Health Professions	2,660,087	21,677	8,081,873						10,763,637	80.56	2,660,087	21,677	8,081,873			10,763,637	
578	Medical University of South Carolina	Instruction : College of Medicine		3,875,021	628,377						4,503,398	17.26		3,875,021	628,377			4,503,398	
579	Medical University of South Carolina	Instruction: College of Pharmacy		258,718	41,954						300,672			258,718	41,954			300,672	
580	Medical University of South Carolina	Instruction: College of Nursing		293,214	47,548						340,762			293,214	47,548			340,762	
581	Medical University of South Carolina	Instruction: College of Dental Medicine		678,416	110,013						788,429			678,416	110,013			788,429	
583	Medical University of South Carolina	Instruction: College of Health Professions		620,923	100,690						721,613			620,923	100,690			721,613	
584	Medical University of South Carolina	INSTRUCTION: Communications Technologies/Technicians and Support Services (CIP 10)																	
614	Technical & Comp. Educ.	INSTRUCTION: Computer and Information Sciences and Support Services (CIP 11)	464,925		937,171						1,402,096	13.75	464,925		937,171			1,402,096	
		INSTRUCTION: Computer and Information Sciences and Support Services (CIP 11)																	
615	Technical & Comp. Educ.	INSTRUCTION: Construction Trades (CIP 46)	5,776,449	427,616	4,581,619						10,785,684	101.54	5,776,449	428,136	4,581,619			10,786,204	
637	Technical & Comp. Educ.	INSTRUCTION: Mechanic and Repair Technologies/Technicians (CIP 47)	124,648	93,023							217,671	2.25			93,023			93,023	
		INSTRUCTION: Mechanic and Repair Technologies/Technicians (CIP 47)									8,584,249	78.91	4,713,207	296,001	3,575,041			8,584,249	
638	Technical & Comp. Educ.	School of Business Administration	4,713,207	296,001	3,575,041						3,152,421	20.94	1,640,752	296,001	1,770,448			3,411,200	
321	The Citadel	School of Business Administration	1,640,752		1,511,669						2,016,999	17.05	1,640,752		1,135,736			2,185,479	
322	The Citadel	School of Education	1,049,743		967,156								1,049,743						
		School of Science and Mathematics	2,698,957		2,486,621						5,185,578	48.10	2,698,957		2,897,105			5,596,062	
325	The Citadel	Instruction-College of Business and Behavioral Science	16,530,759		5,887,949						22,418,708	208.26	16,530,759		6,368,608			22,899,367	
363	Clemson University (E&G)	Instruction-College of Agriculture, Forestry and Life Sciences	10,590,157		3,772,017						14,362,174	133.42	10,590,157		4,044,913			14,635,070	
364	Clemson University (E&G)	Instruction	1,781,110	80,113	5,569,748						7,430,971	24.06	1,781,110	80,113	5,942,157			7,803,380	
367	Univ. of Charleston	Instruction	1,129,087	50,785	3,530,794						4,710,666	48.50	1,129,087	50,785	3,749,956			4,929,828	
368	Univ. of Charleston	Instruction	1,331,471	59,888	4,163,674						5,555,033	48.55	1,331,471	59,888	4,422,120			5,813,479	
369	Univ. of Charleston	Instruction	1,202,681	54,096	3,760,930						5,017,707	46.18	1,202,681	54,096	3,994,377			5,251,154	
370	Univ. of Charleston	Instruction																	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan										
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds	New FTEs
371	Univ. of Charleston	Instruction	4,023,656	180,981	12,582,466						16,787,103	180.11	4,023,656	180,981	14,878,175				19,082,812	
372	Univ. of Charleston	Instruction	3,163,512	142,292	9,892,689						13,198,493	124.62	3,163,512	142,292	10,506,745				13,812,549	
393	Coastal Carolina University	General Instruction			2,081,292						2,081,292	6.71			2,081,292				2,081,292	
422	Francis Marion University	Nursing Program	1,238,031								1,238,031	11.31	1,238,031						1,238,031	25.00
468	USC - Columbia	Instruction: Engineering & Information Technology	12,435,118	80,343	10,656,292						23,171,753	133.44	12,435,118	80,343	10,656,292				23,171,753	
556	Winthrop University	Instruction- College of Arts and Sciences	5,687,718		6,659,903						12,247,621	129.90	5,687,718		7,559,903				13,147,621	
558	Winthrop University	Instruction- College of Business	2,613,824		3,115,372						5,729,196	38.60	2,613,824		3,115,372				5,729,196	
576	Medical University of South Carolina	Instruction: College of Graduate Studies	98,522	803	299,330						398,655	2.88	98,522	803	299,330				398,655	
582	Medical University of South Carolina	Instruction: College of Graduate Studies		22,998	3,729						26,727			22,998	3,729				26,727	
586	Medical University of South Carolina	Research	7,004,029	152,150,000	34,783,119						193,937,148	1,429.95	7,004,029	132,150,000	34,783,119				173,937,148	
611	Technical & Comp. Educ.	INSTRUCTION: Agriculture, Agriculture Operations, and Related Sciences (CIP 01)	694,231		557,747						1,251,978	12.16	694,231		557,747				1,251,978	
632	Technical & Comp. Educ.	INSTRUCTION: Science Technologies/Technicians (CIP 41)	46,191		15,008						61,199	0.50	46,191		15,008				61,199	
634	Technical & Comp. Educ.	INSTRUCTION: Security and Protective Services (CIP 43)	1,283,020	71,796	859,419						2,214,235	21.66	1,283,020	71,796	859,419				2,214,235	
646	Technical & Comp. Educ.	Midlands Tech Nursing Program	613,590								613,590	8.00	613,590						613,590	
656	Technical & Comp. Educ.	Innovative Technical Training	552,674								552,674	0.95	552,674						552,674	
662	Technical & Comp. Educ.	INSTRUCTION: Precision Production (CIP 48)	2,374,445	48,802	2,715,097						5,138,344	38.16	2,374,445	48,802	2,715,097				5,138,344	
663	Technical & Comp. Educ.	INSTRUCTION: Transportation and Materials Moving (CIP 49)	142,890	98,000	297,622						538,512	3.75	142,890	98,000	297,622				538,512	
665	Technical & Comp. Educ.	INSTRUCTION: Health Professions and Related Clinical Sciences (CIP 51)	18,290,593	301,527	16,386,068						34,978,188	310.54	18,290,593	301,527	17,229,905				35,822,025	
314	Commission on Higher Education	Lottery Tuition Assistance					43,000,000				43,000,000	0.20				43,000,000			43,000,000	
366	Clemson University (E&G)	Instruction--College of Health, Education and Human Development	11,085,860		3,948,577					1,300,000	16,334,437	139.67	11,085,860		4,136,998				15,222,858	
395	Coastal Carolina University	College of Business	2,259,178		4,123,462						6,382,640	35.38	2,259,178		4,609,905				6,869,083	
396	Coastal Carolina University	College of Education	1,586,006		2,895,030						4,481,036	35.95	1,586,006		3,259,862				4,845,868	
398	Coastal Carolina University	College of Natural Science	3,949,743		7,206,278			500,000			11,656,021	79.44	3,949,743		8,118,358				12,068,101	
423	Francis Marion University	Instruction - School of Business	1,286,450		978,518						2,264,968	19.50	1,286,450		1,185,485				2,471,935	
424	Francis Marion University	Instruction - School of Education	823,328		626,577						1,449,905	15.04	823,328		769,862				1,593,190	
427	Lander University	College of Business & Public Affairs	1,945,932	2,077	1,998,672						3,946,681	24.50	1,945,932	756,046	1,403,172				4,105,150	
428	Lander University	College of Science, Mathematics & Natural Sciences	2,550,001	14,411	2,619,112						5,183,524	31.25	2,550,001	739,322	1,838,753				5,128,076	
466	USC - Columbia	Instruction: Business and Hospitality, Retail, and Sports Management	13,542,332	163,213	21,647,681						35,353,226	241.81	13,542,332	163,213	30,459,801				44,165,346	
467	USC - Columbia	Instruction: Education	6,924,846	61,201	8,117,355						15,103,402	123.27	6,924,846	61,201	11,788,326				18,774,373	
470	USC - Columbia	Instruction: Mass Communications and Library Science	2,621,667	39,839	5,575,139						8,236,645	66.90	2,621,667	39,839	9,128,006				11,789,512	
482	USC - Aiken	Instruction: Arts and Sciences	3,553,189	211,982	9,927,148						10,692,319	95.87	3,553,189	211,982	9,174,116				12,939,287	
502	USC - Upstate	Instruction: Arts and Sciences	3,880,018	519,520	9,048,000						13,447,538	113.97	3,880,018	519,520	12,161,186				16,500,724	
504	USC - Upstate	Instruction: Education	819,016		1,707,527						2,526,543	21.41	819,016		1,707,527				2,526,543	
505	USC - Upstate	Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	946,618		1,948,812						2,897,430	24.55	946,618		3,045,128				3,993,746	
520	USC - Lancaster	Instruction: Arts & Sciences	1,254,596	124,248	2,264,602						3,643,446	24.74	1,254,596	124,248	3,132,249				4,511,093	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

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			General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds	New FTEs
547	USC - Union	Instruction: Arts & Sciences	457,837	128,192	610,090						1,196,119	10.02	457,837	129,936	765,789				1,353,562	
612	Technical & Comp. Educ.	INSTRUCTION: Natural Resources and Conservation (CIP 03)									188,921	1.66	89,592		99,330				188,922	
		INSTRUCTION: Engineering (CIP 14)			99,329						538,654	5.38	297,117		241,537				538,654	
617	Technical & Comp. Educ.	INSTRUCTION: Engineering Technologies/Technicians (CIP 15)	297,117		241,537						10,783,660	83.85	5,418,762	285,965	5,099,392				10,784,119	
618	Technical & Comp. Educ.	INSTRUCTION: Legal Professions and Studies (CIP 22)	5,418,762	265,506	5,099,392						1,782,638	14.06	1,082,758	12,768	687,112				1,782,638	
621	Technical & Comp. Educ.	INSTRUCTION: Biological and Biomedical Sciences (CIP 26)	1,082,758	12,768	687,112						8,760,713	76.06	4,787,540	43,635	3,929,538				8,760,713	
624	State Department of Education	Nursing Program	4,787,540	43,635	3,929,538						597,562		597,562						597,562	
701	State Museum	Exhibits	597,562		111,247						612,216	9.00	500,969		111,247				612,216	
883	Commission on Higher Education	Technology Grants	500,969								12,000,000	0.20								
315		School of Humanities and Social Sciences																		
324	The Citadel	Academic Support	3,158,761	2,134,214	2,910,251						6,069,012	53.62	3,158,761		3,418,591				6,577,352	
354	Clemson University (E&G)	College of Hum. & Fine Arts			36,754,159						38,888,373	404.06		2,432,494	38,356,631				40,789,125	
397	Coastal Carolina University		3,953,268		7,214,103						11,167,371	80.00	3,953,268		8,126,183				12,079,451	
425	Francis Marion University	Instruction - College of Liberal Arts	5,284,738		3,553,993						8,838,731	121.72	5,284,738		4,334,099				9,618,837	
429	Lander University	College of Arts and Humanities	18,204		2,931,700						5,804,244	34.75	2,854,340	1,049,633	2,058,206				5,962,179	
430	Lander University	College of Education	1,872,152	237,709	1,932,893						4,032,754	30.75	1,872,152	851,789	1,349,971				4,073,912	
483	University of South Carolina - Aiken	Instruction: Business and Hospitality, Retail, and Sports Management	701,857		1,220,853						1,922,710	17.24	701,857		1,659,713				2,361,570	
484	USC - Aiken	Instruction: Education	592,486		957,973						1,550,059	13.90	592,486		1,329,727				1,922,213	
503	USC - Upstate	Instruction: Business and Hospitality, Retail, and Sports Management	712,124		1,462,965						2,175,089	18.43			1,462,965				2,175,089	
510	USC - Beaufort	Academic Support	1,009,599	246,297	4,047,760						5,303,656	38.16	1,009,599	272,567	5,896,422				7,178,588	
513	USC - Beaufort	Instruction: Arts & Sciences	369,275		1,534,601						1,903,876	13.61	369,275		1,534,601				1,903,876	
539	USC - Sumter	Instruction: College of Visual and Performing Arts	1,752,578	164,319	2,327,117						4,244,014	38.64	1,752,578	164,319	2,880,828				4,797,725	
559	Winthrop Univ.	INSTRUCTION: Family and Consumer Sciences/Human Sciences (CIP 19)	2,187,077		2,606,703						4,793,780	50.00	2,187,077		2,606,703				4,793,780	
620	Technical & Comp. Educ.	INSTRUCTION: Mathematics and Statistics (CIP 27)	1,377,556	194,478	2,100,253						3,672,287	53.57	1,377,556	194,478	2,100,253				3,672,287	
625	Technical & Comp. Educ.	INSTRUCTION: Business, Management, Marketing, and Related Support Services (CIP 52)	6,415,919	148,363	4,668,041						11,232,322	100.28	6,415,919	148,363	4,952,100				11,516,382	
666	Technical & Comp. Educ.	DISCUS - South Carolina's Virtual Library																		
666	Technical & Comp. Educ.		7,879,521	103,510	5,287,350						13,270,381	125.13	7,879,521	103,510	5,792,338				13,775,369	
870	State Library		2,097,458	200,000							2,297,458	2.00	2,097,458	200,000					2,297,458	
297	Comm. on Higher Educ.	Educational Endowment	20,834,108		3,165,892						24,000,000		21,572,425		2,427,575				24,000,000	
307	Commission on Higher Education	Electronic Library										0.34								
316	Higher Ed. Tuition Grants		19,322,247	885,940	2,321,305					4,000,000	26,629,492	5.00	19,322,247	885,940	2,321,305		10,157,431		32,686,923	
394	Coastal Carolina University	Specific Instruction Program			1,854,384						1,854,384	20.63			1,854,384				1,854,384	
401	Coastal Carolina University	Academic Support									5,070,215	74.34			5,678,268				5,678,268	
448	SC State Univ.	Libraries	789,138		5,070,215						789,138	8.00	789,138						789,138	
555	Winthrop Univ.	Instruction- General	586,776	331,804	699,370						1,617,950	6.40	586,776	482,087	699,370				1,768,233	
592	Medical University of South Carolina	Scholarships & Fellowships									2,710,129				2,710,129				2,710,129	
613	Technical & Comp. Educ.	INSTRUCTION: Communication, Journalism, and Related Programs (CIP 09)	93,794		89,774						183,568	1.98	93,794		89,774				183,568	
631	Technical & Comp. Educ.	INSTRUCTION: Physical Sciences (CIP 40)	1,686,943	9,682	1,610,351						3,306,976	27.41	1,686,943	9,682	1,610,351				3,306,976	
653	Technical & Comp. Educ.	Academic Affairs	855,070	100,000							955,070	14.00	855,070	100,000					955,070	

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FY 2006-07 Governor's Purchase Plan

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655	Technical & Comp. Educ.	Data Processing Support	1,929,582								1,929,582	19.00	1,929,582						1,929,582	
667	Technical & Comp. Educ.	Occupational Upgrading	4,008,907	212,786	10,583,626						14,805,319	90.53	4,008,907	212,786	11,522,648				15,744,341	
827	Educational Television Comm.	Higher & Medical Education Services	1,077,680		371,023			658,000			2,106,703	18.00	1,077,680		371,023				1,448,703	
306	Comm. on Higher Educ.	LIFE Scholarships	27,631,335						107,295,090		134,929,425		27,631,335				117,098,904		144,730,239	
312	Comm. on Higher Educ.	Palmetto Fellows Scholarships							14,381,991		14,381,991						21,105,571		21,105,571	
328	The Citadel	Academic Support	2,160,216	4,638,231							6,798,447	57.50	2,160,216	5,166,247				7,326,463		
351	Clemson University (E&G)	Research (also see the Economic Growth Result Area for Auto Research)									31,766,051	279.14		554,536	32,744,155			33,298,691		
1554	Francis Marion University	College of Nursing Building						1,500,000			1,500,000									
1559	USC - Columbia	Hydrogen Fuel Cell Research	1,000,000								1,000,000		1,000,000					1,000,000		
1564	Medical University of South Carolina	Simulation Lab - College of Nursing									1,500,000									
616	Technical & Comp. Educ.	INSTRUCTION: Personal and Culinary Services (CIP 12)	917,607	144,740	1,707,873						2,770,220	16.50	917,607	144,740	1,707,873				2,770,220	
635	Technical & Comp. Educ.	INSTRUCTION: Public Administration and Social Service Professions (CIP 44)	602,908	37,157	700,548						1,340,613	19.25	602,908	37,157	700,548				1,340,613	
650	Technical & Comp. Educ.	System Office President's Office	870,669								870,669	10.00	870,669						870,669	
652	Technical & Comp. Educ.	Finance and General Administration	1,422,367								1,422,367	15.00	1,422,367						1,422,367	
654	Technical & Comp. Educ.	Audits of Colleges	271,459								271,459	4.00	271,459						271,459	
674	Technical & Comp. Educ.	Scholarships		736,021	2,656,769						3,392,790			736,021	2,656,769				3,392,790	
869	State Library	Network Services (July 1, 2004 -- Name changed to Information Technology Services (ITS))	33,915	282,107							316,022	4.00	33,915	282,107					316,022	
431	Lander University	Instruction - Other	48,606	5,400							54,006		48,606	5,400					54,006	
1557	USC - Columbia	Instruction: Honors College	1,503,170	10,193	1,351,880						2,865,243	9.81	1,503,170	10,193	1,351,880				2,865,243	
332	The Citadel	Scholarships and Fellowships		16,960,050	2,339,190						19,299,240			18,538,892	2,886,260				21,425,152	
352	Clemson University (E&G)	Sponsored Research		63,889,066	10,960,955						74,850,021	107.83		67,068,212	10,960,955				78,029,167	
357	Clemson University (E&G)	Operation and Maintenance of the Plant		15,914	30,061,722			400,000			30,477,636	540.60		15,914	30,234,749				30,250,663	
412	Francis Marion University	Academic Support	1,111,494		2,140,126						3,251,620	43.19	1,111,494		2,806,690				3,918,184	
458	USC - Columbia	Research	457,649	45,931,481	43,581,959						89,971,089	118.01	457,649	68,335,729	43,912,011				112,705,389	
460	USC - Columbia	Academic Support	4,110,813		35,818,492						39,929,305	437.23	4,110,813		36,889,941				41,000,754	
463	USC - Columbia	Scholarships		39,668,096	36,795,645						76,463,741			39,668,096	36,795,645				76,463,741	
482	USC - Aiken	Academic Support	824,227		1,856,448						2,680,675	31.92	824,227		1,856,448				2,680,675	
498	USC - Upstate	Academic Support	1,157,537	3,306,893	3,306,893						4,464,430	29.67	1,157,537	3,306,893	3,306,893				4,464,430	
501	USC - Upstate	Scholarships		6,320,838	8,348,005						14,668,843			6,320,838	8,777,060				15,097,898	
516	USC - Beaufort	Scholarships		633,336	454,594						1,087,930			633,336	454,594				1,087,930	
523	USC - Lancaster	Academic Support	220,050		315,751						536,801	4.65	220,050		496,329				715,379	
526	USC - Lancaster	Scholarships		1,035,398	1,322,125						2,357,523			1,035,398	1,358,791				2,394,189	
541	USC - Sumter	Academic Support	577,755		87,738						1,456,091	16.84	577,755		1,029,990				1,607,745	
544	USC - Sumter	Scholarships		1,068,076	1,235,817						2,303,893			1,250,223	1,235,817				2,486,040	
549	USC - Union	Academic Support	125,515		173,515						299,030	2.95	125,515		173,515				299,030	
587	Medical University of SC	Public Service	5,058,857	10,880,000	17,466,529						33,405,386	241.68	5,058,857	10,880,000	17,466,529				33,405,386	
622	Technical & Comp. Educ.	INSTRUCTION: English Language and Literature/Letters (CIP 23)	7,907,586	145,774	5,998,129						14,051,489	129.10	7,907,586	145,774	6,349,575				14,402,935	
636	Technical & Comp. Educ.	INSTRUCTION: Social Sciences (CIP 45)	2,736,398	10,375	1,990,833						4,737,606	42.25	2,736,398	10,375	1,990,833				4,737,606	
651	Technical & Comp. Educ.	Human Resource Services (HRS)	396,887								396,887	7.00	396,887						396,887	
1568	Technical & Comp. Educ.	Piedmont Nursing Program									250,000									
1574	Technical & Comp. Educ.	Horry-Georgetown Nursing Program									235,000									
740	State Department of Education	Adult Education (AE)	910,416	8,473,300	2,102,983	14,277,703		250,000			26,014,402	20.00	910,416	8,473,300	2,102,983	14,277,703			25,764,402	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number Agency Name Activity Name			FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
			Capital Reserve Fund			Maybank Funding			Capital Reserve Fund			Capital Reserve Fund								
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Supplemental Proviso	Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds	New FTEs	
1481	Clemson PSA	BioEngineering Alliance	95,537							95,537	1.05	95,537							95,537	
308	Comm. on Higher Educ.	Research Centers of Excellence					30,000,000			30,000,000	0.58						20,000,000		20,000,000	
871	State Library	Collection Management Services (CMS)	433,825	75,963						509,788	9.00	433,825	63,963						497,788	
875	State Library	Pass Through	8,079,638							8,079,638		8,079,638							8,079,638	
881	State Museum	Collections	390,722		60,966					451,688	7.00	390,722		60,966					451,688	
882	State Museum	Education	384,289		185,576					569,865	7.00	384,289		185,576					569,865	
885	State Museum	Facilities	2,505,625		73,568					2,579,193	9.00	2,505,625		73,568					2,579,193	
291	Commission on Higher Education	Training for Math & Science Teachers		932,498						932,498	0.50						941,380		941,380	
301	Commission on Higher Education	African American Loan Program	202,874						100,000	302,874		202,874							202,874	
336	The Citadel	Barracks			4,891,153					4,891,153				5,233,534					5,233,534	
375	Univ of Charleston	Academic Support-Other	1,579,452		4,845,404					6,424,856	75.67	1,579,452		5,147,165					6,726,617	
380	Univ of Charleston	Scholarships/Fellowships		6,600,085	7,866,861					14,466,946				6,600,085	8,546,340				15,146,425	
405	University	Coastal Carolina																		
417	University	Francis Marion																		
484	USC - Aiken	Operations & Maintenance	980,325		2,147,129			250,000		3,377,454	32.00	980,325		2,147,129					3,127,454	
494	USC - Aiken	Reduce Operation & Maintenance by 3% to Encourage Collaboration																		
525	USC - Lancaster	Operations & Maintenance	390,614		573,827			100,000		1,064,441	11.78	(108,116)		573,827					(108,116)	
525	USC - Lancaster	Reduce Operation & Maintenance by 3% to Encourage Collaboration																	964,441	
532	USC - Salkehatchie	Academic Support	229,763		290,637					520,400	5.00	229,763		302,124					(33,341)	
535	USC - Salkehatchie	Scholarships		1,282,295	799,304					2,081,599				961,414					2,364,753	
543	USC - Sumter	Operations & Maintenance	436,273		533,787			250,000		1,220,060	10.78	436,273		688,981					1,105,254	
543	USC - Sumter	Reduce Operation & Maintenance by 3% to Encourage Collaboration																		
552	USC - Union	Scholarships		429,444	434,420					863,864				577,669	657,664				(33,535)	
562	Winthrop University	Academic Support	1,557,179		5,867,951					7,425,130	65.28	1,557,179		4,255	5,867,951				7,429,385	
565	Winthrop University	Scholarships and Fellowships		4,342,980	13,350,000					17,692,980				4,625,205	13,350,000				17,975,205	
588	Medical University of South Carolina	Public Service - Diabetes Center	289,088							289,088		289,088							289,088	
591	Medical University of South Carolina	Operation & Maint of Plant	13,925,655		42,422,251					56,347,906	345.26	13,925,655		42,422,251					56,347,906	
591	Medical University of South Carolina	Reduce Operation & Maintenance by 3% to Encourage Collaboration																	(1,947,939)	
1565	Medical University of South Carolina	Rural Dentist Incentive	250,000							250,000		250,000							250,000	
623	Technical & Comp. Educ.	INSTRUCTION: Liberal Arts and Sciences, General Studies and Humanities (CIP 24)	1,537,825	414,679	1,083,488					3,035,992	25.79	1,537,825	414,679	1,083,488					3,035,992	
627	Technical & Comp. Educ.	INSTRUCTION: Parks, Recreation, Leisure and Fitness Studies (CIP 31)		1,481	14,594					16,075				1,481	14,594				16,075	
888	State Library	Trained Book Services (TBS)		611,932	25,000					636,932	12.00		656,932	25,000					681,932	
884	State Museum	Operations	256,313		1,017,016					1,273,329	6.00	256,313		1,017,016					1,273,329	
304	Commission on Higher Education	National Guard Tuition Repayment Program	129,187				1,700,000			1,829,187	0.68	129,187					1,700,000		1,829,187	
319	The Citadel	College of Graduate and Professional Studies	1,044,388		962,222					2,006,610	5.00	1,044,388			1,120,525				2,164,913	
320	The Citadel	ROTC Departments	72,296		66,609					138,905	3.00	72,296		78,786					151,082	
331	The Citadel	O&M of Plant			9,858,518			500,000		10,358,518	103.00			10,499,684					10,499,684	
355	Clemson University (E&G)	Student Services		1,281,129	13,279,126					14,560,255	191.10		1,282,160	13,517,547					14,799,707	
358	Clemson University (E&G)	Scholarships and Fellowships		10,089,999	74,139,252					84,229,251			10,282,684	83,008,359					93,291,043	
376	University of Charleston	Academic Support-Libraries	1,239,520		3,815,712					5,055,232	40.90	1,239,520		4,053,145					5,292,665	

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FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
379	Univ. of Charleston	Operation/Maintenance of Plant	3,221,112		9,881,649						13,102,761	167.30	3,221,112		10,497,056				13,718,168	
379	University of Charleston	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(452,961)					(452,961)		
402	Coastal Carolina University	Student Services			4,960,674						4,960,674	65.11			5,568,728				5,568,728	
406	Coastal Carolina University	Scholarship & Fellowship			15,805,301						15,805,301				16,265,522				16,265,522	
433	Lander University	Academic Support		30,681	1,925,924						1,956,605	21.91		30,681	1,925,924				1,956,605	
438	Lander University	Scholarships and Fellowships			823,852						823,852				823,852				823,852	
449	SC State Univ.	Student Services	1,691,025		5,047,240						6,738,265	45.00	1,691,025		5,047,240				6,738,265	
457	USC - Columbia	School of Medicine	21,590,476	11,865,448	16,033,344						49,489,268	706.10	21,590,476	25,608,854	19,378,753				66,578,083	
461	USC - Columbia	Student Services	4,922,954	1,043,897	17,525,719						23,492,570	169.33	4,922,954	1,043,897	19,051,740				25,018,591	
1558	USC - Columbia	Instruction: Graduate School, DEIS and University 101	1,502,646	42,035	5,284,021						6,828,702	22.40	1,502,646	42,035	5,284,021				6,828,702	
500	USC - Upstate	Operations & Maintenance	1,476,772		4,263,210						5,739,982	53.14	1,476,772		4,263,210				5,739,982	
500	University of South Carolina - South Carolina -	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(198,431)					(198,431)		
515	USC - Beaufort	Operations & Maintenance	382,937		1,112,966						1,495,903	6.88	382,937		924,380				1,307,317	
515	University of South Carolina - Beaufort	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(51,713)					(51,713)		
529	USC -	Instruction: Arts & Sciences	948,516	112,201	1,169,568						2,230,285	21.07	948,516	132,572	1,594,131				2,675,219	
551	USC - Union	Operations & Maintenance	79,938		86,189			100,000			266,127	4.36	79,938		86,189				166,127	
590	Medical University of South Carolina	Student Services	1,977,608		6,055,007						8,032,615	57.54	1,977,608		6,155,007				8,132,615	
	Technical & Comp. Educ.	INSTRUCTION: Foreign Languages, Literatures, and Linguistics (CIP 16)	774,565	16,166	799,020						1,589,751	13.41	774,565	16,166	799,020				1,589,751	
619	Technical & Comp. Educ.	INSTRUCTION: Multi/interdisciplinary Studies (CIP 30)	67,266		188,638						255,904	1.41	67,266		188,638				255,904	
626	Technical & Comp. Educ.	INSTRUCTION: Visual and Performing Arts (CIP 50)	1,317,486	12,000	1,591,673						2,921,159	21.66	1,317,486	12,000	1,591,673				2,921,159	
664	Technical & Comp. Educ.	Student Services	9,614,571	17,481,442	28,617,436						55,713,449	663.70	9,614,571	16,888,118	30,728,363				57,231,052	
671	Dept of Archives & History	Micrographics and Photocopy Services	232,973		360,917						593,890	7.00	232,973		360,917				593,890	
859	State Library	Information Services (IS)	311,228	47,500							358,728	10.00	561,228	47,500					608,728	
872	Educational Television Comm.	Educational Television - Local Programming	3,782,135		1,365,650			98,000			5,245,785	68.00	3,782,135		1,410,650				5,192,785	
830	Dept of Archives & History	State Historic Preservation Program	214,072	375,693	500,360						1,090,125	17.50	214,072	376,623	500,360				1,091,055	
860	Dept of Archives & History	State Historical Marker Program	335		21,829						22,164	0.50	335		21,829				22,164	
861	Winthrop University	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(345,362)					(345,362)		
566	Commission on Higher Education	SREB Contractual Scholarships	844,680								844,680		844,680						844,680	
286	Commission on Higher Education	SC Manufacturing Extension Partnerships	1,227,921				1,200,000				2,427,921		1,227,921						1,227,921	
289	Commission on Higher Education	HOPE Scholarships									6,673,826	0.20					6,673,826		6,673,826	
310	Clemson University (E&G)	Wireless Communication - fund through SCRA contribution	1,000,000								1,000,000	5.00	500,000						500,000	
350	Clemson University (E&G)	Auxiliary - Bookstores			1,279,741						1,279,741	0.63			1,729,741				1,729,741	
361	University of Charleston	Research	351,234	2,358,865	3,290,244						6,000,343	5.00	351,234	2,358,865	3,572,066				6,282,165	
373	Francis Marion University	Student Services	775,730		1,000,896						1,776,626	34.00	775,730		1,000,896				1,776,626	
413	Francis Marion University	Operation and Maintenance of Plant	1,433,105		4,770,529						6,203,634	94.00	1,433,105		4,770,529				6,203,634	
416	USC - Columbia	Operations & Maintenance	1,071,449		25,182,827			1,400,000	475,000		28,129,276	414.90	1,071,449		30,105,781				31,177,230	
462	USC - Aiken	Scholarships		3,476,506	6,352,635						9,829,141			3,531,042	6,622,911				10,153,953	
495	USC - Beaufort	Student Services	264,398		959,923						1,223,921	13.19	264,398		959,923				1,223,921	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds	New FTEs
542	USC - Sumter	Student Services	433,227		536,833						970,060	15.94	433,227		536,833				970,060	
566	Winthrop Univ	Operation and Maintenance of Plant	2,495,479		7,494,763						9,990,242	111.00	2,495,479		7,494,763				9,990,242	
567	Winthrop Univ	Student Direct Lending Program	17,600,000								17,600,000			21,000,000					21,000,000	
	Technical & Comp. Educ.	INSTRUCTION: Psychology (CIP 42)	2,137,815	16,421	1,745,998						3,900,234	34.23	2,137,815	16,421	1,745,998				3,900,234	
658	Technical & Comp. Educ.	Support Unit and Warehouse	427,164								427,164	7.00	427,164						427,164	
659	Technical & Comp. Educ.	Inventory Control	120,073		500,000						620,073	3.00	120,073		500,000				620,073	
660	Technical & Comp. Educ.	Multi Media	255,740								255,740	4.00	255,740						255,740	
669	Technical & Comp. Educ.	Academic Support - Library	2,657,268	26,357	4,984,737						7,668,362	113.22	2,657,268	26,357	5,291,783				7,975,408	
670	Technical & Comp. Educ.	Academic Support - Other	11,185,159	5,596,530	33,050,771						49,832,460	550.03	11,185,159	5,355,173	35,319,128				51,859,459	
673	Technical & Comp. Educ.	Operation and Maintenance of Plant	2,319,039	521,765	41,552,540						44,393,344	383.76	2,319,039	522,391	44,199,388				47,040,818	
877	Arts Commission	Community Arts Development	1,645,556	720,833	486,147						2,852,536	18.11	1,398,723	793,574	444,457				2,636,754	
473	USC - Columbia	USC NanoCenter - fund through SCRA contribution	1,000,000								1,000,000									
858	Dept of Archives & History	Records Management Services	705,009	61,200	10,500						776,709	18.00	705,009	61,200	10,500				776,709	
873	State Library	Library Development Services (LDS)	121,135	1,019,621	100,000						1,240,756	5.00	121,135	1,023,421	100,000				1,244,556	
329	The Citadel	Student Services			5,142,248						5,142,248	61.47			5,674,303				5,674,303	
360	Clemson University (E&G)	Auxiliary - Food Services			10,880,245						10,880,245	1.00			11,880,245				11,880,245	
377	Charleston University of Coastal Carolina	Student Services	1,672,254		5,660,118						7,332,372	105.76	1,672,254		6,004,503				7,676,757	
407	University of South Carolina	Residence Halls			2,542,932						2,542,932	15.46			3,022,851				3,022,851	
437	Lander University	Operation & Maintenance of Plant		7,235	2,822,144				1,000,000		3,829,379	47.50		7,235	2,822,144				2,829,379	
450	SC State Univ.	Residential Life																		
474	USC - Columbia	Small Business Development Center	686,534								686,534		686,534						686,534	
475	USC - Columbia	Law School Books and Publications	344,074								344,074								344,074	
493	USC - Aiken	Student Services	1,105,700		3,362,092						4,467,792	49.57	1,105,700		3,362,092				4,467,792	
499	USC - Upstate	Student Services	1,223,322		5,154,436						6,377,758	58.35	1,223,322		5,154,436				6,377,758	
524	USC - Lancaster	Student Services	235,925		407,036						642,961	7.07	235,925		407,036				642,961	
550	USC - Union	Student Services	112,843		119,736						232,579	5.39	112,843		119,736				232,579	
	Technical & Comp. Educ.	INSTRUCTION: Interpersonal and Social Skills (CIP 35)	204,608	3,576	244,628						452,812	4.31	204,608	3,576	244,628				452,812	
629	Technical & Comp. Educ.	INSTRUCTION: Philosophy and Religion Studies (CIP 38)	296,037	4,194	404,969						705,200	4.41	296,037	4,194	404,969				705,200	
630	Technical & Comp. Educ.		654,792	14,296	509,586						1,178,674	7.50	654,792	14,296	509,586				1,178,674	
1575	Technical & Comp. Educ.	INSTRUCTION: History (CIP 54)	119,921	72,678	10,114						202,713	2.00	119,921	72,678	10,114				202,713	
1576	Technical & Comp. Educ.	INSTRUCTION: Education (CIP 13)																		
857	Dept of Archives & History	Archival Services	744,898	80,000	28,519						853,417	17.00	744,898	80,000	28,519			217,000	1,070,417	
879	Arts Commission	Contributions	225,757								225,757		225,757						225,757	
883	Dept of Archives & History	Teaching American History in South Carolina Program		301,783							301,783			301,783					301,783	
874	State Library	Continuing Education (CE)	68,208	33,403							99,611	1.00	68,208	33,403					99,611	
287	Commission on Higher Education	SREB Fees and Assessments	1,506,801								1,506,801		1,506,801						1,506,801	
338	The Citadel	Dining Hall			4,794,942						4,794,942				5,130,588				5,130,588	
346	Clemson University (E&G)	Auxiliary - Student Housing		3,410	22,289,567						22,292,977	126.00		3,410	22,289,567				22,292,977	
353	Clemson University (E&G)	Public Service		10,454,404	5,457,881						15,912,285	102.18			10,454,404	5,863,169			16,317,573	
384	University of Charleston	Auxiliary - Residence Halls			10,961,382						10,961,382	48.54			11,656,883				11,656,883	
385	University of Charleston	Auxiliary - Food Service			5,903,780						5,903,780				5,910,029				5,910,029	
454	SC State Univ	School of Business Accreditation			505,081				89,365		594,446				505,081				505,081	
USC -																				
533	Salkehatchie	Student Services	197,696		248,361						446,057	5.11	197,696		248,361				446,057	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
534	USC - Satehatchie	Operations & Maintenance	326,622		416,806				100,000		843,428	8.12	326,622		416,806				743,428	
563	Winthrop University	Student Services	1,098,011		7,633,554						8,731,565	96.00	1,098,011		7,633,554				8,951,565	
864	History	Publication Program	39,229								39,229	1.00	39,229						39,229	
288	Commission on Higher Education	Gear Up	600,000	2,171,919							2,771,919	1.83	600,000	4,632,407					5,232,407	
294	Commission on Higher Education	EIA-Teacher Recruitment			5,871,014						5,871,014				5,871,014				5,871,014	
349	Clemson University (E&G)	Line Item-Advanced Films and Fibers	1,000,000								1,000,000	5.00	1,000,000						1,000,000	
374	University of Charleston	Public Service	84,684	472,895	705,304						1,262,883	6.00		472,895	764,619				1,237,514	
442	SC State Univ	Food Services			5,489,245						5,489,245	41.00			5,489,245				5,489,245	
446	SC State Univ	Research/Grants	429,276	30,526,411							30,955,687	75.00	429,276	30,230,781					30,660,057	
451	SC State Univ	Operation and Maintenance of Plant & Deferred Maintenance	2,421,229		9,616,975			2,500,000	1,500,000		16,038,204	70.00	2,421,229		20,080,908	2,500,000			25,002,137	
451	SC State Univ	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(502,584)						(502,584)	
456	SC State Univ	Felon Laboratory			904,050						904,050				904,050				904,050	
478	USC - Columbia	Auxiliary: Housing			18,236,249						18,236,249	87.76			18,236,249				18,236,249	
649	Technical & Comp. Educ.	Trident Technical College Culinary Arts	775,000								775,000									
1315	Patriots Pt	Collections			168,684						168,684	2.00			168,684				168,684	
284	Commission on Higher Education	Lowcountry Grad Center	660,000								660,000		660,000						660,000	
302	Commission on Higher Education	Performance Funding	2,463,806								2,463,806		2,463,806						2,463,806	
305	Commission on Higher Education	Academic Endowment	444,828								444,828		444,828						444,828	
344	The Citadel	Telephone			20,802						20,802	1.00			22,258				22,258	
408	Coastal Carolina University	Food Serve / Vending			117,366						117,366				122,061				122,061	
434	Lander University	Student Services		16,343	1,424,553						1,440,896	40.00		16,343	1,424,553				1,440,896	
571	Winthrop University	Auxiliary Services- Cafeteria			3,250,000						3,250,000				3,250,000				3,250,000	
639	Technical & Comp. Educ.	Auxiliary Enterprises - Food Services		46,403	1,071,067						1,117,470	5.34		46,403	1,071,067				1,117,470	
643	Technical & Comp. Educ.	Sales & Services of Education Departments			46,200						46,200				46,200				46,200	
644	Technical & Comp. Educ.	F. E. Dubose Career Center			1,581,638						1,581,638	22.00			1,581,638				1,581,638	
645	Technical & Comp. Educ.	Missing and Exploited Children	94,050								94,050	1.00	94,050						94,050	
668	Technical & Comp. Educ.	Community Service Programs		55,000	2,932,604						2,987,604	22.61		55,000	2,932,604				2,987,604	
268	Budget & Control Board	Southern Maritime	116,896						75,000	100,000	291,896		116,896						116,896	
1580	Dept of Archives & History	Pass Through	175,000					850,000			1,025,000		175,000						175,000	
1312	Patriots Pt	Operations/Maintenance			2,423,460						2,423,460	50.00			2,423,460				2,423,460	
1314	Develop. Authority	Education/Overnight Camping																		
1314	Develop. Authority	University Center of Greenville - Operations			1,009,601						1,009,601	6.00			1,009,601				1,009,601	
263	Commission on Higher Education	University Center of Greenville - Operations	427,101						800,000		1,227,101		427,101						427,101	
285	Comm. on Higher Educ.	Access and Equity	711,613								711,613	1.32	569,291						569,291	
292	Commission on Higher Education	Centers of Excellence			721,101						721,101				721,101				721,101	
298	Commission on Higher Education	State Approving Section	84,399	327,317	143,545						555,261	5.76	84,399	303,517	143,545				531,461	
303	Commission on Higher Education	Experimental Program to Simulate Cooperative Research	300,000								300,000		300,000						300,000	
326	The Citadel	Research		236,620	219,863						456,483				274,161	288,409			562,570	
339	The Citadel	Faculty/Staff Quarters			579,866						579,866	3.00			620,457				620,457	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
348	Clemson University (E&G)	Line Item-Municipal Services	931,747								931,747	30.00		931,747					931,747	
389	University of Charleston	Auxiliary - Bookstore			397,437						397,437				399,893				399,893	
409	Coastal Carolina University	Health Service			203,435						203,435				258,056				258,056	
418	Francis Marion University	Auxiliary Enterprises - Dining Services			285,095						285,095	5.00			285,095				285,095	
420	Francis Marion University	Auxiliary Enterprises - Housing			1,636,253						1,636,253	1.00			189,799				189,799	
439	Lander University	Food Services			1,144,930						1,144,930				1,144,930				1,144,930	
443	SC State Univ.	Housing			5,386,000						5,386,000	40.00			7,299,402				7,299,402	
459	USC - Columbia	Public Service	771,871	16,702,356	13,477,485						30,951,712	201.14		771,871	16,702,356	14,248,485			31,722,712	
479	USC - Columbia	Auxiliary: Student Health Services			6,617,291						6,617,291	31.84			267,973				6,617,291	
480	USC - Columbia	Auxiliary: Bookstore			267,973						267,973	1.29			267,973				267,973	
569	Winthrop Univ	Auxiliary Services- Housing			6,050,000						6,050,000	50.11			6,050,000				6,050,000	
570	Winthrop Univ	Auxiliary Services- Health Center			1,125,000						1,125,000	12.00			1,125,000				1,125,000	
1571	Technical & Comp. Educ.	Florence-Darlington - Mullins Satellite Campus			350,000						350,000									
381	University of Charleston	Hospitality and Tourism	395,000								395,000	2.25		395,000					395,000	
1581	Charleston State Library	Pass Through			450,000						450,000									
876	Arts Commission	Arts Education	759,059	263,849	34,512						1,057,420	6.86		759,059	263,849	34,512			1,057,420	
		South Carolina Tuition Prepayment Program / South Carolina College Investment Program																		
134	State Treasurer		46,522		502,507						549,029	3.00			502,507				502,507	
280	Commission on Higher Education	SC Alliance for Minority Participation	320,327								320,327			320,327					320,327	
296	Comm. on Higher Educ.	Professor of the Year	14,850								14,850									
299	Commission on Higher Education	Higher Education Awareness	459,778								459,778	1.25		459,778					459,778	
309	Commission on Higher Education	Excellence Enhancement					4,700,000				4,700,000	0.20					4,700,000		4,700,000	
1546	Higher Education	Think Tec/Fastr	250,000								250,000			250,000					250,000	
340	The Citadel	Infirmary			1,008,914						1,008,914	12.17			1,079,538				1,079,538	
347	Clemson University (E&G)	Auxiliary - Other		318,626	22,843,268						23,161,894	175.59			318,626	22,843,268			23,161,894	
383	University of Charleston	Governor's School	288,017								288,017	3.00								
387	University of Charleston	Auxiliary - Other Rentals			63,813						63,813				64,207				64,207	
388	University of Charleston	Auxiliary - Vending			89,423						89,423	3.54			89,976				89,976	
399	Coastal Carolina University	Research		2,765,125							2,765,125	2.24			2,695,917				2,695,917	
441	Lander University	Residence Halls		15,906	1,709,607						1,725,513	4.00			15,906	1,726,335			1,742,241	
444	SC State Univ.	Bookstore			2,334,534						2,334,534	14.00			2,334,534				2,334,534	
455	SC State Univ	Transportation			967,081						1,705,446			748,365	967,081				1,705,446	
		Center for Education, Recruitment, Retention and Advancement; Teaching Fellows Program			5,500,000						5,500,000	2.00			5,500,000				5,500,000	
568	Winthrop Univ	Deferred Maintenance							1,400,000		1,400,000									
1570	Educ. State Department of Education	Centers Of Excellence									721,101					721,101			721,101	
792	Clemson University (E&G)	COMSET	106,021						408,728		514,749	10.00		106,021					106,021	
1548	Dept of Archives & History	Hunley Project			370,000						370,000				370,000				370,000	
866	Clemson University (E&G)	Auxiliary - Intercollegiate Athletics			30,943,715						30,943,715	127.08			33,550,111				33,550,111	
359	University of Charleston	Auxiliary - Health Services			929,010						929,010	6.54			951,807				951,807	
386	Coastal Carolina University	Book Store			7,826						7,826				7,826				7,826	
392	Coastal Carolina University	Public Service									3,979,083	3.36			3,979,083				3,979,083	
400																				

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FY 2006-07 Governor's Purchase Plan

Activity Number Agency Name Activity Name			FY 2005-06 Agency Funding Capital							FY 2006-07 Governor's Purchase Plan Capital											
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds	New FTEs	
410	Francis Marion University	Research		211,457	34,584						246,041			211,457	34,584					246,041	
419	Francis Marion University	Auxiliary Enterprises - Bookstore			85,260						85,260	1.00			85,260					85,260	
432	Lander University	Public Service		11,805	11,311						23,116			11,805	11,311					23,116	
487	USC - Aiken	Auxiliary: Bookstore			1,960,631						1,960,631	4.00			1,960,631					1,960,631	
488	USC - Aiken	Auxiliary: Housing			632,905						632,905	5.57			632,905					632,905	
University of South Carolina - Aiken																					
491	Altien	Public Service	57,346	423,964	1,752,566						2,233,896	15.47		423,964	1,794,563					2,218,547	
507	USC - Upstate	Auxiliary: Bookstore			2,400,329						2,400,329	8.01			2,359,850					2,359,850	
508	USC - Upstate	Auxiliary: Housing			748,411						748,411	2.50			748,411					748,411	
517	USC - Beaufort	Auxiliary: Bookstore			543,965						543,965	3.44			710,876					710,876	
527	Us - Lancaster	Auxiliary: Bookstore			428,641						428,641	1.34			466,060					466,060	
553	USC - Union	Auxiliary: Bookstore			99,677						99,677	0.73			110,929					110,929	
560	Winthrop University	Research		23,144	496,964						520,108			444,274	496,964					941,238	
572	Winthrop University	Auxiliary Services- Bookstore and Vending			575,000						575,000				575,000					575,000	
647	Educ.	Technical & Comp.	1,000,000								1,000,000		1,000,000							1,000,000	
1569	Educ.	Technical & Comp.						522,000			522,000										
640	Educ.	Technical & Comp.									22,274,871	44.81		19,503	22,255,369					22,274,871	
295	Commission on Higher Education	Auxiliary Enterprises - Bookstores																			
327	The Citadel	Cutting Edge	150,682								150,682	2.31	150,682							150,682	
337	The Citadel	Public Service		1,369,234	2,445,477						3,814,711	1.81		1,584,262	2,538,835					4,123,097	
337	The Citadel	Cadet Store			4,202,075						4,202,075	6.00			4,496,220					4,496,220	
341	The Citadel	Laundry/Dry Cleaning			1,097,324						1,097,324	24.75			1,174,137					1,174,137	
343	The Citadel	Tailor Shop			1,313,148						1,313,148	9.00			1,405,068					1,405,068	
Francis Marion University																					
411	Francis Marion University	Public Service	18,010	83,385	292,945						394,340			83,385	292,945					376,330	
440	Lander University	Book Store		2,330	1,039,784						1,042,114	6.00		2,330	1,039,784					1,042,114	
African American Professors Program																					
472	USC - Columbia	Auxiliary: Athletics	178,805								178,805		178,805							178,805	
477	USC - Columbia	Auxiliary: Athletics			41,048,820						41,048,820	197.53			41,048,820					41,048,820	
481	USC - Columbia	Auxiliary: Other			3,921,429						3,921,429	18.87			3,921,429					3,921,429	
496	USC - Upstate	Research		173,174	18,159						191,333	0.16		173,174	1,018,159					1,191,333	
University of South Carolina - Upstate																					
497	Upstate	Public Service	24,956	1,645,150	1,518,773						3,188,879	18.46		1,282,989	2,089,718					3,372,707	
509	USC - Upstate	Auxiliary: Other			40,139						40,139	0.13			40,139					40,139	
522	USC - Lancaster	Public Service		220,885	1,172,197						1,393,082	9.92		257,551	1,248,162					1,505,713	
536	Salkehatchie	Auxiliary: Bookstore			223,028						223,028	0.13			191,391					191,391	
545	USC - Sumter	Auxiliary: Bookstore			606,288						606,288	2.12			606,288					606,288	
Technical & Comp. Educ.																					
642	Educ.	Auxiliary Enterprise - Vending			4,962,854						4,962,854	10.00			4,962,854					4,962,854	
735	State Department of Education	Arts Scholarship - Archibald Rutledge Scholarship	15,963								15,963		15,963							15,963	
281	Commission on Higher Education	Greenville Technical College- University Cht	907,504								907,504		907,504							907,504	
Comm. on Higher Educ.																					
293	Educ.	Youth Leadership Conference	50,000								50,000										
300	Commission on Higher Education	Fund for the Improvement of Postsecondary Education		70,873							70,873	0.52			69,576					69,576	
333	The Citadel	Athletics			5,161,585						5,161,585	39.00			5,522,896					5,522,896	
342	The Citadel	Print Shop			361,441						361,441	12.00			386,742					386,742	
1551	Univ of Charleston	Economic Partnership	591,550								591,550	7.00		591,550						591,550	
Francis Marion University																					
1555	Francis Marion University	Center for the Child Construction							2,000,000		2,000,000										
447	SC State Univ	Public Service	143,526								143,526	3.33			143,526					143,526	
453	SC State Univ	Access and Equity			123,000						123,000				123,000					123,000	
489	USC - Aiken	Auxiliary: Other			87,140						87,140				133,371					133,371	
490	USC - Aiken	Research		127,189	319,590						446,779	0.19		127,187	519,965					647,152	
512	USC - Beaufort	Public Service		293,211	206,505						499,716	2.18		266,941	206,505					473,446	
540	USC - Sumter	Public Service	4,528	136,933	101,054						242,515			136,933	101,054					237,987	
548	USC - Union	Public Service		83,325	82,803						166,128			83,325	82,803					166,128	
561	Winthrop Univ	Public Service		595,140	3,213,927						3,809,067	6.00		289,592	3,248,831					3,538,423	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number Agency Name Activity Name			FY 2005-06 Agency Funding Capital							FY 2006-07 Governor's Purchase Plan Capital											
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds	New FTEs	
1577	State Department of Education	Robert C. Byrd Scholarship		547,187							547,187	8.00	300,000							547,187	
382	Univ of Charleston	Avery Center	300,000							100,000	400,000									300,000	
464	USC - Columbia	Institute for Public Service and Policy Research	716,454								716,454		716,454							716,454	
1582	State Museum	Greenville Children's Museum						1,200,000			1,200,000										
1313	Patriots Pt																				
1313	Develop. Authority	Retail Operations			1,396,419						1,396,419	5.00				1,396,419				1,396,419	
1316	Patriots Pt																				
1316	Develop. Authority	Visitor Services			1,116,118						1,116,118	9.00				1,116,118				1,116,118	
335	The Citadel	Director of Auxiliary Activity			31,204						31,204	2.00				33,388				33,388	
531	USC -																				
531	Saikheatchie	Public Service	2,973	176,316	240,651						419,940	5.23		176,316	322,356					498,672	
334	The Citadel	Gift Shop Enterprises			2,540,487						2,540,487	12.00				2,718,321				2,718,321	
	University of Charleston																				
390	University of Charleston	Auxiliary - Parking			1,634,838						1,634,838	3.54				1,692,426				1,692,426	
391	University of Charleston	Auxiliary - Athletics			6,520,317						6,520,317	31.79				7,442,347				7,442,347	
1552	University of Charleston																				
1552	Coastal Carolina University	Low Country Graduate Center								100,000	100,000	3.34									
403	University of Charleston	Athletics			7,041,966						7,041,966	57.41				7,041,966				7,041,966	
435	Lander University	Intercollegiate Athletics			1,228,245						1,228,245	15.75				1,228,245				1,228,245	
511	USC - Beaufort	Research	19,623		116,368						135,991	1.15				116,368				116,368	
	Medical University of South Carolina																				
593	Technical & Comp. Educ.	Auxiliary (Parking)			5,438,943						5,438,943	31.65				5,538,943				5,538,943	
1572	Francis Marion University	Orangeburg Construction						2,000,000			2,000,000										
414	Francis Marion University	Athletics	382,076		1,013,102						1,395,178	14.54	254,717		1,013,102					1,267,819	
313	Commission on Higher Education	Teacher Scholarship Grants										0.20									
530	USC -	Research		32,057	42,285						74,342										
1563	Winthrop Univ	Thurmond Auditorium								1,000,000	1,000,000			32,057	42,285					74,342	
641	Technical & Comp. Educ.	Auxiliary Enterprises - Residence Halls			482,328						482,328	1.00				482,328				482,328	
1545	Commission on Higher Education				65,000						65,000					65,000				65,000	
421	Francis Marion University	Service Learning Engagement																			
1550	Omega Project																				
1550	University of Charleston	Office of Tourism Analysis	56,147							18,853	75,000										
	Small and Minority Business Assistance									129,000	129,000	2.00									
1553	Francis Marion University		500,000								500,000	2.90				500,000				500,000	
537	USC -																				
537	Saikheatchie	Leadership Center	100,460								100,460										
345	The Citadel	Coeducation Initiative	1,110,000								1,110,000	15.81	1,043,731		81,181					1,124,912	
1556	Francis Marion University																				
	Francis Marion Trail									110,000	110,000										
279	Comm. on Higher Educ.	Administration	1,998,368		247,557						2,245,925	21.74	1,757,086		247,557					2,004,643	
318	Higher Education																				
318	Tuition Grants	Administration	333,268								333,268		333,268							333,268	
330	The Citadel	Institutional Support	120,620	15,000	6,793,983						6,929,203	94.40	120,620	70,256	8,067,398					8,258,274	
---		Reduce Operation & Maintenance by 3% to Encourage Collaboration																			
---	The Citadel													(340,808)						(340,808)	
---	Clemson University (E&G)	Reduce Operation & Maintenance by 3% to Encourage Collaboration																			
---	Coastal Carolina University	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(1,039,231)							(1,039,231)	
---		Reduce Operation & Maintenance by 3% to Encourage Collaboration																			
---	Coastal Carolina University	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(251,555)							(251,555)	
---	Lander University	Reduce Operation & Maintenance by 3% to Encourage Collaboration																			
---		Reduce Operation & Maintenance by 3% to Encourage Collaboration											(97,561)							(97,561)	
---	USC - Columbia	Reduce Operation & Maintenance by 3% to Encourage Collaboration												(907,608)						(907,608)	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number Agency Name Activity Name			FY 2005-06 Agency Funding Capital						FY 2006-07 Governor's Purchase Plan Capital												
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds	New FTEs	
---	USC - Columbia	Consolidate Institute for Archeology & Anthropology with Dept of Archives & History											(496,812)							(496,812)	
---	Clemson University (E&G)	1% Reduction to Encourage Collaboration											(881,615)							(881,615)	
---	USC - Columbia	1% Reduction to Encourage Collaboration											(1,529,071)							(1,529,071)	
---	Medical Univ of South Carolina	1% Reduction to Encourage Collaboration											(821,405)							(821,405)	
---	USC - Salkehatchie	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(25,700)							(25,700)	
---	USC - Union	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(5,743)							(5,743)	
378	Univ of Charleston	Institutional Support	5,160,712		15,831,906						20,992,618	179.15	5,160,712		16,817,881					21,978,593	
404	Coastal Carolina University	Institutional Support			9,843,103						9,843,103	124.76			12,530,719					12,530,719	
404	Coastal Carolina University	Savings from Implementing Administration Standards for Non-teaching Personnel											(67,241)							(67,241)	
415	Francis Marion University	Institutional Support	1,749,572		1,735,293						3,484,865	65.16	1,749,572		1,735,293					3,484,865	
415	Francis Marion University	Savings from Implementing Administration Standards for Non-teaching Personnel											(118,087)							(118,087)	
416	Francis Marion University	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(214,459)							(214,459)	
436	Lander University	Institutional Support		15,474	2,499,931						2,515,405	44.50		15,228	2,502,498					2,517,726	
436	Lander University	Savings from Implementing Administration Standards for Non-teaching Personnel											(158,795)							(158,795)	
452	SC State Univ.	Administration	2,899,339		2,408,928						5,308,267	60.00	2,899,339		2,408,928					5,308,267	
452	SC State Univ.	Savings from Implementing Administration Standards for Non-teaching Personnel											(278,942)							(278,942)	
476	USC - Columbia	Institutional Support	13,093,456		20,485,757						33,579,213	561.27	13,093,456		23,402,775					36,486,231	
486	USC - Aiken	Institutional Support	1,036,744		2,090,710						3,127,454	33.82	1,036,744		2,483,246					3,489,990	
506	USC - Upstate	Institutional Support	1,532,719		3,378,154						4,910,873	68.72	1,532,719		4,518,045					6,050,764	
519	USC - Beaufort	Institutional Support	300,143		923,776						1,223,919	12.73	300,143		923,776					1,223,919	
528	USC - Lancaster	Institutional Support	265,755		484,366						750,121	5.53	265,755		484,366					750,121	
538	Salkehatchie	Institutional Support	260,014		334,729						594,743	5.61	260,014		334,729					594,743	
546	USC - Sumter	Institutional Support	602,559		731,273						1,333,832	14.74	602,559		731,273					1,333,832	
554	USC - Union	Institutional Support	140,273		158,756						299,029	6.37	140,273		158,756					299,029	
564	Winthrop Univ	Institutional Support Services	1,442,259		4,103,283						5,545,542	113.44	1,442,259		4,103,283					5,545,542	
589	Medical University of South Carolina	Administration	29,004,921	1,020,000	88,344,554						118,369,475		29,004,921	1,020,000	90,344,554					120,369,475	
672	Technical & Comp. Educ.	Institutional Support	15,941,030	1,965,725	54,439,845						72,346,600	759.76	15,941,030	2,411,943	58,411,994					76,764,967	
672	Technical & Comp. Educ.	Savings from Implementing Administration Standards for Non-teaching Personnel											(970,252)							(970,252)	
885	Dept of Archives & History	Administration	1,405,452		436,544						1,841,996	12.00	1,405,452		436,544					1,841,996	
885	Dept of Archives & History	Administrative Savings from Consolidation of Cultural Agencies											(187,910)							(187,910)	
887	State Library	Administration	1,453,628	65,366	5,000						1,524,014	7.00	1,453,628	90,708	5,000					1,549,336	
887	State Library	Administrative Savings from Consolidation of Cultural Agencies											(93,408)							(93,408)	
880	Arts Commission	Administration	709,819	14,530							724,349	11.12	709,819	14,530						724,349	
880	Arts Commission	Administrative Savings from Consolidation of Cultural Agencies											(166,995)							(166,995)	
886	State Museum	Administration	499,558		43,926						543,484	6.00	499,558		43,926					543,484	

Improve our Higher Education System and Cultural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding Capital						FY 2006-07 Governor's Purchase Plan Capital										
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Reserve Fund	Total Funds
886	State Museum	Administrative Savings from Consolidation of Cultural Agencies																	
1317	Patriots Pl	Higher Ed. Tuition			1,038,018						1,038,018	8.00			1,038,018				
317	Grants	South Carolina Student Legislature	17,780								17,780								
290	Comm. on Higher Educ.	Arts Program	10,274								10,274								
1547	Comm. on Higher Educ.	National Foundation of Teaching Entrepreneurship (NFTE)	250,000								250,000								
282	Comm. on Higher Educ.	Greenville Higher Ed Center	180,287								180,287								
878	Arts Commission	Artist Development	158,294	5,305	13,044						176,643	2.47		5,305	13,044				18,349
1573	Technical & Comp. Educ.	Spartanburg Cherokee Expansion	20,946		800,000				2,000,000		2,820,946	0.20			800,000				800,000
518	University of South Carolina - Beaufort	Penn Center - LINE ITEM	180,240						500,000		680,240	2.00							
862	Dept of Archives & History	National History Day Program	55,241								55,241	1.00							
		Total	728,815,079	538,821,785	1,853,494,740	14,998,804	237,500,000	8,228,000	18,946,458	3,442,853	3,404,247,719	21,113.33	713,515,327	570,725,629	2,021,444,908	14,998,804	253,181,825	217,000	3,574,083,493
																			25,000

Improve the Conditions for our Economic Growth

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan					
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
NEW	Department of Commerce	Governor's Closing Fund							7,000,000				7,000,000	
NEW	Department of Commerce	Competitive Enhancements							2,253,750				2,253,750	12.00
NEW	Department of Commerce	Hydrogen/Fuel Cell							367,640			81,230	448,870	
NEW	Department of Commerce	Capital Access Program									3,000,000		3,000,000	
NEW	Dept of Parks, Recreation & Tourism	Beach Renourishment										5,000,000	5,000,000	
351	Clemson University	Research - International Ctr for Auto Research							2,000,000				2,000,000	
1274	Department of Parks, Recreation & Tourism	Media Placement & Productions	7,894,093		1,000,000			1,000,000	9,494,093		1,000,000		10,494,093	
1291	Department of Commerce	Business Development - Project Management	1,937,879						2,193,879				2,193,879	
661	Technical & Comp Education	Center for Accelerated Technology Training (formerly Special Schools)	2,080,307				3,000,000		3,580,307			3,000,000	6,580,307	
1276	Dept of Parks, Recreation & Tourism	Marketing & Sales	934,525						934,525				934,525	
1277	Department of Parks, Recreation & Tourism	Welcome Centers	2,048,592						2,048,592				2,048,592	
1294	Department of Commerce	Business Solutions - International Trade	443,338		25,000				443,338			1,489	444,827	
1300	Department of Commerce	Grants and Incentives - Highway Set Aside			18,000,000						18,941,001		18,941,001	
1275	Dept of Parks, Recreation & Tourism	Tourism Marketing Partnership Program	3,147,276						3,147,276				3,147,276	
1292	Department of Commerce	Business Development - Marketing	750,000						750,000				750,000	
1298	Department of Commerce	Community and Rural Development	218,590		570,461				789,051		615,285		833,875	
1268	Dept of Parks, Recreation & Tourism	Communications - Tourism	103,842						103,842				103,842	
1279	Dept of Parks, Recreation & Tourism	Tourism Community & Economic Development	277,819		75,000				352,819		125,000		402,819	
1299	Department of Commerce	Community Development Corporation	66,568						66,568				1,066,568	
1302	Department of Commerce	Grants and Incentives - Tourism Infrastructure			1,000,000				1,000,000				1,000,000	
1303	Department of Commerce	Grants and Incentives - Rural Infrastructure Fund			5,429,539				5,429,539				9,413,910	
265	Budget & Control Board	Base Closure	574,716						574,716				574,716	
1293	Department of Commerce	Business Development - Foreign Offices	857,850						857,850				857,850	
1605	Department of Commerce	Workforce Investment Act		61,697,984					61,697,984				61,697,984	
1278	Dept of Parks, Recreation & Tourism	Research & Policy Development	233,951						233,951				233,951	
1295	Department of Commerce	Business Solutions - Small Business	518,930						518,930				518,930	
1296	Department of Commerce	Business Solutions - Film	513,074		44,714				513,074		44,714		557,788	
1306	Department of Commerce	Aeronautics - Airport Development	890,553		750,000		5,000,000		890,553		750,000		2,640,553	
1354	Labor, Licensing & Regulation	Occupational Safety & Health Program (OSHA)	1,731,864	2,473,830					1,731,864	2,473,830			4,205,694	
1614	Labor, Licensing & Regulation	State Emergency Preparedness			165,000						165,000		165,000	
1301	Department of Commerce	Grants and Incentives - Enterprise Zone			275,000						269,754		269,754	
1304	Department of Commerce	Grants and Incentives - CDBG		35,876,911						34,178,927			35,167,488	
1610	SC Office of Regulatory Staff	Utilities-Natural Gas			566,187						566,187		566,187	
1342	Department of Insurance	Captive Formation	323,788		909,283				1,233,071		1,421,783		1,745,571	
1347	Bd of Financial Institutions	Bank Examining			1,951,426				1,951,426		1,951,426		1,951,426	
1216	Department of Agriculture	Marketing & Promotions	1,309,483	630,000	94,550				2,034,033	23,75	119,000		2,094,565	
1339	Department of Insurance	Consumer Services	271,653		61,000				332,653		61,000		332,653	
1345	Department of Insurance	Legal and Investigations	530,117						530,117				530,117	
1349	Dept of Consumer Affairs	Consumer Services	412,564		42,018	50,000			412,564		40,000		452,564	
1355	Labor, Licensing & Regulation	Payment of Wages and Child Labor	335,300						335,300				335,300	
1428	Employment Security Commission	Employment Services		13,875,221	4,207,601				18,082,822		11,536,629		28,197,255	
1115	Secretary of State	Corporations	177,993		200,000				177,993		200,000		377,993	
240	Budget & Control Board	State Revolving Fund Loans	1,064,090	500,000	578,800				1,064,090		578,800		2,142,890	
1217	Department of Agriculture	Market Services		16,100	1,928,661				1,942,761		1,817,511		1,817,511	
1319	Public Service Commission	Utility Regulation							3,257,541				3,257,541	1.00
1520	SC Office of Regulatory Staff	Utilities-Electric							397,656				397,656	
1612	SC Office of Regulatory Staff	Water/Wastewater			234,100				234,100		234,100		234,100	
1431	Employment Security Commission	Unemployment Insurance (UI)		41,106,705	1,755,927				37,557,489		2,108,398		39,665,887	

Improve the Conditions for our Economic Growth

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan					
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
241	Budget & Control Board	Community Development Block Grants	72,144						72,144				72,144	
1280	Dept of Parks, Recreation & Tourism	Heritage Corridor & Discovery Centers	456,247	1,247,115					456,247	1,247,115			1,703,362	
1332	Second Injury Fund	Claims Administration			774,105						774,105		774,105	10.00
1336	Department of Insurance	Solvency Monitoring	290,085		1,917,045				290,085		1,917,045		2,207,130	
1338	Department of Insurance	Taxation	155,424						155,424				155,424	
1348	Bd of Financial Institutions	Consumer Finance			1,152,412				1,152,412				1,243,663	
1432	Employment Security	SC Occupational Information	130,724	143,566	529,067				803,357	5.00	314,734		464,773	4.00
239	Budget & Control Board	Local Government Infrastructure Grants	275,542		3,605,000				3,880,542	5.25			3,880,542	
239	Budget & Control Board	Local Government Infrastructure Grants- combine with Rural Infrastructure Fund within Commerce												
1215	Department of Agriculture	General Fund Savings as Activity will be Funded from Gasoline Tax	664,468				626,000	75,000	664,468		1,056,196		1,720,664	
1521	SC Office of Regulatory Staff	Transportation			573,061				573,061				573,061	
1333	Second Injury Fund	Legal			337,781				337,781				337,781	
1337	Department of Insurance	Licensing	246,393		627,972				246,393		733,972		980,365	
1344	Department of Insurance	Executive Services	421,081						421,081				421,081	
1350	Dept of Consumer Affairs	Legal Division	86,704	30,000	793,019	175,000			1,086,723	17.00	818,019		936,723	
1351	Dept of Consumer Affairs	Advocacy Division	296,351						296,351		60,000		356,351	
981	Dept of Health & Environmental Control	Biotechnology Center (pass thru funds)	577,620						577,620				577,620	
1281	Dept of Parks, Recreation & Tourism	Pass Through Funds	1,375,000						1,375,000				1,375,000	
1603	Tourism	Competitive Grants			703,920		3,000,000	56,727	3,056,727				703,920	
1522	SC Office of Regulatory Staff	Telecommunications			477,477				477,477				477,477	
1523	SC Office of Regulatory Staff	Consumer Services			1,145,252				1,145,252				1,145,252	
1611	SC Office of Regulatory Staff	Audit			114,571				114,571				114,571	
1334	Second Injury Fund	Recoveries			10,000				141,648	4.00			149,148	
1352	Dept of Consumer Affairs	Public Information	131,648						131,648				131,648	
1430	Employment Security	Labor Market Information Department												
116	Secretary of State	Uniform Commercial Code	147,261		220,000				367,261	5.00	220,000		367,261	
1540	Budget & Control Board	Competitive Grants					3,000,000		3,000,000					
648	Technical & Comprehensive Education	Florence-Darlington - Entrepreneurial Operations	500,000						500,000				500,000	
1219	Department of Agriculture	Equipment												
1475	Clemson PSA	Market Bulletin			376,222				376,222				342,722	
1495	Clemson PSA	Rural Community Enhancement and Improvement	283,277	187,692	89,800				283,277	187,692	89,800		560,769	
1502	Clemson PSA	Agricultural Biotechnology	1,206,947	330,569	88,595				1,206,947	330,569	88,595		1,626,111	
118	Secretary of State	Rural Community Economic Development	934,380	368,162	26,689				1,329,211	21.84	934,380		1,329,211	
119	Secretary of State	Boards, Commissions, Acts & Resolutions	46,732						46,732				46,732	
1224	South Carolina State PSA	Charities, Special Purpose Districts, Municipal Incorporations and Annexations			643,395						643,395		643,395	
1609	SC Office of Regulatory Staff	Community Leadership and Economic Development	539,463	629,675					539,463	653,290			1,192,753	
1340	Department of Insurance	Legal	599,504		741,550				741,550				741,550	
1356	Labor, Licensing & Regulation	Form and Rate review							599,504				599,504	
1360	Labor, Licensing & Regulation	Labor-Management Mediation	72,500						72,500				72,500	
1371	Labor, Licensing & Regulation	Board of Nursing			1,570,000				1,570,000				1,570,000	
1375	Labor, Licensing & Regulation	Board of Architectural Examiners			275,000				275,000				275,000	
1393	Labor, Licensing & Regulation	Environmental Certification Board			475,000				475,000				475,000	
117	Secretary of State	Board of Pharmacy	26,318		780,000				26,318		780,000		780,000	
120	Secretary of State	Notaries and Apostilles											26,318	
		Trademarks, Service of Process, Employment Agencies & Business Opportunities	46,207						46,207				46,207	

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						Maybank Funding Proviso	FY 2006-07 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Total Funds		Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Capital Fund	Total Funds	New FTEs
1486	Clemson PSA	Natural Resources and Environmental Research and Education: Alternative Income Opportunities for Landowners	83,232	29,046	12,512				124,790	1.48	83,232	29,046	12,512		124,790	
1496	Clemson PSA	Risk Management Systems for Agricultural Firms	833,912	404,621	78,030				1,316,563	21.03	833,912	404,621	78,030		1,316,563	
1282	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item	200,000						200,000		200,000				200,000	
1608	Jobs - Economic Development Authority	Pass-through		750,000					750,000			178,399			178,399	
1359	Labor, Licensing & Regulation	Board of Medical Examiners			1,223,001				1,223,001	19.00			1,223,001		1,223,001	
1361	Labor, Licensing & Regulation	Board of Occupational Therapy			100,000				100,000	1.70			100,000		100,000	
1364	Labor, Licensing & Regulation	Board of Physical Therapy			110,000				110,000	2.10			110,000		110,000	
1370	Labor, Licensing & Regulation	Board of Veterinary Medical Examiners			110,000				110,000	1.10			110,000		110,000	
1372	Labor, Licensing & Regulation	Building Codes Council	75,000		175,000				250,000	4.00			675,000		675,000	
1373	Labor, Licensing & Regulation	Contractors' Licensing Board			900,000				900,000	12.42			900,000		900,000	
1374	Labor, Licensing & Regulation	Board of Registration for Professional Engineers and Land Surveyors			675,000				675,000	7.00			675,000		675,000	
1379	Labor, Licensing & Regulation	Real Estate Appraisers Board			450,000				450,000	6.02			450,000		450,000	
1381	Labor, Licensing & Regulation	Board of Accountancy			375,000				375,000	5.30			375,000		375,000	
1287	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item	377,586						377,586							
1357	Labor, Licensing & Regulation	Elevator and Amusement Ride Inspection	319,460						319,460	14.00			681,400		681,400	
1368	Labor, Licensing & Regulation	Board of Social Work Examiners			150,000				150,000	2.75			150,000		150,000	
1386	Labor, Licensing & Regulation	Board of Dentistry			400,000				400,000	4.40			400,000		400,000	
57	Governor's Office - OEPP	Civil Air Patrol	114,063						114,063	2.00	114,063				114,063	
1536	Adjutant General		50,000						50,000		50,000				50,000	
1544	Budget & Control Board	City of Florence - Downtown Redevelopment							1,000,000							
1213	Department of Agriculture	S. C. Beef Board (Pass Thru)			300,000				300,000	1.00			300,000		300,000	
1341	Department of Insurance	Pass through Funds			2,412,500				2,412,500				2,551,000		2,551,000	
1376	Labor, Licensing & Regulation	Manufactured Housing Board	75,083		209,738				284,821	7.25			209,738		209,738	
1378	Labor, Licensing & Regulation	Real Estate Commission			1,150,000				1,150,000	21.00			1,150,000		1,150,000	
1380	Labor, Licensing & Regulation	Residential Builders Commission			1,100,000				1,100,000	18.50			1,100,000		1,100,000	
1388	Labor, Licensing & Regulation	Board of Funeral Service			175,000				175,000	1.90			175,000		175,000	
1390	Labor, Licensing & Regulation	Board of Long Term Health Care Administrators			205,000				205,000	2.30			205,000		205,000	
1207	Department of Agriculture	Soybean Board (Pass Thru)			350,000				350,000	1.00			350,000		350,000	
1210	Department of Agriculture	Peanut Board (Pass Thru)			167,900				167,900				167,900		167,900	
1211	Department of Agriculture	Watermelon Board (Pass Thru)			99,077				99,077				99,077		99,077	
1601	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item					250,000		250,000							
1358	Labor, Licensing & Regulation	Board of Chiropractic Examiners			135,000				135,000	1.25			135,000		135,000	
1362	Labor, Licensing & Regulation	Board of Examiners in Opticianry			75,000				75,000	1.25			75,000		75,000	
1363	Labor, Licensing & Regulation	Board of Examiners in Optometry			85,000				85,000	1.25			85,000		85,000	
1366	Labor, Licensing & Regulation	Board of Examiners for Licensure of Professional Counselors, Marriage and Family Therapists and Psycho-Educational Specialists			155,000				155,000	2.20			155,000		155,000	
1367	Labor, Licensing & Regulation	Board of Examiners in Psychology			100,000				100,000	1.10			100,000		100,000	

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FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding					FY 2006-07 Governor's Purchase Plan								
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Total Funds	New FTEs
1369	Labor, Licensing & Regulation	Board of Speech-Language Pathology and Audiology			85,000				85,000	1.75			85,000		85,000	
1541	Budget & Control Board	Morris Island Lighthouse					500,000		500,000							
1543	Budget & Control Board	Expansion of Heritage Corridor					500,000		500,000							
1208	Department of Agriculture	Pork Board (Pass Thru)			150,000				150,000				150,000		150,000	
1209	Department of Agriculture	Cotton Board (Pass Thru)			413,700				413,700				413,700		413,700	
1365	Labor, Licensing & Regulation	Board of Podiatry Examiners			7,500				7,500	0.50			7,500		7,500	
1377	Labor, Licensing & Regulation	Board of Pyrotechnic Safety			60,000				60,000	1.00			60,000		60,000	
1387	Labor, Licensing & Regulation	Board of Registration for Foresters			45,000				45,000	0.65			45,000		45,000	
1391	Labor, Licensing & Regulation	Massage Bodywork Therapy Panel			175,000				175,000	2.05			175,000		175,000	
1394	Labor, Licensing & Regulation	Pilotage Commission			5,000				5,000				5,000		5,000	
1382	Labor, Licensing & Regulation	State Athletic Commission			45,000				45,000				45,000		45,000	
1383	Labor, Licensing & Regulation	Auctioneers Commission			150,000				150,000	2.15			150,000		150,000	
1384	Labor, Licensing & Regulation	Board of Barber Examiners			325,000				325,000	4.90			325,000		325,000	
1385	Labor, Licensing & Regulation	Board of Cosmetology			750,000				750,000	10.90			750,000		750,000	
1392	Labor, Licensing & Regulation	Perpetual Care Cemetery Board			65,000				65,000	1.15			65,000		65,000	
263	Budget & Control Board	Branderburg Coordination Committee	11,354						11,354		11,354				11,354	
1212	Department of Agriculture	Tobacco Board (Pass Thru)			138,000				138,000				138,000		138,000	
1307	Department of Commerce	Agency Pass Through	597,688				1,450,000		2,047,688		500,000				500,000	
1389	Labor, Licensing & Regulation	Board of Registration for Geologists			65,000				65,000	0.85			65,000		65,000	
114	Secretary of State	Administration	420,634		50,000				470,634	7.00	420,634		50,000		470,634	
657	Technical & Comprehensive Education	Economic Development – Administration	2,269,186						2,269,186	31.00	2,269,186				2,269,186	
1220	Department of Agriculture	Administrative Services	1,153,053	11,000	35,000				1,199,053	15.00	1,153,053	1,000	21,000		1,175,053	
1266	Dept of Parks, Recreation & Tourism	Administration - Executive Office - Tourism	407,049						407,049	4.00	407,049				407,049	
1267	Dept of Parks, Recreation & Tourism	Administration - Tourism	1,165,135						1,165,135	10.00	1,165,135				1,165,135	
1308	Department of Commerce	Administration	2,790,805		97,286				2,888,091	39.00	3,490,805		144,786		3,635,591	
1606	Department of Commerce	Administration - Loan Repayment				3,500,000			3,500,000							
1607	Jobs - Economic Development Authority	Administration		126,081					126,081	1.00		126,081			126,081	
1321	Public Service Commission	Administration			971,767				971,767	10.00			971,767		971,767	
1525	SC Office of Regulatory Staff	Administration			1,506,211				1,506,211	12.00			1,506,211		1,506,211	
1335	Second Injury Fund	Administration			503,945				503,945	8.00			503,945		503,945	
1346	Department of Insurance	Administration	567,379						567,379	21.00	667,379			996,000	1,663,379	
1353	Dept of Consumer Affairs	Administration	584,484		330,463	75,000			989,947	11.00	584,484		336,231		920,715	
1399	Labor, Licensing & Regulation	Administration	701,898		2,807,544				3,509,442	57.00	701,898		3,379,544		4,081,442	
1427	Employment Security Commission	Administration		10,316,031	1,732,204				12,048,235	159.32		9,239,016	2,321,636		11,560,652	
1284	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item	45,000						45,000							
1599	Dept of Parks, Recreation & Tourism	Pass Through Funds	25,000						25,000							
1286	Dept of Parks, Recreation & Tourism	Pass Through Funds	246,000						246,000							
1604	Dept of Parks, Recreation & Tourism	Pass Through Funds	175,000						175,000							
1476	Clemson PSA	Government and Public Affairs Research and Education	214,073	97,802	56,829				368,704	6.99		97,802	56,829		154,631	
1484	Clemson PSA	Rural Community Leadership Development	365,626	275,917	75,779				717,322	8.96		275,917	75,779		351,696	
1500	Clemson PSA	Rural Community Public Issues Education	65,770	50,890	21,921				138,581	2.59		50,890	21,921		72,811	
1513	Clemson PSA	Community and Economic Affairs Research and Education	181,121	83,825	41,300				306,246	5.92		83,825	41,300		125,125	

Improve the Conditions for our Economic Growth FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan							
			Federal Funds		Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds		Federal Funds	Other Funds	Capital Reserve Fund	Total Funds
			53,347,366	173,401,662	84,114,459	3,800,000	18,326,000	1,131,727	334,121,214	2,273.06	67,460,110	168,653,515	104,604,661	9,077,230	349,795,516	17.00
		Total														

Improve the Health and Protections of our Children and Adults

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan					
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	General Funds	Federal Funds	Other Funds	Capital Reserve	Total Funds	New FTEs
NEW	Medical University of South Carolina	Hypertension Initiative							250,000				250,000	
----	Social Services	Targeted Case Management							480,400		15,853,200		16,333,600	
----	Disabilities & Special Needs	Targeted Case Management							322,500		10,642,500		10,965,000	
----	Dept of Mental Health	Targeted Case Management							85,200		2,811,600		2,896,800	
----	Governor's Office - OEPP	Targeted Case Management - Continuum of Care							41,100		1,356,300		1,397,400	
----	Alcohol & Other Drug Abuse Services	Targeted Case Management							8,000		264,000		272,000	
----	Medical University of South Carolina	Targeted Case Management							200		6,600		6,800	
----	Dept of Health & Environmental Control	Targeted Case Management							3,400		112,200		115,600	
----	Juvenile Justice	Targeted Case Management							49,600		1,636,800		1,686,400	
----	School for the Deaf & Blind	Targeted Case Management							9,500		313,500		323,000	
----	Commission for the Blind	Targeted Case Management							100		3,300		3,400	
1101	Social Services	Child Support Enforcement	5,238,230	22,551,507	10,464,903	11,500,000			5,238,230	31,902,868	13,281,915	16,500,000	66,923,013	
1092	Social Services	Child Abuse and Neglect - Intake and Assessment	3,294,692	17,019,313	5,292,017				3,536,743	28,920,530	4,905,368		37,362,641	6.00
1094	Social Services	Child Protective Treatment Services - In-Home	4,026,962	15,447,044	3,916,741				7,946,013	19,044,278	6,239,062		33,229,353	100.00
839	Vocational Rehabilitation	Direct Client Services	9,044,039	26,257,741	1,084,208	600,000			9,703,668	29,910,082	954,720		40,568,470	
968	Dept of Health & Environmental Control	Infectious Disease Prevention - Immunization Program	4,088,225	3,386,905	509,679				4,537,930	2,821,183	450,423		7,809,536	
1088	Social Services	Adoptions	2,632,015	4,232,868	3,971,758				3,451,412	4,568,047	7,115,351		15,134,810	47.00
1105	Social Services	Food Stamp Program	11,745,183	533,205,324	11,062,121				11,745,183	600,168,105	10,639,335		622,552,623	
911	Dept of Health & Human Services	Community Long Term Care	27,597,831	65,902,495	1,752,836				29,310,703	69,738,147	1,752,836		100,801,686	
911	Dept of Health & Human Services	CLTC - Add 500 slots to Elderly/Disabled Waiver; Increase Personal Care Rate \$1							2,159,394	4,853,902			7,013,296	
915	Dept of Health & Human Services	EPSTD Screening	3,404,634	8,759,466	275,568				3,404,634	8,759,466	175,568		12,339,668	
937	Dept of Health & Human Services	Disproportionate Share Protection from Public Health Emergencies	21,292,776	464,414,900	178,786,386				21,292,776	472,217,564	188,786,386		682,296,726	
978	Dept of Health & Environmental Control	Independent Living - Children with Special Health Care Needs Program		22,824,323						17,306,332	26,219		17,332,551	
985	Dept of Health & Environmental Control	Special Health Care Needs Program	6,372,958	9,433,434	1,859,629				6,372,958	9,242,666	1,536,879		17,152,503	
999	Department of Mental Health	Crisis Stabilization	12,111,220	1,090,504	8,527,208				12,111,220	780,527	8,527,208		21,418,955	
1100	Social Services	Foster Care Treatment Services for Emotionally Disturbed Children	21,967,673	4,831,852	10,125,359				22,660,746	6,395,732	13,275,534		42,332,012	52.00
897	Dept of Health & Human Services	MUSC Medicaid Services		22,110,432	9,525,613					40,163,026	9,525,613		49,688,639	
907	Dept of Health & Human Services	Physician Services	85,296,278	209,204,004	5,120,380				107,955,212	250,093,385	5,120,380		363,168,977	
913	Dept of Health & Human Services	Home Health Services	3,745,097	9,635,412	303,124				3,745,097	9,635,412	193,124		13,573,633	

Improve the Health and Protections of our Children and Adults

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan FY 2005-06								
			Maybank Funding			Capital Reserve				General Funds			Other Funds					
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Funding Proviso	Total Funds	Total FTEs		General Funds	Federal Funds	Other Funds	Capital Reserve	Total Funds	New FTEs	
942	Dept of Health & Human Services	Medicaid Eligibility	7,967,387	19,589,649	11,033,109				38,590,145	493.00		10,467,387	20,068,410	11,033,109			41,568,906	
		Adult Protective Services	2,144,051	3,861,818	3,066,473				9,072,342	166.38		2,144,051	5,602,886	4,349,660			12,096,597	
		Foster Care Services	3,921,693	21,999,020	8,297,844				34,218,557	502.35		4,924,169	24,128,848	14,391,672			43,444,689	55.00
		Social Services Child Care	4,678,869	64,142,287	8,701,873				77,523,029	98.46		4,678,869	78,700,224	4,951,339			88,330,432	
1134	Housing Finance & Development Auth	Rental Assistance																
				100,380,719	1,549,940				101,930,659	43.00			100,380,719	1,549,940			101,930,659	
65	Governor's Office - OEPP	Pass-Through Funds	297,938						297,938			297,938					297,938	
894	Dept of Health & Human Services	DMH Medicaid Services		155,014,314	66,783,245				221,797,559				124,079,684	66,783,245			190,862,929	
895	Dept of Health & Human Services	DDSN Medicaid Services		327,982,953	141,301,570				469,284,523				316,929,345	141,301,570			458,230,915	
901	Dept of Health & Human Services	Hospital Services	173,008,665	464,658,073	27,434,454				665,101,192			176,166,912	478,882,758	23,051,826			678,101,496	
		Hospital Services - Nonrecurring Funding Proviso Tobacco Deallocation Appropriation															8,000,000	
901	Dept of Health & Human Services	Hospice Care	1,536,317	3,745,602	79,444				5,361,363			1,770,439	10,666,394	79,444			12,516,277	
926	Dept of Health & Environmental Control	Chronic Disease Prevention	1,738,580	5,708,590	96,745				7,543,915	37.12		1,738,580	5,560,214	70,747			7,369,541	
973	Dept of Health & Environmental Control	Temporary Assistance to Needy Families (TANF)/Family Independence																
1104	Social Services	State Level Activity Home and Community-based Services	16,581,589	58,355,086	13,225,040				88,161,715	750.31			76,475,962	8,142,973			101,200,524	
87	Lieutenant Governor		78,737	236,210					314,947	3.00		78,737	236,210				314,947	
90	Lieutenant Governor	Regional Level Activity Flow Thru Funding Title III Part C and USDA - Group Dining and Home Delivered Nutrition Services	835,025	9,095,492	618,900				10,549,417			835,025	9,195,492	618,900			10,649,417	
209	Board	Health & Demographics	877,810	195,729	2,424,492				3,498,031	25.00		877,810	108,525	2,273,452			3,259,787	
892	Dept of Health & Human Services	Managed Care	22,480,685	54,696,652	1,118,695				78,296,032			45,607,070	146,304,951	9,118,695			201,030,716	
		DHEC Medicaid Services		30,767,767	13,255,365				44,023,132				27,697,271	13,255,365			40,952,636	
898	Human Services	USC Medicaid Services		4,458,954	1,921,006				6,379,960				7,985,247	1,921,006			9,906,253	
903	Human Services	Nursing Facility Services	125,433,331	343,378,050	22,798,973				491,610,354			125,433,331	288,720,995	5,568,573			419,722,899	
912	Human Services	Community Long Term Care Administration	1,466,792	4,455,264	393,335				6,315,391	51.00		1,466,792	914,107	443,335			2,824,234	
925	Dept of Health & Human Services	Medicare Premium Payments	34,410,891	75,502,855	5,449,667				115,363,413			43,410,891	102,490,479	12,449,667			158,351,037	
		Residential Care Facility							16,074,487				16,074,487				16,074,487	
928	Human Services	Emotionally Disturbed Children		51,065,427	22,000,000				73,065,427				49,451,770	22,000,000			71,451,770	
939	Human Services	Palmetto Senior Care	3,000,000	6,963,467					9,963,467			3,000,000	6,163,464				9,163,464	
966	Dept of Health & Environmental Control	Infectious Disease Prevention - General Sanitation Program	2,200,208	167,074	3,509,975				5,877,257	102.07		2,565,208	161,265	3,590,703			6,317,176	
		Infectious Disease Prevention - Surveillance, Investigation and Control Program																
967	Dept of Health & Environmental Control		7,120,210	47,252,044	82,324				54,454,578	155.25		7,443,210	48,698,939	236,527			56,378,676	

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan FY 2005-06							
			Maybank Funding			Capital Reserve Fund	Supplemental Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve	Total Funds	New FTEs	
			General Funds	Federal Funds	Other Funds											
975	Dept of Health & Environmental Control	Assuring Public Health Services	41,979,734	23,044,282	22,602,368				87,626,384	1,292.96	41,979,734	27,333,044	26,629,952		95,942,730	
977	Dept of Health & Environmental Control	Minority Health	409,378	264,916					674,294	8.45	446,078	159,797	70,486		676,361	
986	Dept of Health & Environmental Control	Independent Living - Sickle Cell Program (pass thru funds)	1,488,170		25,000				1,513,170	6.47	1,488,170		36,280		1,524,450	
1592	Dept of Mental Health	Outpatient Services	35,045,302	5,133,844	40,144,132				80,323,278	1,482.30	35,045,302	5,155,136	40,034,132		80,234,570	
1024	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Waiver Services	2,683,866	4,283,459					6,967,325		2,795,866		4,283,459		7,079,325	
1099	Social Services	Domestic Violence	5,027	4,156,750	1,058,679				5,220,456	1.61	5,027	3,601,984	1,104,381		4,711,392	
89	Lieutenant Governor	State Level Activity Nutrition Services	97,913	277,125					375,038	1.50	97,913	277,125			375,038	
		State Level Activity - Family Caregiver Support Program														
97	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Family Caregiver Support Program	19,484	58,449					77,933	1.00	19,484	58,449			77,933	
98	Lieutenant Governor	The Medicaid Fraud Control Section							2,059,170			2,079,170			2,079,170	
141	Attorney General	Case Services, Purchased	323,044	969,122					1,292,166	14.00	323,044	969,122			1,292,166	
840	Vocational Rehabilitation	Disability Determination Services	800,000	8,814,563					9,614,563		800,000	8,814,563			9,614,563	
850	Vocational Rehabilitation	Disability Determination Services		28,525,000	3,427,400				31,952,400	312.36		32,337,364	2,650,686		34,988,050	
888	Dept of Health & Human Services	Clinic Services	29,490,858	73,169,572	2,075,217				104,735,647		30,953,708	66,417,955	2,075,217		99,446,880	
905	Dept of Health & Human Services	Pharmaceutical Services	137,703,231	500,119,835	76,030,214				715,853,280		156,797,090	340,120,833	88,480,214		585,398,137	
		Move from the old (AWP - 10 percent) standard to a standard more in line with the southeastern average (AWP - 12).														
905	Dept of Health & Human Services	Dental Services	26,196,231	69,834,884	3,929,713				99,960,828		27,699,245	68,263,957	3,929,713		99,892,915	
909	Dept of Health & Human Services	Transportation Services	13,278,073	34,161,917	1,074,714				48,514,704		24,839,305	64,948,867	684,714		90,472,886	
919	Dept of Health & Human Services	Integrated Personal Care	383,870	889,725					1,273,595		383,870	889,725			1,273,595	
930	Dept of Health & Human Services	Drug Control			2,008,454				2,008,454	32.88			2,128,071		2,128,071	
982	Dept of Disabilities and Special Needs	Early Intervention	1,297,740		10,472,294				11,770,034	2.00	3,265,740		12,052,294		15,318,034	
1014	Dept of Disabilities and Special Needs	Waiver Services	13,097,907	140,000	22,106,298				35,344,205	4.00	13,097,907	140,000	22,106,298		35,344,205	
1018	Dept of Disabilities and Special Needs	Mental Retardation - Community Training Homes	24,988,442		63,635,634				88,624,076	28.00	27,230,793		86,146,860		113,377,653	
1027	Alcohol & Other Drug Abuse Services	Chemical Dependency Community Based Intervention Services	753,367	1,046,153					1,799,520	2.00	753,367	956,153			1,709,520	
1036	Alcohol & Other Drug Abuse Services	Chemical Dependency Community-Based Treatment Services														
1037	Alcohol & Other Drug Abuse Services	Adoption Subsidy- Special Needs	6,863,387	15,588,942	1,323,881				23,756,210	5.50	7,613,387	15,703,791	1,021,951		24,339,129	
1090	Social Services	Homemaker Services	7,866,719	12,056,457	1,546,687				21,469,863		9,866,719	13,100,074	3,680,850		26,647,643	
1097	Social Services	USDA Food Distribution	228,312	3,573,258	629,086				4,430,656	131.81	228,312	4,546,366			4,774,678	
1107	Social Services	Prevention of Blindness	57,011	8,323,691	67,716				8,448,418	2.01	57,011	9,529,356	69,065		9,655,432	
1129	Commission for the Blind	Housing Initiatives	804,856						804,856	7.00	934,846				934,846	
1135	Housing Finance & Development Auth	Housing Initiatives		10,210,345					10,210,345	6.56		9,457,143			9,457,143	

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			Maybank Funding			Capital Reserve			General Funds	Federal Funds	Other Funds	Capital Reserve	New FTEs
			General Funds	Federal Funds	Other Funds	Fund	Proviso	Supplemental Proviso	Total Funds	Total FTEs			
1136	Housing Finance & Development Auth	Homeownership			1,705,970				1,705,970	22.00		1,935,153	
914	Dept of Health & Human Services	Home Health Services Administration	36,040	74,817	5,333				116,190	1.50	36,040	5,333	116,190
932	Dept of Health & Human Services	DSS Medicaid Services		41,459,331	17,861,503				59,320,834			17,861,503	51,933,635
908	Dept of Health & Human Services	Physician Services Administration	506,956	1,052,420	75,023				1,634,399	21.10	506,956	75,023	1,634,399
60	Governor's Office - OEPP	Intensive Case Management	3,673,090		4,895,569				8,568,659	88.00	3,673,090	5,051,932	8,725,022
60	Governor's Office - OEPP	Continuum of Care - administrative savings from restructuring									(144,885)		(144,885)
		Regional Level Activity Flow Thru Funding Title III Part B											
88	Lieutenant Governor	Community-Based Supportive Services	833,562	5,520,663					6,354,225		833,562	5,638,620	6,472,182
1560	USC - Columbia	Palmetto Poison Control Center					200,000		200,000			200,000	200,000
602	Consortium of Community Teaching Hospitals	Recruitment - Nursing Recruitment Center	37,955						37,955	0.25	37,955		37,955
606	Consortium of Community Teaching Hospitals	Recruitment - National Health Service Corps Loan Repayment		320,000					320,000	0.50			320,000
843	Vocational Rehabilitation	Independent Living	35,000	315,000					350,000		35,000		350,000
899	Dept of Health & Human Services	DAODAS Medicaid Services		9,406,402	4,052,465				13,458,867			4,052,465	12,736,378
900	Dept of Health & Human Services	Continuum of Care		8,205,761	3,535,205				11,740,966			3,535,205	9,394,168
921	Dept of Health & Human Services	Lab and X-Ray Services	8,511,585	21,898,665	688,919				31,099,169		8,511,585	438,919	30,849,169
1585	Dept of Health & Human Services	Prevention Partnership Grants		2,000,000					2,000,000		5,000,000		5,000,000
	Dept of Health & Environmental Control	Maternal and Infant Health	3,357,658	109,290,956	21,919,812				134,568,426	793.92	3,691,263	21,820,020	138,354,604
	Dept of Health & Environmental Control	Maternal and Infant Health - Newborn Hearing and Screening Program											
972	Dept of Health & Environmental Control	Independent Living - Home Health Program	804,001						804,001		804,001		880,803
984	Dept of Health & Environmental Control	Emergency Medical Services		452	29,655,372				29,655,824	368.65		28,740,329	28,747,700
992	Dept of Health & Environmental Control	Vital Records	703,276	1,906,347	95,531				2,705,154	26.30	703,276	139,934	2,057,896
995	Dept of Health & Environmental Control	Intensive Family Services (Family Preservation)	253,969	1,831,054	4,647,234				6,732,257	71.65	253,969	4,667,239	6,162,008
1000	Department of Mental Health	Assertive Community Treatment	1,486,419	217,748	1,702,682				3,406,849	98.56	1,486,419	1,702,682	3,647,982
1588	Dept of Mental Health	Community Based Rehabilitation	1,370,346	190,504	1,489,651				3,050,501	73.92	1,370,346	1,489,651	3,050,501
1589	Dept of Mental Health	Adult Development and Supported Employment	8,035,568	1,177,144	9,204,683				18,417,395	234.64	8,035,568	9,204,683	18,417,395
1020	Dept of Disabilities and Special Needs	Autism Community Training Homes	9,861,090		39,820,052				49,681,142		9,861,090	39,820,052	49,681,142
1029	Dept of Disabilities and Special Needs	Licensing Services - Foster Care and Group or Institutional Facilities and Child Placing Agencies	2,449,369		6,249,468				8,698,827	50.00	2,669,164	7,093,658	9,762,822
1089	Social Services		750,000	750,000					1,500,000		750,000		1,500,000
1098	Social Services		274,560	490,337	68,514				833,411	15.67	1,773,091	2,529,804	4,852,884
													90.00

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan FY 2005-06								
			Capital Reserve Fund			Maybank Funding Proviso			General Funds			Other Funds					
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve	Total Funds	New FTEs	
		Child and Adult Care Food, After School Snack Program, Emergency Shelters Food Program, Summer Food Service Program	8,710	30,826,050	319,384				31,154,144	11.66	8,710	33,666,546	312,022			33,987,278	
1106	Social Services	Commission for the Blind	242,000	910,660					1,152,660	19.25	242,000	910,660				1,152,660	
1125	Human Affairs	Adjustment to Blindness							174,700	3.00		224,700				224,700	
1148	Commission	Fair Housing Investigations		174,700													
933	Dept of Health & Human Services	DJJ Medicaid Services		18,748,725	8,077,323				26,826,048			29,884,869	8,077,323			37,962,192	
934	Dept of Health & Human Services	Dept of Education Medicaid		55,587,823	23,948,338				79,536,161			55,881,109	23,948,338			79,829,447	
904	Dept of Health & Human Services	Nursing Facility Administration	1,528,697	4,140,166	2,173,334				7,842,197	15.00	1,528,697	5,381,574	2,173,334			9,083,605	
910	Dept of Health & Human Services	Dental Services Administration	122,534	254,376	18,134				395,044	5.10	122,534	254,376	18,134			395,044	
916	Dept of Health & Human Services	EPSTD Screening Administration	9,611	19,951	1,422				30,984	0.40	9,611	19,951	1,422			30,984	
922	Dept of Health & Human Services	Lab and X-Ray Services Administration	24,026	49,878	3,556				77,460	1.00	24,026	49,878	3,556			77,460	
927	Dept of Health & Human Services	Hospice Care Administration	36,040	74,817	5,333				116,190	1.50	36,040	74,817	5,333			116,190	
62	Governor's Office - OEPP	Conduct statewide reviews of children in foster care as per statute	196,164		374,522				570,686	9.00	196,164		495,495			691,659	
105	Lieutenant Governor	State Level Activity - Elder Abuse Prevention	2,500						2,500		2,500					2,500	
1535	Lieutenant Governor	State Level Activity Geriatric Physician Loan Program									140,000				140,000		
601	Consortium of Community Teaching Hospitals	Recruitment - Rural Physician Program	689,845						689,845		689,845				689,845		
608	Consortium of Community Teaching Hospitals	Instruction-Family Medicine Residency	6,219,481						6,219,481	11.03	6,219,481				6,219,481		
842	Vocational Rehabilitation	Supported Employment		528,000					528,000	17.00		528,000			528,000		
845	Vocational Rehabilitation	SSI Program		2,000,000					2,000,000	10.00		2,020,193			2,020,193		
849	Vocational Rehabilitation	Workshop Production			17,000,000				17,000,000				17,000,000		17,000,000		
917	Dept of Health & Human Services	Medical Professional Svcs.	5,106,951	13,139,199	413,351				18,659,501		5,106,951	13,139,199	263,351		18,509,501		
940	Dept of Health & Human Services	MUSC Maxillofacial Services	250,000						250,000		250,000				250,000		
943	Dept of Health & Human Services	Medicaid Eligibility Support	995,027	1,811,362	483,963				3,290,352	67.50	995,027	1,811,362	483,963		3,290,352		
950	Dept of Health & Environmental Control	Underground Storage Tanks		3,476,096	3,180,653				6,656,749	95.24		3,157,945	2,076,512		5,234,457		
1002	Department of Mental Health	Long Term Inpatient Psych	12,072,561	19,190	10,638,401				22,730,152	380.37	12,472,561		7,348,375		19,820,936		
1003	Department of Mental Health	Acute Psych	18,472,430	27,467	15,335,494				33,835,391	567.96	19,772,430	6,657	15,355,494		35,134,581		
1004	Department of Mental Health	Inpatient Psych for Children	9,448,432	38,972	7,396,728				16,884,132	274.12	9,448,432	74,355	7,396,728		16,919,515		
1590	Department of Mental Health	Community Residential (Housing) Support	13,533,738	1,919,574	15,010,120				30,463,431	549.37	14,133,738	1,788,804	15,360,120		31,282,662		
1591	Dept of Mental Health	Day Treatment	4,002,003	586,260	4,584,264				9,172,527	160.61	4,002,003	586,260	4,584,264		9,172,527		

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan FY 2005-06					
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	General Funds	Federal Funds	Other Funds	Capital Reserve	Total Funds	New FTEs
1026	Dept of Disabilities and Special Needs	Intermediate Care Facility/Mental Retardation (ICF-MR)	15,846,329	215,657	40,576,031				15,846,329	192,181	45,255,029		61,293,539	
1028	Dept of Disabilities and Special Needs	Mental Retardation - Assisted Living	4,571,056		11,640,665				4,571,056		11,640,665		16,211,721	
1035	Alcohol & Other Drug Abuse Services	Chemical Dependency Community Based Prevention Services	122,659	7,903,827					122,659	7,353,827			7,476,486	
1096	Social Services	Foster Home Payments	5,819,563	13,311,076	2,856,323				9,979,530	10,854,739	2,867,892		23,702,261	
93	Lieutenant Governor	State Level Activity - Medicare Counseling Program - HCARE		97,778						97,778			97,778	
103	Lieutenant Governor	State Level Activity - State Long Term Care Ombudsman Program	20,152	114,196					20,152	114,196			134,348	
104	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Regional Long Term Care Ombudsman Program under Title II-B and Title VII and State Funds		853,173									853,173	
1566	Medical University of South Carolina	Hollings Cancer Center						500,000	500,000				500,000	
600	Consortium of Community Teaching Hospitals	Recruitment - Rural Physician Program	77,917						77,917				77,917	
931	Dept of Health & Human Services	School for the Deaf and Blind		1,627,541	701,177					2,572,731	701,177		3,273,908	
944	Dept of Health & Human Services	Automated Claims Processing	7,437,376	30,903,985	2,982,911				7,437,376	23,312,286	2,982,911		33,732,573	
946	Dept of Health & Human Services	Audits/Compliance	823,613	1,566,659	127,799				823,613	1,566,659	127,799		2,518,071	
1584	Dept of Health & Human Services	Trauma Center Fund	4,000,000	9,181,230					4,000,000	8,991,231			12,991,231	
976	Dept of Health & Environmental Control	Injury and Violence Protection		404,265	39,841					832,181	50,919		883,100	
991	Dept of Health & Environmental Control	Certification		5,192,402	274,589					5,856,565	46,342		5,902,907	
994	Dept of Health & Environmental Control	Laboratory	2,652,695	2,940,890	6,478,437				2,652,695	2,845,102	6,812,989		12,310,786	
1007	Department of Mental Health	Nursing Home for Mentally Ill	11,856,222	23,329	16,913,325				11,856,222	3,329	16,913,325		28,772,875	
1019	Dept of Disabilities and Special Needs	Respite/Family Support Stipends	3,223,662						3,223,662				3,223,662	
1031	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Assisted Living	120,442		432,619				120,442		432,619		553,061	
1032	Dept of Disabilities and Special Needs	Regional Centers - Intermediate Care Facility/Mental Retardation (ICF/MR)	54,256,883	41,500	47,067,730				54,256,883	40,000	44,083,677		98,380,560	
1102	Social Services	Child Care Licensing	173,728	3,460,737	336,432				173,728	3,509,673	221,878		3,905,279	
1128	Commission for the Blind	Training and Employment		489,718	80,000				325,078	489,718	80,000		894,796	
1130	Commission for the Blind	Older Blind & Independent Living		391,179					20,000	397,168			417,168	
1146	Human Affairs	Employment Discrimination Investigations	485,157		394,461				485,157		394,461		879,618	
902	Dept of Health & Human Services	Hospital Services Administration	414,454	860,391	61,334				414,454	860,391	61,334		1,336,179	
918	Dept of Health & Human Services	Medical Professional Svcs. Administration	60,066	124,694	8,889				60,066	124,694	8,889		193,649	
920	Dept of Health & Human Services	Transportation Services Administration	180,198	374,083	26,667				180,198	374,083	26,667		580,948	

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan				
			Maybank Funding			Capital Reserve			General Funds	Federal Funds	Other Funds	Capital Reserve	New FTEs
			General Funds	Federal Funds	Other Funds	Fund	Proviso	Supplemental Proviso	Total Funds	Total FTEs			
75	Governor's Office - OEPP	Grants Administration (Formula)		28,057,927	520,000				28,577,927	19.00	26,144,316	560,000	26,704,316
76	Governor's Office - OEPP	Grants Administration (Competitive)		1,687,698					1,687,698	2.00	1,687,698		1,687,698
935	Human Services	Commission for the Blind		202,221	87,121				289,342		415,994	87,121	503,115
66	Governor's Office - OEPP	Constituent Services/ Ombudsman	198,289						198,289	7.00	198,289		198,289
67	Governor's Office - OEPP	Constituent Services/ Children's Affairs	131,398						131,398	3.00	131,398		131,398
111	Lieutenant Governor	Local Level Activity - Competitive Grant Awards	145,000						145,000		145,000		145,000
1528	Lieutenant Governor	State Level Activity SC Access Special Purpose Developmental		495,083					495,083	1.00	449,195		449,195
1532	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - I-CARE		258,551					258,551		295,836		295,836
		Regional Level Activity - Flow Thru Funding - Elder Abuse Prevention Program under Title VII		70,784					70,784				70,784
1533	Lieutenant Governor	Medicaid Audits	1,045,373						1,045,373	23.80	1,045,373		1,045,373
273	Board - Auditor	Health Professions Student Programs	619,523						619,523	1.75	619,523		619,523
595	Consortium of Hospitals	Instruction		1,262,731					1,262,731	1.55	1,393,845		1,393,845
604	Consortium of Hospitals	Education-Graduate Doctor Programs (excluding Family Medicine Residency Training Programs)							4,101,555	2.00	4,101,555		4,101,555
		BPAO Grant	16,000	400,000					416,000	1.00	16,000	403,057	419,057
846	Dept of Health & Human Services	Rural Hospital Grants					3,000,000		3,000,000				
1586	Dept of Health & Environmental Control	Rape Violence Prevention	858,415	1,014,121					1,872,536		858,415	770,094	1,628,509
983	Dept of Health & Environmental Control	Radiological Health	866,355	232,801	809,105				1,908,261	27.79	866,355	76,483	1,694,901
988	Dept of Health & Environmental Control	Health Facilities Licensing	1,842,824		728,299				2,571,123	49.04	1,842,824	727,699	2,570,523
990	Environmental Control	Emergency Medical Services - Counties and Regions (pass thru funds)	1,581,777						1,581,777		1,581,777		1,581,777
993	Environmental Control	Forensic - Community Mental Health	616,860	396,397	706,609				1,719,865	50.21	616,860	706,609	1,323,469
1587	Dept of Mental Health	Autism Family Support	674,845	20,000	5,234,034				5,928,879	13.00	674,845	5,234,034	5,963,879
1022	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Family Support	357,849	130,000					487,849	6.00	357,849	130,000	487,849
1025	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Community Training Homes	325,640		483,835				809,475		354,862	283,835	638,697
1030	Alcohol & Other Drug Abuse Services	Direct Chemical Dependency Services		63,077	490,872				553,949	3.00			63,077
1038	Commission for the Blind	Vocational Rehab Services	290,302	3,600,000					3,890,302	27.75	290,302	3,698,955	3,989,257
1126	Human Affairs Commission	Intake & Referral	142,536		138,837				281,373	5.00	142,536	138,837	281,373

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan FY 2005-06							
			Capital Reserve Fund			Maybank Funding			General Funds			Other Funds				
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve	Total Funds	New FTEs
	Consortium of Community Teaching Hospitals	Recruitment - Palmetto Initiative for Excellence (PIE)	74,440						74,440		74,440				74,440	
599	Vocational Rehabilitation	In-Service Training	27,500	247,500					275,000		27,500	247,500			275,000	
841	Vocational Rehabilitation	Miscellaneous Grants		190,000	95,000				285,000			190,000	182,302		372,302	
848	Department of Mental Health	Sexually Violent Predator Program	3,791,558	23,329	42,026				3,856,913	62.14	3,791,558	23,329	42,026		3,856,913	
1009	Commission for the Blind	Renovation of Residential Building				900,000			900,000							
1594	Housing Finance & Development Auth.	Tax Credit			871,229				871,229	5.55			871,229		871,229	
1138	South Carolina State	Youth and Family Development	658,194	752,296					1,410,490	17.40	658,194	775,911			1,434,105	
1223	PSA	Integrated Personal Care Administration	144,158	299,266	21,333				464,757	6.00	144,158	919,798	21,333		1,085,289	
887	Human Services	Attorney Compensation	100,296		203,980				304,276		100,296		203,980		304,276	
73	Governor's Office - OEPP	Statistical Data Collection and Analysis	128,504	38,413					166,917	3.00	128,504	38,413			166,917	
85	Lieutenant Governor	State Level Activity - Alzheimer's Resource Coordination Center	5,000						5,000		5,000				5,000	
110	Lieutenant Governor	Library Information Service	144,680						144,680		144,680				144,680	
603	Consortium of Community Teaching Hospitals	Student Development and Diversity Programs			113,636				113,636	0.15			113,636		113,636	
1567	Vocational Rehabilitation	Residential Substance Abuse Treatment Centers	422,208	1,923,677	4,257				2,350,142	49.00	422,208	1,923,677	4,257		2,350,142	
1517	Dept of Health & Environmental Control	Family Health Centers (pass thru funds)	444,603			2,800,000			3,244,603		444,603				444,603	
979	Dept of Health & Environmental Control	Family Health Center Lancaster-Kershaw (pass thru funds)	175,738						175,738		175,738				175,738	
980	Dept of Disabilities and Special Needs	Center Based Child Development	300,000		1,043,058				1,343,058		300,000		1,043,058		1,343,058	
1015	Social Services	Pass Through Funds	3,080,009			86,000	700,000		3,866,009		3,080,009				3,080,009	
1109	Housing Finance & Development Auth	Property Administration and Compliance			1,047,235				1,047,235	12.89			1,047,235		1,047,235	
1137	Human Affairs	Community Relations			66,163				66,163	5.00			83,063		83,063	
1144	Commission on Minority Affairs	Food Safety and Nutrition	60,300		50,000				110,300	1.00	60,300		50,000		110,300	
1152	Clemson PSA	Family Planning Services Administration	2,888,995	2,032,390	47,221				4,968,606	65.67	2,888,995	2,032,390	47,221		4,968,606	
1509	Dept of Health & Human Services	Other Agencies Administration	156,171	324,205	23,111				503,487	6.50	156,171	324,205	23,111		503,487	
924	Dept of Health & Human Services	Residential Substance Abuse Treatment Centers Case	1,765,968	26,535,711	27,122,900				55,424,579	26.90	1,765,968	40,046,225	27,122,900		68,935,093	
941	Human Services	Chemical Dependency Service Accountability		35,437					35,437			35,437			35,437	
1516	Vocational Rehabilitation	Business Enterprise Program	152,234	390,088	284,060				826,382	16.10	152,234	418,053	293,246		863,533	
1034	Alcohol & Other Drug Abuse Services	Fair Housing - Education & Outreach	29,754	717,382	597,520				1,344,656	12.00	29,754	717,382	597,520		1,344,656	
1127	Commission for the Blind	Hispanic/Latino Affairs		146,400					146,400			146,400			146,400	
1149	Human Affairs				115,500				115,500	1.00			115,500		115,500	
1150	Commission on Minority Affairs															

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			Maybank Funding			Capital Reserve			General Funds	Federal Funds	Other Funds	Capital Reserve	New FTEs
			General Funds	Federal Funds	Other Funds	Fund	Proviso	Supplemental Proviso	Total Funds	Total FTEs			
1151	Commission on Minority Affairs	Native American Affairs			115,500				115,500	1.00		115,500	115,500
1153	Commission on Minority Affairs	Research	236,782		50,000				286,782	2.00	236,782	50,000	286,782
1492	Clemson PSA	Agro Medicine (pass-thru)	219,393						219,393		219,393		219,393
101	Lieutenant Governor	State Level Activity - Summer School of Gerontology			127,000				127,000			127,000	127,000
107	Lieutenant Governor	State Level Activity - Advance Directives	20,000						20,000	0.45	20,000		20,000
210	Budget & Control Board	Successful Children Project (Kids Count)			429,359				429,359	1.00		433,655	433,655
1013	Dept of Disabilities and Special Needs	Other Prevention	26,715	144,492					203,497		26,715	35,000	161,667
1328	Patient's Comp Fund	Risk Management Services			32,290				26,500			26,500	26,500
1329	Patient's Comp Fund	Claims Service			117,098				117,098	1.00		117,098	117,098
1331	Patient's Comp Fund	Contracted Services			200,000				200,000			200,000	200,000
891	Dept of Health & Human Services	Durable Medical Equipment Administration	144,158	299,266	21,334				464,758	6.00	4,290,142	13,513,406	17,824,882
989	Dept of Health & Environmental Control	Health Facilities & Services Development	859,423	290,000	248,362				1,397,785	13.86	859,423	273,954	1,212,501
1140	Human Affairs	Board of Commissioners	9,500						9,500		9,500		9,500
1327	Patient's Comp Fund	Membership Services			893,801				893,801	3.00		543,560	543,560
1001	Department of Mental Health	Deaf Services											
1561	USC - Columbia	Epilepsy	75,000						75,000				75,000
106	Lieutenant Governor	State level Activity - Legal Assistance	5,000						5,000	0.25	5,000		5,000
987	Dept of Health & Environmental Control	Camp Burnt Gin	222,263		10,657				232,920	0.90	222,263	3,184	225,447
1039	Alcohol & Other Drug Abuse Services	Gambling Services	8,229	3,484	350,000				361,713	3.10	8,229	350,000	361,713
109	Lieutenant Governor	Regional Level Activity - Local Provider Salary Supplement	85,000						85,000		85,000		85,000
969	Dept of Health & Environmental Control	Palmetto Aids Life Support (pass thru funds)	18,158						18,158		18,158		18,158
74	Governor's Office - OEPP	Advocacy for Women	100,000						100,000		100,000		100,000
74	Governor's Office - OEPP	Advocacy for Women- enter into a public-private partnership with Columbia College											
83	Lieutenant Governor	Administration	1,101,114	699,801					1,800,915	12.00	(75,000)		(75,000)
86	Lieutenant Governor	Information Systems	275,120	137,560					412,680	3.00	1,101,114	1,148,110	2,249,224
597	Consortium of Community Teaching Hospitals	Regional Center Administration	385,432						385,432				385,432
598	Consortium of Community Teaching Hospitals	Miscellaneous Other Funds			1,041,364				1,041,364			1,081,364	1,081,364
607	Consortium of Community Teaching Hospitals	Miscellaneous Federal Grant Opportunities		243,959					243,959			18,959	18,959
610	Consortium of Community Teaching Hospitals	System Wide Administration/Coordination	519,509						519,509	3.33	519,509		519,509
838	Vocational Rehabilitation	Administrative	1,874,385	5,488,582	35,535				7,378,502	73.00	1,874,385	5,307,848	7,197,768
838	Vocational Rehabilitation	Administrative savings from restructuring									(411,696)		(411,696)

Improve the Health and Protections of our Children and Adults

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan FY 2005-06				New FTEs		
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds		Other Funds	Capital Reserve
947	Dept of Health & Human Services	Internal Information Technology	914,896	1,517,610	151,165				2,583,671	24.00	914,896	1,517,610	151,165		2,583,671
948	Dept of Health & Human Services	Agency Administration	5,390,522	9,275,174	889,977				15,555,673	151.75	5,390,522	7,542,447	1,414,977		14,347,946
949	Dept of Health & Environmental Control	Administration	9,468,267	33,000	14,155,217				23,656,484	312.86	9,468,267	360,644	15,713,691		25,542,602
949	Dept of Health & Environmental Control	Administrative savings from restructuring									(4,897,634)				(4,897,634)
949	Dept of Health & Environmental Control	Administrative savings from consolidating regional offices and RIF									(1,000,000)				(1,000,000)
----	Dept of Health & Environmental Control	Collections - Incr. rate of collections 10% per LAC Report									(180,000)				(180,000)
----	Dept of Health & Environmental Control	Vehicles - Shift from recurring to nonrecurring source												206,631	
1010	Department of Mental Health	Administration	11,297,629	349,705	386,572				12,033,906	167.90	11,297,629	450,029	386,572		12,134,230
1010	Department of Mental Health	Administrative savings from restructuring									(6,444,805)				(6,444,805)
----	Department of Mental Health	Collections - Incr. rate of collections 10% per LAC Report									(840,000)				(840,000)
----	Department of Mental Health	Vehicles - Shift from recurring to nonrecurring source									(48,657)			48,657	
1033	Dept of Disabilities and Special Needs	Administration	4,143,502		3,465,052				7,608,554	96.00	4,143,502		2,547,138		6,690,640
1033	Dept of Disabilities and Special Needs	Administrative savings from restructuring									(2,210,269)				(2,210,269)
1040	Alcohol & Other Drug Abuse Services	Alcohol and Drug Abuse Administration	288,179	221,922	28,412				538,513	13.86	288,179	216,760	28,803		533,742
1040	Alcohol & Other Drug Abuse Services	Administrative savings from restructuring									(422,537)				(422,537)
1108	Social Services	Administration	866,879	1,428,077	548,015				2,842,971	51.03	866,879	1,381,604	437,998		2,686,481
1133	Commission for the Blind	Administration	704,103	413,811					1,117,914	35.25	704,103	413,811			1,117,914
1133	Commission for the Blind	Administrative savings from restructuring									(122,337)				(122,337)
1139	Housing Finance & Development Auth	Administration			3,279,523				3,279,523	32.00			3,084,714		3,084,714
1141	Human Affairs	Commission	658,564						658,564	9.00	658,564				658,564
1142	Human Affairs	Legal	79,797						79,797	1.00	79,797				79,797
1143	Human Affairs	Technical Services & Training	285,261		71,804				357,065	7.50	285,261		71,804		357,065
1154	Commission on Minority Affairs	Administration (Overhead Cost)	190,222						190,222	3.00	190,222				190,222
1330	Patient's Comp Fund	Administration			217,097				217,097	1.00			217,097		217,097
945	Dept of Health & Human Services	Special Projects	125,000	250,000					591,000						75,000
1017	Dept of Disabilities and Special Needs Consortium of Community Teaching Hospitals	Special Olympics- state funds are passed through to Special Olympics Organization	174,175		130,000			111,858	104,142					130,000	
596	Student Development and Diversity Programs	Student Development and Diversity Programs	428,543						428,543	1.85					130,000

Improve the Health and Protections of our Children and Adults FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding					FY 2006-07 Governor's Purchase Plan								
			Capital Reserve Fund		Supplemental Proviso		Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve	Total Funds	New FTEs	
1583	Dept of Health & Human Services Commission for the Blind	Regenesis	100,000					100,000								
1131		Radio Reading Services	129,990					129,990	2.00							
		Total	1,336,689,750	4,680,727,974	1,393,255,381	16,086,000	6,681,858	804,142	7,434,245,104	19,084.04	1,453,222,671	4,836,899,272	1,494,211,262	16,955,288	7,801,288,493	350.00

Improve the Quality of our Natural Resources

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Activity Number Agency Name Activity Name			FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan										
			General Funds		Federal Funds		Other Funds		Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Total Funds	New FTEs
NEW	Department of Natural Resources	Timber Conservation Fund															10,000,000	10,000,000	
1318	SC Conservation Bank	Grants & loans to public & private entities to acquire interests in real property worthy of conservation					15,250,000					15,250,000	1.00			15,250,000		15,250,000	
955	Dept of Health & Environmental Control	National Estuary Research Reserve		908,680								908,680				600,783		600,783	
952	Dept of Health & Environmental Control	Water Management - Water Pollution Control Program	9,717,884	10,842,508	8,114,028							28,674,420	322.22	11,954,769	13,300,107	7,948,675	665,000	33,869,551	26.00
954	Dept of Health & Environmental Control	Coastal Resource Improvement	1,193,008	4,167,667	1,254,069							6,614,744	54.58	1,193,008	4,994,881	1,668,696	350,000	8,206,585	
959	Dept of Health & Environmental Control	Land & Waste Management	3,268,641	7,751,619	13,237,508							24,257,768	250.41	5,223,511	9,400,644	12,766,377		27,390,532	13.00
1226	Department of Natural Resources	Environmental Conservation	481,806	7,968,821	554,362							9,004,989	11.25	481,806	7,968,821	554,362		9,004,989	
1256	Department of Natural Resources	Heritage Trust Program	635,104	22,800	511,877							1,169,781	21.39	635,104	22,800	511,877		1,169,781	
957	Dept of Health & Environmental Control	Air Quality Improvement	1,165,689	2,131,801	11,510,992							14,808,482	251.14	1,165,689	2,786,388	11,584,570		15,536,647	
1490	Clemson PSA	Sustainable Agricultural Production Systems: Organic Crops	86,774	33,681	15,235							135,690	2.40	86,774	33,681	15,235		135,690	
951	Dept of Health & Environmental Control	Water Management - Drinking Water	1,321,809	3,389,345	5,036,759							9,747,913	143.09	1,321,809	1,914,480	4,924,240		8,160,529	
1503	Clemson PSA	Livestock-Poultry Health Programs: Meat Inspection	1,311,900	1,311,900	80,000							2,703,800	42.08	1,311,900	1,444,111	80,000		2,836,011	
1192	Forestry Commission	Wildland Firefighting	7,768,199	1,235,640								9,003,839	217.90	7,768,199	1,173,575			8,941,774	
1228	Department of Natural Resources	Maine Fishin Monitoring and Management	641,515	3,520,474	1,250,943							5,412,932	44.52	641,515	3,520,474	1,250,943		5,412,932	
1243	Department of Natural Resources	Statewide Projects - Wildlife Section	223,545	1,364,412	2,283,294							3,871,251	38.12	223,545	1,364,412	2,283,294		3,871,251	
1195	Forestry Commission	Forest Health - (Insects and Disease)	11,320	1,519,887								1,531,207	7.70	11,320	1,750,909			1,762,229	
1227	Department of Natural Resources	Marine Shellfish Monitoring and Management	397,441	921,437	431,250							1,750,128	18.22	397,441	921,437	431,250		1,750,128	
1229	Department of Natural Resources	Monitoring and Managing of Maine Crustacean Resources	150,920	416,366	254,525							821,811	14.89	150,920	416,366	254,525		821,811	
1242	Department of Natural Resources	Wildlife Regional Operations		10,052,869	5,683,211							15,736,080	66.57		2,846,128	5,545,733	1,500,000	9,891,861	
1261	Department of Natural Resources	Hydrology Section	1,053,202									1,053,202	12.00	1,053,202				1,053,202	
960	Dept of Health & Environmental Control	Land & Waste Management - Emergency Response	354,219	682,375	221,077							1,257,671	17.98	354,219	734,691	232,593		1,321,503	
961	Dept of Health & Environmental Control	Land & Waste Management - Waste Minimization Program	64,533	118,632	63,350							246,515	3.92	64,533	142,664	64,502		271,699	

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Activity Number Agency Name Activity Name			FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
1270	Department of Parks, Recreation & Tourism	State Parks--Field Operations	5,718,729		16,558,144				22,276,873	351.42	5,718,729		17,150,398		22,869,127	
1193	Forestry Commission	Wildland Fire Prevention	282,431	473,598	90,000				846,029	22.40	282,431	317,053	81,000		680,484	
1623	Forestry Commission	Wildland Fire Dispatch	1,269,115	41,065					1,310,180	38.55	1,269,115	41,065			1,310,180	
1482	Clemson PSA	Sustainable Agricultural Production Systems: Horticultural Crops	3,373,435	956,132	377,294				4,706,861	55.04	3,373,435	956,132	377,294		4,706,861	
1482	Clemson PSA	Defer to golf course industry for funding golf related turfgrass research									(145,200)				(145,200)	
1514	Clemson PSA	Sustainable Agricultural Production Systems: Agronomic Crops	4,437,614	1,391,428	563,038				6,392,080	81.56	4,437,614	1,391,428	563,038		6,392,080	
1221	South Carolina State PSA	Sustainable Agriculture, Natural Resources and Environment	592,942	688,452					1,281,394	11.20	592,942	712,066			1,305,008	
1232	Department of Natural Resources	Marine Environmental Monitoring and Management	424,461	1,359,646	1,561,282				3,345,389	21.10	424,461	1,359,646	1,561,282		3,345,389	
1202	Forestry Commission	Forestry Best Management Practices		192,838	135,152				327,990	5.00		208,326	135,152		343,478	
1204	Forestry Commission	State Forest Resource Management			1,901,500		150,000		2,051,500	22.50			2,362,877		2,362,877	
1504	Clemson PSA	Livestock-Poultry Health Programs: Animal Health and Diagnostic Laboratory	1,036,248		123,073				1,159,321	35.25	1,036,248		123,073		1,159,321	
1507	Clemson PSA	Regulatory and Public Service Programs: Pesticide Regulation	228,657	366,193	906,220				1,501,070	38.09	228,657	640,722	2,106,220		2,975,599	
1237	Department of Natural Resources	Provide public information	505,335						505,335	13.00	505,335				505,335	
1273	Department of Parks, Recreation & Tourism	Engineering	665,040						665,040	9.00	665,040				665,040	
1596	Department of Parks, Recreation & Tourism	Recreation Land Trust Fund	358,875						358,875		358,875				358,875	
1621	Budget & Control Board	State Energy Program- Renewable Energy and Transportation		707,054	455,728				1,162,782	7.30		485,968	411,758		897,726	
953	Dept of Health & Environmental Control	Water Mgt Recreational Waters Program			892,957				892,957	14.69			939,896		939,896	
1624	Forestry Commission	Wildland Fire Suppression	1,801,235		202,500				2,003,735	11.00	940,396		202,500	860,839	2,003,735	
1487	Clemson PSA	Natural Res & Environmental Research & Educ: Water Quality & Quantity	834,217	299,637	61,298				1,195,152	16.85	834,217	299,637	61,298		1,195,152	
1488	Clemson PSA	Natural Res & Environmental Research & Educ	1,203,776	370,530	83,436	5,000,000			6,657,742	27.10	1,203,776	370,530	83,436		1,657,742	
1494	Clemson PSA	Environmental Horticulture							587,159	10.62						
		Education: Master Gardener	310,555	193,762	82,842							193,762	82,842		276,604	
1505	Clemson PSA	Regulatory and Public Service Programs: Plant and Seed Certification	946,931	244,129	53,106				1,244,166	31.33						
1231	Department of Natural Resources	Marine Education and Outreach	255,098	482,241	509,769				1,247,108	9.61	255,098	482,241	509,769		1,247,108	

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Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan								
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	
1244	Department of Natural Resources	District Operations		1,840,080	919,380					2,759,460	31.00		1,840,080	919,380		2,759,460	
1258	Department of Natural Resources	South Carolina State Climatology Office (SCO)	178,625							178,625	4.00	178,625				178,625	
1272	Department of Parks, Recreation & Tourism	Recreation & Grants	181,471	1,933,565	2,000,000					4,115,036	2.50	181,471	2,316,185	1,565,000		4,062,656	
1290	Department of Parks, Recreation & Tourism	Communications - Parks	215,670							215,670	3.00	215,670				215,670	
958	Dept of Health & Environmental Control	Air Quality Improvement - Asbestos Program															
1200	Forestry Commission	Forest Resource Development	146,701	356,233		263,647				263,647	5.41				252,512	252,512	
		Sustainable Agricultural Production Systems:															
1489	Clemson PSA	Nutraceutical Crops	363,191	102,397	49,100					514,688	5.73	363,191	102,397	49,100		514,688	
1491	Clemson PSA	Reducing the Impact of Animal Agriculture on the Environment	407,374	104,633	45,870					557,877	5.57	407,374	104,633	45,870		557,877	
1497	Clemson PSA	Integrated Pest Management (IPM) for Agriculture and Forestry	1,083,208	352,021	161,819					1,597,048	21.01	1,083,208	352,021	161,819		1,597,048	
1238	Department of Natural Resources	Provide outreach and education services	437,181	106,563	77,066					620,810	8.50	437,181	156,563	77,066		670,810	
1255	Department of Natural Resources	Provide boating access facility assistance			655,984					655,984	4.00			655,984		655,984	
1260	Department of Natural Resources	Geological Survey	476,239	320,716						796,955	9.00	476,239	320,716			796,955	
243	Budget & Control Board	State Energy Program-Facilities Energy Efficiency		475,200	942,322					1,417,522	7.95		714,719	585,327		1,300,046	
962	Dept of Health & Environmental Control	Land & Waste Management - Mining Program	393,719		136,273					529,992	10.87	393,719		146,215		539,934	
964	Dept of Health & Environmental Control	Savannah River Plant	89,461							89,461		89,461				89,461	
1483	Clemson PSA	The South Carolina Institute for Energy Studies	76,159							76,159	2.05	76,159				76,159	
1234	Department of Natural Resources	Game and fish licensing (Charleston Office)			81,096					81,096	2.00			81,096		81,096	
1239	Department of Natural Resources	South Carolina Wildlife (SCW) Magazine			747,851					747,851	10.00			747,851		747,851	
1241	Department of Natural Resources	Provide the registration and titling of watercraft and outboard motors as required by law			1,228,809					1,228,809	27.00			1,029,709		1,029,709	
1246	Department of Natural Resources	Rediversion	30,004	195,720	189,050					414,774	3.00	30,004	195,720	189,050		414,774	
1205	Forestry Commission	Forestry Program Outreach	159,894	44,273						204,167	3.00	159,894	44,273			204,167	
1493	Clemson PSA	Agricultural Biosecurity	204,371	24,909	7,235					236,515	2.81	204,371	24,909	7,235		236,515	
1498	Clemson PSA	Sustainable Forestry Management and Environmental Enhancement	1,869,641	487,852	196,632					2,554,125	25.52		487,852	196,632		684,484	
1620	Department of Natural Resources	Services provided through Water Recreation Resources Fund			1,536,636					1,536,636				1,561,636		1,561,636	

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			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
1263	Sea Grant Consortium	Communications	80,926	113,222	50,390				244,538	4.00	80,926	113,222	50,390		244,538	
1297	Dept of Commerce	Business Solutions - Recycling			150,000				150,000	2.00			150,000		150,000	
1199	Forestry Commission	Community Forestry Assistance		642,199					642,199	3.00		585,799			585,799	
1506	Clemson PSA	Boll Weevil Eradication Programs (pass-thru)	134,974						134,974		134,974				134,974	
214	Budget & Control Board	Geodetic Network	832,419	534,057	237,614			250,000	1,854,090	12.25	832,419	146,019	292,554		1,270,992	
		Natural Resources and Environmental Research and Education: Coastal Natural Hazards														
1501	Clemson PSA		35,561	17,110	7,370				60,041	0.87	35,561	17,110	7,370		60,041	
1511	Clemson PSA	Natural Resources and Environmental Research and Education: Urban wildlife	32,130	15,403	7,470				55,003	1.06	32,130	15,403	7,470		55,003	
1512	Clemson PSA	(Growth and Population Research and Education	15,900	7,650	3,295				26,845	0.39	15,900	7,650	3,295		26,845	
1233	Department of Natural Resources	Special Marine Projects	85,914	964,916	370,509				1,421,339	4.30	85,914	964,916	370,509		1,421,339	
1235	Department of Natural Resources	Game and fish licensing (Columbia Office)	147,919		450,000				597,919	9.00	147,919		450,000		597,919	
1245	Department of Natural Resources	Hatchery Operations		690,360	1,469,594				2,159,954	22.58		690,360	1,469,594		2,159,954	
1251	Department of Natural Resources	Services provided through County Funds			1,008,829				1,008,829				1,008,829		1,008,829	
1262	Sea Grant Consortium	Research and Education		6,672,202	45,754				6,717,956	2.00		6,457,202	133,754		6,590,956	
1196	Forestry Commission	Forest Management Assistance	822,548	963,454	335,000				2,121,002	24.50	822,548	704,506	352,623		1,879,677	
1203	Forestry Commission	State Forest Education			163,500				163,500	2.25			163,500		163,500	
1515	Clemson PSA	Household and Structural Pest Control and Pesticide Training	376,025	180,918	77,930				634,873	9.21	376,025	180,918	77,930		634,873	
1515	Clemson PSA	Self-Sufficient Licensure									(188,013)				(188,013)	
1240	Department of Natural Resources	Manage and grow the Wildlife Shop			382,316				382,316	2.00			382,316		382,316	
1259	Department of Natural Resources	Southeast Regional Climate Center (SERCC)	25,000	20,000	310,909				355,909	7.00	25,000	20,000	310,909		355,909	
1197	Forestry Commission	Pass-through Programs		177,370					177,370			177,370			177,370	
1201	Forestry Commission	Nurseries and Tree Improvement		60,000	864,000				924,000	12.00		60,000	882,000		942,000	
		Sustainable Agricultural Production Systems: Animal														
1510	Clemson PSA	Production Systems	3,522,149	1,252,422	352,006				5,126,577	48.41	3,522,149	930,522	352,006		4,804,677	
1264	Sea Grant Consortium	Sea Grant Extension Program		439,576	36,000				475,576	1.00		439,576	36,000		475,576	
956	Dept of Health & Environmental Control	Hunting Island Beach Renourishment (pass thru funds)					5,000,000		5,000,000							
		Natural Resources and Environmental Research and Education: Master														
1474	Clemson PSA	Wildlife/Master Naturalist	51,668	24,860	10,709				87,237	1.27		24,860	10,709		35,569	

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			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Total Funds	New FTEs
1283	Department of Parks, Recreation & Tourism	Pass Through Funds - Line Item			3,000,000				3,000,000				3,000,000		3,000,000	
1602	Department of Parks, Recreation & Tourism	State Parks - Charlestowne Landing				7,000,000			7,000,000							
1257	Department of Natural Resources	Conservation Districts (a portion is "pass-through")	1,481,286	100,000					1,581,286	25.00	1,481,286	180,000			1,661,286	
1597	Department of Parks, Recreation & Tourism	Pass Through Funds - Line Item					200,000		200,000							
1598	Department of Parks, Recreation & Tourism	Pass Through Funds				500,000			500,000							
1600	Department of Parks, Recreation & Tourism	Pass Through Funds - Line Item					350,000		350,000							
1206	Forestry Commission	Administration	1,051,219						1,051,219	17.50	1,051,219				1,051,219	
1206	Commission	Administrative savings from restructuring									(460,511)				(460,511)	
1478	Clemson PSA	Administration	4,168,347	393,580	138,356				4,700,283	35.05	4,168,347	393,580	138,356		4,700,283	
1225	South Carolina State PSA	Administration	125,520	492,602				452,000	1,070,122	7.00	125,520	492,602			618,122	
1236	Department of Natural Resources	Agency Support Services (Administration)	4,245,730		1,496,529				5,742,259	73.00	4,245,730		1,496,529		5,742,259	
1236	Department of Natural Resources	Administrative savings from restructuring									(945,177)				(945,177)	
1236	Natural Resources	Information Technology												2,800,000	2,800,000	
1265	Sea Grant Consortium	Administration	357,194	160,000	4,356				521,550	7.00	357,194	160,000	4,356		521,550	
1269	Department of Parks, Recreation & Tourism	State Parks--Central Support	2,257,470						2,257,470	25.00	2,257,470				2,257,470	
1288	Department of Parks, Recreation & Tourism	Executive Office - Parks	845,407						845,407	8.00	845,407				845,407	
1289	Department of Parks, Recreation & Tourism	Administration - Parks	2,419,893		5,000				2,424,893	20.00	2,419,893		5,000		2,424,893	
1230	Department of Natural Resources	Mariculture Aquaculture	1,256,448	462,458	257,070				1,975,976	25.35	1,256,448	462,458	557,070		2,275,976	
1230	Dept of Natural Resources	Reduce services to permits, compliance & research supportive of viable SC industry. Allow private industry to fund add'l research														(418,816)
1480	Clemson PSA	Distance Education: Television, Web and Print Productions	1,196,941						1,196,941	25.47					1,196,941	
1480	Clemson PSA	Prioritize PSA television & print productions & coordinate outreach with the Dept of Ag.									(398,980)				(398,980)	

Improve the Quality of our Natural Resources

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
1485	Clemson PSA	Natl Res & Environmental Research & Educ: Recreation & Tourism	63,473	24,192	10,992				98,657	1.40		24,192	10,992		35,184	
1499	Clemson PSA	Natl Res & Environmental Research & Educ: Nuisance Species	83,873	40,354	17,383				141,610	2.05		40,354	17,383		57,737	
1479	Clemson PSA	Distance Education: Radio Productions	83,018		29,503				112,521	2.16			29,503		29,503	
1194	Forestry Commission	Law Enforcement - Timber Theft and Fraud	328,262		20,000				348,262	8.00			25,000		25,000	
1198	Forestry Commission	Forest Renewal Program Financial Assistance	200,000		581,515				781,515	1.50			581,515		581,515	
		Total	86,732,326	86,920,686	111,525,821	12,500,000	5,700,000	702,000	304,080,833	3,034.98	84,516,055	83,289,322	112,904,088	16,176,839	296,886,304	39.00

Improve the Safety of our People and Property

FY 2006-07 Governor's Purchase Plan

Activity			FY 2005-06 Agency Funding			FY 2006-07 Governor's Purchase Plan											
Number	Agency	Agency Name	Activity Name	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Total Funds	New FTEs
151	E21	Prosecution Coordination Commission	Office of Solicitor State Appropriations	8,178,167		2,387,930				11,006,097	32.00	8,178,167		2,387,930		10,566,097	
151	E21	Prosecution Coordination Commission	Criminal Domestic Violence Prosecutors														
1058	K05	Dept of Public Safety	Highway Traffic Enforcement	44,700,797	941,162	10,769,914	6,724,080		1,500,000	64,635,953	895.75	2,200,000	1,225,004	13,812,724		2,200,000	59,738,525
1058	K05	Department of Public Safety	Hwy Patrol Replacement Trooper Class									5,023,781				3,828,085	100.00
1058	K05	Safety	Advancement of Troopers & TCO's									1,248,904				1,248,904	
1058	K05	Dept of Public Safety	Vehicle Purchases														
30	D10	Governor's Office - SLED	Investigative Services	5,941,533	28,566	1,783,616	625,000			8,378,715	110.00	5,941,533	28,566	1,883,616		7,853,715	
30	D10	Gov. Office - SLED	800 MHz Statewide User Fees												250,000	250,000	
30	D10	Gov. Office - SLED	Abuse Investigations at Residential Care Facilities									450,000				450,000	7.00
1059	K05	Dept of Public Safety	Commercial Motor Vehicle (CMV) Safety Inspections	1,061,639	1,179,599	266,648				2,507,886	36.18	1,061,639	704,088	266,648		2,032,355	
1059	K05	Dept of Public Safety	Shift funding to other funds									(1,061,639)		1,061,639			
1061	K05	Dept of Public Safety	Size & Weight Enforcement	1,297,158		3,638,605				4,935,763	57.95	1,297,158		3,397,126		4,694,284	
1061	K05	Dept of Public Safety	Shift funding to other funds									(1,297,158)		1,297,158			
1061	K05	Dept of Public Safety	Weight-Station Upgrades												5,000,000	5,000,000	
1061	K05	Dept of Public Safety	STP New Class of Officers (transfer from DOT gas tax)												1,361,325	2,693,925	25.00
1155	N04	Dept of Corrections	Incarcerate Offenders	190,732,865	9,943,087	3,277,000	247,953			204,200,905	5,082.00	190,732,865	3,501,308	3,277,000		197,511,173	
1155	N04	Dept of Corrections	Incarcerate Offenders- 192 Bad Turberville: Facility Maintenance														
1180	N12	Dept of Juvenile Justice	Incarceration Services	21,247,432	353,377	89,338	2,800,000	100,000		24,590,147	474.88	22,986,927	436,235	326,822	7,000,000	9,250,000	28.00
1180	N12	Dept of Juvenile Justice	Incarceration Services- shift cost to counties \$25/day fee												5,006,037	28,756,021	35.00
183	E24	Adjutant General	EMD - Natural Hazards Preparedness	268,920	298,845					567,765	8.00	268,920	298,845		2,737,500		
183	E24	Adjutant General	EMD- State Regional District Operations Program									776,724			203,088	979,812	12.00
185	E24	Adjutant General	EMD - Hazardous Materials	29,163	95,601					124,764	1.50	29,163	459,601			488,764	
187	E24	Adjutant General	EMD - Natural Hazards Recovery	69,163	69,163					138,326	3.50	69,163	69,163			138,326	
188	E24	Adjutant General	EMD - Natural Hazards Mitigation	66,211	76,760					141,971	2.50	66,211	76,760			141,971	
35	D10	Governor's Office - SLED	Forensic Laboratory - DNA/Serology	1,909,778	1,514,316	573,305	250,000			4,247,399	36.00	1,909,778	465,877	1,199,061		3,574,716	
1049	K05	Dept of Public Safety	Uninsured Motor Vehicle Enforcement			2,666,368				2,666,368	1.00			2,666,368		2,666,368	
1055	K05	Dept of Public Safety	Communication and Intelligence	5,171,634		200,000				5,371,634	127.00	5,171,634				5,171,634	
1060	K05	Dept of Public Safety	CMV Traffic Enforcement	288,157	576,313					864,470	12.66	288,157	576,313			864,470	
1060	K05	Dept of Public Safety	Shift funding to other funds									(288,157)		288,157			
1172	N08	Dept of Probation, Parole & Pardon Services	Community Supervision - Regular	14,425,371	439,543	17,264,249				32,129,163	366.00	14,425,371	47,490	20,656,597		35,129,458	
148	E20	Attorney General	Securities Fraud Section			1,750,000				1,750,000	21.00			2,250,000		2,250,000	
175	E24	Adjutant General	Air Support - Operations and Maintenance	259,508	1,550,400	3,000			100,000	1,912,908	13.00	259,508	1,946,092	3,000		2,208,600	
175	E24	Adjutant General	Air Guard Operations & Maintenance									115,272	345,816			461,088	9.00
178	E24	Adjutant General	Air Support - Firefighting	1,071,000						1,071,000	13.00		1,114,300			1,114,300	
186	E24	Adjutant General	EMD - Fixed Nuclear Facility Operations	39,356	691,324					770,036	12.75	39,356	39,356	820,154		898,866	
963	J04	Department of Health & Environmental Control	Land & Waste Management - Radiological Waste Program	48,878	8,476	728,912				786,266	13.20	48,878	91,065	748,825		888,768	
36	D10	Governor's Office - SLED	Criminal Justice Information Services (CJIS)	7,479,965	5,369,768	2,245,445	250,000			15,345,178	141.00	7,479,965	7,515,279	4,374,640		19,369,884	
1056	K05	Dept of Public Safety	Aggressive Criminal Enforcement	408,800		2,953,686				3,362,486	40.00	408,800		2,953,686		3,362,486	
1057	K05	Dept of Public Safety	Multi-disciplinary Accident Investigation Team	1,130,204						1,130,204	16.00	1,130,204				1,130,204	
1068	K05	Dept of Public Safety	Hazardous Material and Radioactive Shipments														
1401	R40	Dept of Motor Vehicles	Customer Service Centers	97,450	261,800					359,250	4.81	97,450	261,800			359,250	
1616	R40	Dept of Motor Vehicles	Motor Carrier Services - Commercial Driver's License Regulation	5,350,856	29,831,674					35,182,530	694.00	5,350,856		33,973,233		39,324,089	230.00
1616	R40	Dept of Motor Vehicles	The Internet Crimes Against Children	226,931		601,940				828,871	12.00	226,931		601,940		828,871	
143	E20	Attorney General	Section	225,000						225,000	2.00			225,000		225,000	
147	E20	Attorney General	Sexually Violent Predator Section	131,130		21,772				152,902	3.00	131,130		21,772		152,902	
177	E24	Adjutant General	Air Support - Security	230,000						230,000	2.00					143,900	
184	E24	Adjutant General	EMD - Natural Hazards Response	204,581	204,581	87,468				496,630	8.50	204,581	204,581	91,047		500,209	

Improve the Safety of our People and Property

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency	Agency Name	Activity Name	FY 2005-06 Agency Funding					FY 2006-07 Governor's Purchase Plan				
				Maybank Funding Proviso				Total FTEs	Federal Funds				New FTEs
				General Funds	Federal Funds	Other Funds	Capital Reserve Fund		General Funds	Federal Funds	Other Funds	Capital Reserve Fund	
38	D10	Governor's Office - SLED	Narcotics/ Alcohol Enforcement/ Gaming (VICE)	2,281,124	10,907	684,781	500,000		2,281,124	10,907	56,657		2,348,688
38	D10	Gov. Office - SLED	VICE 10 Agents for Enforcement						1,100,000				1,100,000
44	D10	Governor's Office - SLED	Forensic Laboratory - Evidence Control/ Processing	583,543	462,694	175,177		11.00	583,543		175,177		758,720
1069	K05	Dept of Public Safety	Fuel Tax and Registration Enforcement	211,800	211,800	740,213		8.02	211,800		740,213		952,013
1165	N04	Dept of Corrections	Agriculture Operation	1,75,000		2,730,000		30.00	175,000		2,730,000		2,905,000
1173	N08	Dept of Probation, Parole & Pardon Services	Community Supervision - Intensive	432,932		526,641		366.00	432,932		721,841		1,154,773
1173	N08	Dept of Probation, Parole & Pardon Services	Community Supervision - Sex Offender Programming						3,694,311				47,00
1181	N12	Dept of Juvenile Justice	Alternative Residential Placement Services	23,012,095	371,549	2,532,651		137.16	23,593,255	374,454	3,840,844		27,808,583
1253	P24	Dept of Natural Resources	Enforce boating safety laws and investigate boating accidents	31,621	2,132,761	1,986,475		13.50	31,621	2,132,761			2,132,761
1615	R40	Dept of Motor Vehicles	Motor Carrier Services - Regulation	516,586	1,712,221	4,656,983		43.00	516,586	638,474	1,986,475		2,656,570
1617	R40	Dept of Motor Vehicles	Compliance - Financial Responsibility	1,326,235		398,129	250,000	25.00	1,326,235		4,656,983		5,173,579
31	D10	Governor's Office - SLED	Arson/Bomb	242,682		222,982	4,000	14.00	242,682		438,129		1,764,364
33	D10	Governor's Office - SLED	Tactical Services	1,219,606	13,500	366,119	175,000	21.99	1,219,606	13,500	630,846		1,863,952
34	D10	Governor's Office - SLED	Special Operations	86,546				1.00	86,546				86,546
154	E21	Prosecution Coordination	Child Abuse Prosecution Unit:	279,949				14.70	279,949	800,000			800,000
169	E24	Adjutant General	Army Support - Telecommunications	211,551	423,101			8.86	211,551	423,101			6,087,141
1044	K05	Dept of Public Safety	Office of Highway Safety	1,540,039				19.00	1,540,039		2,250,441		634,652
1062	K05	Dept of Public Safety	Compliance Reviews	678,645				7.00	678,645				2,250,441
1070	K05	Dept of Public Safety	Training - Basic/Mandated Activity										678,645
1073	K05	Dept of Public Safety	Training - Range Operations Activity										
1247	P24	Dept of Natural Resources	Enforce game, fish and related natural resource laws	8,970,611		8,929,325		245.30	17,799,936	245.30	8,929,325	2,250,000	20,649,936
1395	R36	Labor, Licensing & Regulation	State Fire Marshal's Office - Field Services			1,417,620		21.50			1,417,620		1,417,620
1398	R36	Labor, Licensing & Regulation	Fire Training	928,788		4,703,476		37.00			4,703,476		4,703,476
1407	R40	Dept of Motor Vehicles	Compliance - Driver Records			3,552,078		76.00	928,788		1,552,040		2,480,828
1618	R40	Dept of Motor Vehicles	Compliance - Document Review and Fraud	319,791		315,662		14.00	319,791		315,662		635,453
28	D10	Governor's Office - SLED	Counter Terrorism	1,007,939	598,674	302,578		18.00	1,007,939	598,908	302,578		1,909,425
32	D10	Governor's Office - SLED	State Grand Jury/Insurance Fraud	424,395		127,401		8.00	424,395		154,401		578,796
45	D10	Governor's Office - SLED	Forensic Laboratory - Firearms/Tool Marks	424,395	336,504	127,401		8.00	424,395		127,401		551,796
49	D10	Governor's Office - SLED	Forensic Laboratory - Toxicology	795,741	630,946	238,877		15.00	795,741	630,946	238,877		1,665,564
50	D10	Governor's Office - SLED	Forensic Laboratory - Trace Evidence/Arson Analysis	583,544	462,694	175,175		11.00	583,544	462,694	175,175		1,221,413
1054	K05	Dept of Public Safety	Information Technology Section	696,395	62,192	62,192		13.00	696,395		62,192		758,587
1063	K05	Dept of Public Safety	Drug Interdiction	248,285	90,000	90,000		4.22	248,285		90,000		338,285
1065	K05	Dept of Public Safety	Data Collection & Reporting	59,761	239,045	47,631		5.12	59,761	239,045	47,631		346,437
1072	K05	Dept of Public Safety	Training - Advanced/Specialized Activity	413,428	1,257,432			21.00	1,670,860		1,257,432		1,257,432
1080	K05	Dept of Public Safety	Weapons of Mass Destruction Activity	1,000,000					1,000,000				1,000,000
1081	K05	Dept of Public Safety	State House and Complex	1,283,654	197,970	3,615,145		21.00	1,515,387	220,000	530,085	39,148	2,304,620
1183	N12	Dept of Juvenile Justice	Detention Services	566,704	353,378			100.49	566,704	353,378			4,833,519
140	E20	Attorney General	Capital Litigation Sub-Section and the Post-Conviction Relief (PCR)	1,099,480		182,549		13.00	1,099,480		182,549		1,282,029
168	E24	Adjutant General	Army Support - Security	435,000				1.00					721,200
176	E24	Adjutant General	Air Support - Environmental	49,634				1.00	13,233		60,774		74,007
189	E24	Adjutant General	EMD - Local Pass Through	1,500,000		500,000		6.50	1,000,000		1,679,835		1,679,835
190	E24	Adjutant General	EMD - Operations Support	239,810	255,685	93,190		6.50	239,810	255,685	93,190		588,685
191	E24	Adjutant General	State Guard	193,634			200,000	2.50	193,634				193,634
165	E24	Adjutant General	Armory Operations	1,387,060	300,000	920,200		7.55	1,387,060	505,410	1,008,976		2,901,446
			Customer Service Delivery / Service Centers Headquarters Support										
			This is now part of Customer Service Centers listed above										
1403	R40	Dept of Motor Vehicles	Missing Persons	106,099		31,850		2.00	106,099		71,193		177,292
29	D10	Governor's Office - SLED	Vehicle Crimes	964,889		286,653	250,000	18.00	964,889		296,653		1,251,542
39	D10	Governor's Office - SLED	Forensic Laboratory - Drug Analysis	530,494	420,631	159,251		10.00	530,494				689,745

Improve the Safety of our People and Property
FY 2006-07 Governor's Purchase Plan

Activity Number			Agency Number	Agency Name	Activity Name	FY 2005-06 Agency Funding					FY 2006-07 Governor's Purchase Plan								
						Capital Reserve Fund		Maybank Funding Proviso		Total Funds		Total FTEs		Federal Funds		Capital Reserve Fund		New FTEs	
						General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Total Funds	New FTEs
47	D10	Governor's Office - SLED	Forensic Laboratory - Latent Prints/Crime Scene Processing			954,889	757,135	286,653				1,998,677	18.00	954,889	661,376	286,653		1,902,918	
48	D10	Governor's Office - SLED	Forensic Laboratory - Questioned Documents/ Photography			265,247	210,315	79,626				555,188	5.00	265,247	210,315	79,626		555,188	
1043	K05	Dept of Public Safety	Office of Justice Programs			252,085	22,246,460	825,000				23,323,545	24.58	252,085	22,780,561	825,000		23,857,646	
1071	K05	Dept of Public Safety	Training - Regional Activity					398,614				398,614	5.00			398,614		398,614	
1082	K05	Dept of Public Safety	Judicial Division			257,875		163,557		31,975		453,407	6.00	257,875		163,557		421,432	
1083	K05	Dept of Public Safety	Governor's Mansion/Complex			579,496		93,825				673,321	11.00	579,496		93,825		673,321	
1622	N04	Dept of Corrections	Food Service			18,452,560						18,452,560		18,452,560			4,887,005	23,339,565	
1622	N04	Dept of Corrections	Dept's dairy operations to become self-sufficient with its egg-based needs											(250,000)				(250,000)	
1622	N04	Dept of Corrections	CRF appropriation of \$4.9 million for freezer & food warehouse will save \$500,000 annually											(500,000)				(500,000)	
1182	N12	Dept of Juvenile Justice	Evaluation Services			10,606,862	353,378	3,460,002				14,420,242	311.30	10,606,862	353,378	4,908,634		15,868,874	
1412	R40	Dept of Motor Vehicles	Compliance - Highway Safety Statistical Data Entry			6,203		184,133				190,336	14.00	6,203		184,133		190,336	
69	D17	Governor's Office - OEPP	Victim Compensation Claims Processing			98,244	4,717,558	9,145,772				13,961,574	27.00	98,244	3,537,057	9,760,184		13,956,485	
142	E20	Attorney General	The State Grand Jury			1,682,502		734,376				2,416,878	42.00	1,682,502	451,500	1,049,376		3,183,378	
166	E24	Adjutant General	Army Support - Operations and Maintenance			134,147	7,718,647	50,000				7,902,794	13.00	134,147	5,749,145	49,571		5,932,863	
167	E24	Adjutant General	Army Support - Environmental			15,815	1,591,900					1,607,715	4.00	15,815	1,106,834			1,122,649	
171	E24	Adjutant General	Army Support - Full-Time Dining Facility			650,000						650,000			750,000			750,000	
172	E24	Adjutant General	Army Support - Supplemental Transportation			8,000						8,000			8,000			8,000	
46	D10	Governor's Office - SLED	Forensic Laboratory - Impliment Consent (breath alcohol testing systems)			318,296	252,378	95,551				666,225	6.00	318,296			95,551	1,920,000	2,333,847
70	D17	Governor's Office - OEPP	Training to Victim Advocates			100,000		69,178				169,178	1.00		60,000	69,178		129,178	
1052	K05	Dept of Public Safety	Executive Protection			170,859						170,859	3.00					170,859	
1074	K05	Dept of Public Safety	Registrar Activity			57,400,000		685,908				685,908	15.00	91,448		685,908	580,000	1,357,356	3.00
1156	N04	Dept of Corrections	Provide Inmate Health Care			57,400,000	1,514,000					58,914,000	499.00	58,900,500		1,514,500	1,100,000	61,514,500	9.00
1161	N04	Dept of Corrections	Work and Vocational			578,988		300,000		50,000		928,988	54.00		578,988	300,000		878,988	
1176	N08	Dept of Probation, Parole & Pardon Services	Statewide Emergency Operations Plan			166,978		258,466				425,444	6.00		166,978	193,150		360,128	
1178	N08	Dept of Probation, Parole & Pardon Services	Parole Board			269,655		35,183				304,838			269,655	35,183		304,838	
1402	R40	Dept of Motor Vehicles	Customer Service Delivery / Alternative Media			719,804		4,169,044				4,888,848	75.00		719,804	996,010		1,715,814	
1405	R40	Dept of Motor Vehicles	Customer Service Delivery / Call Center			319,854		1,358,313				1,678,167	50.00		319,854	1,358,313		1,678,167	
1408	R40	Dept of Motor Vehicles	Compliance - Driver Improvement and Medical Review			473,251		43,413				516,664	13.00		473,251	43,413		516,664	
150	E20	Attorney General	The Opinions Division			320,032		53,135				373,167	5.00		320,032	53,135		373,167	
155	E21	Prosecution Coordination Commission	DUI Prosecution Unit				114,138					114,138	1.00						
170	E24	Adjutant General	Army Support - Sustainable Range Program				196,500					196,500				879,500		879,500	
182	E24	Adjutant General	EMD - Public Information			73,105	84,653		62,714			220,472	2.50		73,105	84,653	60,924	218,682	
196	E24	Adjutant General	Operations & Training			32,301						32,301			32,301			32,301	
829	H67	Educational Television Commission	Education Services to City, County and State Government			1,035,103		368,420		196,000		1,599,523	26.00		1,035,103	323,420		1,368,523	
1174	N08	Dept of Probation, Parole & Pardon Services	Victim Services					288,541				288,541	7.00				403,812	403,812	
1175	N08	Dept of Probation, Parole & Pardon Services	Residential Programs					2,786,057				2,786,057	22.00				2,954,102	2,954,102	
1185	N12	Dept of Juvenile Justice	Educational Services			3,403,062	1,265,671	6,480,397				11,149,130	205.84		3,403,062	1,255,958	7,400,249	12,059,269	
1252	P24	Dept of Natural Resources	Provide hunter education and promote hunter safety				683,913					865,357	9.00			683,913	181,444	865,357	
1411	R40	Dept of Motor Vehicles	Motor Carrier Services - State Highway			6,689						926,261	6.00		6,689	899,388		906,077	
1419	R44	Department of Revenue	Fuel Tax Funding				771,161					943,881	21.00		771,161	172,720		943,881	
56	D17	Governor's Office - OEPP	Regulatory									9,329	0.25			1,783		1,783	
71	D17	Governor's Office - OEPP	Pass Through Funds			223,009		1,294,468				1,517,477	5.00		223,009	1,294,468		1,517,477	
146	E20	Attorney General	Grievance Section			291,605		48,416				340,021	5.00		291,605	48,416		340,021	
192	E24	Adjutant General	Americorps			297,476		30,879				328,355	0.19			297,476	30,879	328,355	

Improve the Safety of our People and Property

FY 2006-07 Governor's Purchase Plan

Activity Number Agency Number Agency Name Activity Name			FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan				
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Capital	Total Funds	New FTEs
195	E24	Adjutant General		33,755					33,755	0.50	33,755					33,755	
197	E24	Adjutant General		3,254					3,254		3,254					3,254	
213	F03	Budget & Control Board			435,150				435,150	4.00							
1005	J12	Dept of Mental Health		4,668,436	10,131,088				14,822,553	84.40	4,668,436	23,329	10,131,088			14,822,853	
		Labor, Licensing & Regulation			385,000				385,000	7.50						385,000	
1397	K06	Governor's Office - SLED		901,840	270,727		59,000		1,231,567	17.00	901,840					901,840	
42	D10	Governor's Office - SLED		457,604					457,604	5.00		35,967,246				35,967,246	
181	E24	Adjutant General		97,894	279,456				377,350	4.75	97,894	445,529				543,423	
		EMD - Homeland Security															
		EMD - Statewide Emergency Communications System									100,974					100,974	
1066	K05	Dept of Public Safety		130,891	29,581				160,472	2.11	130,891	29,581				160,472	
1162	N04	Dept of Corrections			12,687,048				12,687,048	53.00			12,687,048			12,687,048	
1184	N12	Dept of Corrections		3,577,792	2,152,400				5,730,192	99.00	3,577,792	2,210,375	6,554,200			12,342,367	
1189	N12	Dept of Corrections		5,743,387	158,000				5,901,387	52.82	5,743,387		160,377			5,901,764	
		Medical Services			5,000				5,000	5.02	234,589		5,000			239,589	
		Victim Services															
		Provide staff development and training to agency law enforcement officers.															
1249	P24	Dept of Natural Resources			150,000				150,000	1.00				150,000		150,000	
		Compliance - Dealer Licensing, Regulation, and Enforcement		663,443							663,443						
1410	R40	Dept of Motor Vehicles			154,325								154,325			154,325	
153	E24	Prosecution Coordination		104,477					104,477	2.00	104,477					104,477	
179	E24	Adjutant General		80,300					80,300			86,300				86,300	
		State Office of Pretrial Intervention															
		Air Support - Natural Resources															
		Facilities Planning & Maintenance Activity															
1079	K05	Dept of Public Safety		2,700,000	1,556,142		1,500,000		3,056,142	16.00				1,556,142	1,000,000	2,556,142	
1163	N04	Dept of Corrections			175,000		1,000,000		3,875,000	39.00		2,700,000				2,875,000	
1168	N04	Dept of Corrections			5,762,856				5,762,856	23.00						5,762,856	
1164	N04	Dept of Corrections			3,462,096				3,462,096	25.00						3,462,096	
1168	N04	Dept of Corrections		3,427,660	426,400		1,902,000		5,756,060	154.00	3,427,660	5,427,660	426,400	600,000		6,454,060	4.00
1171	N04	Dept of Corrections		65,000	4,000,000				4,065,000	1.00	65,000	4,000,000				4,065,000	
		Federal Grant Allocation															
1177	N08	Dept of Probation, Parole & Pardon Services		483,692	381,820				865,512	19.00	483,692			480,983		964,675	
1186	N12	Dept of Juvenile Justice		11,079,735	2,653,866				14,041,136	281.02	11,079,735	1,092,349	3,067,266	94,370		15,255,783	45.00
1187	N12	Dept of Juvenile Justice		751,493	505,400				1,256,893	7.72	751,493		505,400			1,256,893	
		Prevention and Diversion Services															
		Customer Service Delivery / Product Development and Partnerships		280,517	1,663,606				1,944,123	14.00	280,517		3,811,627			4,092,144	
1406	K05	Dept of Public Safety			958,809				958,809	9.00			458,809			458,809	
1159	N04	Dept of Corrections		1,500,000					1,500,000	45.00		1,500,000				1,500,000	
1190	N12	Dept of Juvenile Justice		721,561					721,561	17.51	721,561					721,561	
55	D17	Governor's Office - OEPP		17,639	91,213				108,852	0.25		7,983	91,601			99,584	
138	E20	Attorney General		80,000					80,000							80,000	
173	E24	Adjutant General		20,000	150,000				170,000	2.00	20,000					170,000	
		Army Support - Distance Learning															
1396	R36	Labor, Licensing & Regulation		158,176					158,176								
1075	K05	Dept of Public Safety			125,000				125,000	2.00		158,176				283,176	
1084	K05	Dept of Public Safety			392,934				392,934	6.00						392,934	
1086	K05	Dept of Public Safety			1,550,126				1,550,126	28.00						1,550,126	
53	D17	Governor's Office - OEPP		3,158	16,500				19,658	0.25						208,876	
		General Operations															
		Constituent Referral/Clearinghouse															
		Reimbursement for Granville Disaster Relief														16,887	
1538	F03	Budget & Control Board															
37	D10	Governor's Office - SLED		1,114,037	334,428		200,000		1,648,465	21.00	1,114,037					1,114,037	
1045	K05	Dept of Public Safety															
1157	N04	Dept of Corrections			18,611,600				18,611,600	32.00			18,611,600			18,611,600	
		Institutions Canteen Operations															
		Recycling Operation - shift to Other Funds															
1160	N04	Dept of Corrections		110,000	359,000				469,000	8.00						469,000	
1169	N04	Dept of Corrections		241,593					241,593	5.00						241,593	
		Penal Facilities Inspection															
		Penal Facilities Inspection - reduce staff & expenses pursuant to Section 24.9-20															
1169	N04	Dept of Corrections															
1250	P24	Dept of Natural Resources		479,474					479,474	1.00						(125,000)	
54	D17	Governor's Office - OEPP		9,475	47,500				56,975	0.25		479,474				479,474	
193	E24	Adjutant General			1,265,250				1,265,250	3.00						1,265,250	
1078	K05	Dept of Public Safety			100,092				100,092	2.00						100,092	
1087	K05	Dept of Public Safety			20,658				20,658							20,658	
1077	K05	Dept of Public Safety			565,805				565,805	6.00						565,805	
1248	P24	Dept of Natural Resources			600,000				600,000	4.00						600,000	

Improve the Safety of our People and Property

FY 2006-07 Governor's Purchase Plan

Activity Number Agency Number Agency Name Activity Name			FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan				
			Maybank Funding Proviso				Capital Reserve Fund			Total Funds			Federal Funds		Other Funds		New FTEs
			General Funds	Federal Funds	Other Funds	Supplemental Proviso	Capital Reserve Fund	Other Funds	Supplemental Proviso	Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	
1166	N04	Dept of Corrections	600,000								600,000	19.00					600,000
194	E24	Adjutant General	99,000								99,000		99,000				99,000
1067	K05	Dept of Public Safety	330,526		75,236						405,762	5.80	330,526		75,236		405,762
1067	K05	Dept of Public Safety											(330,526)		330,526		
1527	D10	Governor's Office - SLED									250,000						0
41	D10	Governor's Office - SLED	1,803,680	8,788	541,455						2,353,923	34.00	1,803,680	8,788	1,006,455		2,818,923
41	D10	Gov. Office - SLED											(1,600,000)			2,000,000	400,000
149	E20	Attorney General	1,520,384		253,163						1,773,547	21.25	1,520,384		253,163		1,773,547
152	E21	Prosecution Coordination															
199	E24	Adjutant General	362,878								362,878	3.00	362,878				362,878
1041	K05	Dept of Public Safety	1,652,638		25,000						1,677,638	33.26	1,652,638		17,369		1,706,473
1041	K05	Dept of Public Safety	5,451,464		5,190,540						10,642,004	132.99	5,451,464		5,070,527		10,521,991
---	K05	Dept of Public Safety											(129,489)				
1170	N04	Dept of Corrections	9,955,472	508,725	491,600						10,955,797	164.00	9,955,472	464,270	491,600		11,401,192
---	N04	Dept of Corrections											(422,900)				
1179	N08	Dept of Probation, Parole & Pardon Services	1,053,569		835,268						1,888,837	34.00	1,053,569		2,085,983		3,139,552
1179	N08	Dept of Probation, Parole & Pardon Services											(518,012)				(518,012)
1191	N12	Dept of Juvenile Justice	3,469,472		5,723						3,475,195	75.29	3,469,472		5,000		3,474,472
1191	N12	Dept of Juvenile Justice											(425,000)				(425,000)
---	N12	Dept of Juvenile Justice											(113,400)				
1400	R40	Dept of Motor Vehicles	757,242		2,547,879						3,305,121	59.00	757,242		3,582,472		4,339,714
---	R40	Dept of Motor Vehicles											(11,149,579)		11,149,579		
1051	K05	Dept of Public Safety	88,083								88,083	1.00					
1050	K05	Dept of Public Safety	129,929								129,929	2.00					
1188	N12	Dept of Juvenile Justice	7,655		5,000						12,655	0.06			5,000		5,000
1085	K05	Dept of Public Safety	117,287								117,287	3.00					
Total			528,337,841	94,348,936	245,086,163		15,722,033		3,070,973	2,940,000	889,505,945	12,964.06	532,987,883	121,040,045	283,630,406	41,522,883	979,181,217
																	581.00

Strengthen our Government's Ability to Achieve Its Results Efficiently and Effectively

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding					FY 2005-07 Governor's Purchase Plan										
			General Funds	Federal Funds	Other Funds	Reserve Fund	Capital	Maybank Funding	Supplemental Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Capital	Total Funds	New FTEs
1414	Department of Revenue	Compliance	9,192,026							11,884,746	152.00	9,192,026		2,842,720			12,034,746	
		FY 04-05 Appropriation was for nonrecurring technology expenses associated with enforced collections																
1414	Department of Revenue	Central State Audit - Payroll	720,522		29,092					749,614	14.00						(3,000,000)	
121	Comptroller General	Central State Audit - Accounts Payable	677,696		111,266					788,962	15.00						786,206	
122	Comptroller General	Central State Accounting	371,945		141,956					513,901	8.00						820,055	
125	Comptroller General	Travel Office															538,258	
NEW	Comptroller General	Accounting and Banking	1,215,912		181,327					1,397,239	28.00						50,000	1.00
130	State Treasurer	Debt Management	451,012		99,840					550,852	8.00						1,397,239	
132	State Treasurer	Collections	5,783,707		1,295,400					7,079,107	145.00						550,852	
1413	Department of Revenue	Investments	211,463		778,258					989,721	13.00						7,079,107	
131	State Treasurer	Financial Reporting	505,039		252,070					757,109	11.00						989,721	
124	Comptroller General	Government Litigation Section	586,879		249,892					836,771	7.00						834,080	
145	Attorney General	Statewide Budget Development, Analysis and Implementation	2,346,742							2,346,742	27.00						896,771	
208	Budget & Control Board	Processing	4,241,385		949,960					5,191,345	124.00						2,346,742	
1415	Department of Revenue	Data Processing - Information Technology	946,757		34,324					981,081	18.00						949,960	
123	Comptroller General	Special Primaries/Elections			1,450,000					1,450,000							1,079,110	
204	Election Commission	Facilities Management	2,353,532		25,332,327					27,685,859	178.35						100,000	
223	Budget & Control Board	Audit the State's Basic Financial Statements	117,202		240,000					357,202	2.60						294,000	
271	B & C Bd - Auditor	2006 Statewide Primaries								3,335,000							3,125,000	
1537	Election Commission	Property & Liability Self-Insurance			5,494,626					5,494,626	54.80						5,851,112	
235	Budget & Control Board	Legal Services			1,084,307					1,084,307	10.00						1,084,307	
259	Budget & Control Board	State Agency Audits	643,438							643,438	14.10						643,438	
274	B & C Bd - Auditor	Court Audits			250,000					250,000							250,000	
275	B & C Bd - Auditor	Taxpayer Assistance	3,470,224		777,240					4,247,464	74.00						777,240	
1416	Department of Revenue	Dues & Membership Fees	195,080							195,080							195,080	
77	Governor's Office - OEPP	Retirement Systems Financial Services	50,000		4,625,048	50,000				4,925,048	55.00						4,282,127	
255	Budget & Control Board	Internal Audit and Performance Review	140,563		312,391					452,954	7.00						470,092	
262	Budget & Control Board	Single Audit	649,201							649,201	14.50						649,201	
272	B & C Bd - Auditor	Workers' Compensation Insurance Services			5,453,464					5,453,464	77.12						5,473,721	
1326	State Accident Fund	Campaign Finance	36,242							36,242	1.20						36,242	
1423	State Ethics Commission	Financial Disclosure	36,242							36,242	1.20						36,242	
1424	State Ethics Commission	Board of Economic Advisors & Economic Research	1,047,703							1,047,703	11.25						1,047,703	
211	Budget & Control Board	Network Services-Local Services			10,010,747					10,010,747	40.32						10,192,807	
245	Budget & Control Board	Network Services-Long Distance, Internet and Network			11,694,824					11,694,824	36.09						12,280,517	
246	Budget & Control Board	Retirement Systems Customer Services			5,409,196					5,409,196	66.00						5,662,717	
256	Budget & Control Board	Retirement Systems Information Technology			4,537,523					4,537,523	36.00						5,311,230	
257	Budget & Control Board	Retirement Systems Service/Imaging			1,677,559					1,677,559	26.00						1,748,887	
258	Budget & Control Board	Legal	1,542,322		345,440					1,887,762	21.00						2,237,762	
1417	Department of Revenue	Technology Services	8,940,448		3,954,480					12,894,928	39.00						12,894,928	
1420	Department of Revenue	Enforcement	101,328							101,328	3.20						101,328	
1425	State Ethics Commission	Executive Operations of the Lieutenant Governor's Office	193,639							193,639	3.00						193,639	
80	Lieutenant Governor	Redistricting & Precinct Demographics	254,390							254,390	3.25						254,390	
212	Budget & Control Board	Network Services- Other			8,938,520					8,938,520	31.02						9,067,442	
247	Budget & Control Board	Data Processing Services - Desktop and Mid Range Server Support			1,954,541					1,954,541	22.54						2,586,291	
250	Budget & Control Board	IT Planning & Project Management			1,586,443					1,586,443	18.00						1,631,541	
252	Budget & Control Board	Equity Investment Operations			(see E19)						3.00							
254	Retirement System	Investment Commission (Formerly Retirement Systems Investment Panel)																
NEW	Investment Commission				1,477,347					1,477,347							2,110,235	

Strengthen our Government's Ability to Achieve Its Results Efficiently and Effectively

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding					FY 2005-07 Governor's Purchase Plan								
			General Funds	Federal Funds	Other Funds	Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Total Funds	New FTEs
201	Election Commission	Voter Services	341,148		105,000				446,148	9.00	341,148		105,000		446,148	
225	Budget & Control Board	Print Shop			781,933				781,933	8.27			802,307		802,307	
248	Budget & Control Board	Data Processing Services			15,021,460				15,021,460	112.97			15,745,791		15,745,791	
251	Budget & Control Board	Information Technology Procurement (ITMO)			991,082				991,082	11.42			1,245,004		1,245,004	
267	Budget & Control Board	Comptroller and Treasurer Data Processing Support	926,763						926,763		926,763				926,763	
1418	Department of Revenue	Property	1,542,322		345,440				1,887,762	28.00	1,542,322		345,440		1,887,762	
224	Budget & Control Board	State Fleet Management			14,166,021				14,166,021	38.36			21,252,879		21,252,879	
233	Budget & Control Board	Audit and Certification	406,007		50,000				456,007	6.00	406,007		57,200		463,207	
269	Budget & Control Board	Human Resources (HR) Support to the Governor's Office	134,001						134,001	3.00	134,001				134,001	
1422	State Ethics Commission	Lobbying Activities	23,896						23,896	0.70	23,896				23,896	
81	Lieutenant Governor	Constituent Service & Recognition Programs	47,619						47,619	1.00	47,619				47,619	
232	Budget & Control Board	Procurement	1,383,500		395,302				1,778,802	26.50	1,383,500		711,676		2,095,176	
234	Budget & Control Board	State Engineer	479,612		75,000				554,612	7.00	479,612		82,500		562,112	
249	Budget & Control Board	Data Processing Services - Applications Development			2,281,898				2,281,898	34.02			2,316,635		2,316,635	
253	Budget & Control Board	Enterprise Projects	2,610,000		11,200,000	5,500,000			19,310,000	7.00	5,400,000		10,000,000	5,700,000	21,100,000	8.00
127	Comptroller General	Local Government			109,352				109,352	3.00			44,250		44,250	
220	Budget & Control Board	Grievance and Mediation Services	359,448						359,448	5.41	359,448				359,448	
226	Budget & Control Board	Surplus Property			1,532,943				1,532,943	25.78			1,544,884		1,544,884	
227	Budget & Control Board	Leasing			607,619				607,619	6.72			622,335		622,335	
230	Budget & Control Board	Intra Agency Mail	121,114		1,034,139				1,034,139	13.41			1,136,098		1,136,098	
202	Election Commission	Public Information - Training			35,000				156,114	3.00	121,114		35,000		156,114	
219	Budget & Control Board	Human Resource Consulting Services	1,870,186						1,870,186	20.68	1,870,186				1,870,186	
228	Budget & Control Board	Appraisal			493,400				493,400	6.50						
244	Budget & Control Board	Radioactive Waste Disposal Program			521,452				521,452	3.70			423,375		423,375	
133	State Treasurer	Unclaimed Property Program	190,317		1,239,015				1,429,332	12.00	190,317		1,239,015		1,429,332	
229	Budget & Control Board	Parking Services	165,281		368,276				533,557	5.10	165,281		279,465		444,746	
1305	Department of Commerce	Aeronautics - Flight Operations	590,801		200,000				790,801	7.00	590,801		334,000		924,801	
205	Election Commission	Distribution to Subdivisions	449,017						449,017		449,017				449,017	
206	Election Commission	Distribution to Subdivisions	65,997						65,997		65,997				65,997	
1539	Budget & Control Board	Veteran's Cemetery					250,000		250,000							
231	Budget & Control Board	Central Supply			594,278				594,278	10.14						
----	Statewide	Savings from first class of TERI participants.									20,516,000		3,229,476		23,745,476	
----	Statewide	Travel Savings									726,365				726,365	
----	Adjutant General	Prepayment of Bonds									243,351				243,351	
----	Department of Revenue	Prepayment of Bonds									990,561				990,561	
----	State Museum	Prepayment of Bonds									1,688,004				1,688,004	
----	Budget & Control Board	Budget & Control Board									823,680				823,680	
----	Dept of Social Services	Prepayment of Bonds									108,145				108,145	
----	Dept of Health & Env	Prepayment of Bonds									564,317				564,317	
----	Control	Prepayment of Bonds									147,711				147,711	
----	Arts Commission	Prepayment of Bonds														
78	Governor's Office - OEPP	Administration	2,180,758						2,180,758	38.50					2,180,758	
126	Comptroller General	Administration	725,572		83,198				808,770	8.00					725,572	
136	State Treasurer	Administration	520,063						520,063	6.00					520,063	
200	Election Commission	Administration	513,737		300,700				814,437	7.50	513,737		300,700		814,437	
270	Budget & Control Board	Administration	1,625,314		2,998,248				4,623,562	58.62	1,625,314		3,026,720		4,652,034	
276	B & C Bd - Auditor	Administration (Overhead Costs)	349,089						349,089	4.00	349,089				349,089	
1325	State Accident Fund	Administration			1,236,462				1,236,462	13.00			1,255,800		1,255,800	
1421	Department of Revenue	Administrative Support	3,855,804		863,600				4,719,404	64.50	3,855,804		863,600		4,719,404	
1426	State Ethics Commission	Administration	159,148		100,000				259,148	3.70	159,148		225,512		384,660	

Strengthen our Government's Ability to Achieve Its Results Efficiently and Effectively

FY 2006-07 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Reserve Fund	Capital
203	Election Commission	Help America Vote Act (HAVA)	700,000						700,000						
215	Budget & Control Board	Training and Development Services	568,647		368,265				936,912	13.01			396,305		396,305
216	Budget & Control Board	Temporary Employment Services	27,147		2,107,598				2,134,745	2.17			2,125,990		2,125,990
217	Budget & Control Board	Recruitment Services	73,015						73,015	0.81					
218	Budget & Control Board	Workforce Planning	38,713						38,713	0.42					
260	Budget & Control Board	Executive Education Training	390,158		111,731				501,889	4.00			49,300		49,300
1435	Procurement Review Panel	Administration	22,989						22,989	0.15					
1436	Procurement Review Panel	Hearings	87,960		3,000				90,960	1.85					
264	Budget & Control Board	Civil Contingent Fund	161,902						161,902						
Total			70,729,684		163,743,540	5,550,000	200,000	3,968,000	244,191,224	2,059.45	42,500,702		172,003,219	8,825,000	223,328,921
															9.00

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
A01 The Senate 1 Legislative Policy Setting FY 05-06 Health Insurance & Pay Plan Allocator		10,169,606								10,169,606	189.00	10,169,606						10,169,606			
		313,689								313,689		313,689						313,689			
	Total	10,483,295								10,483,295	189.00	10,483,295						10,483,295			
A05 House of Representatives 2 Legislative Policy Setting FY 05-06 Health Insurance & Pay Plan Allocator		11,938,442								11,938,442	251.00	11,938,442						11,938,442			
		241,835								241,835		241,835						241,835			
	Total	12,180,277								12,180,277	251.00	12,180,277						12,180,277			
A15 Codification of Laws & Legislative Council 3 Legislative Bill Drafting 4 Law Codification Responsibilities 5 Administrative Procedures Act Responsibilities and publication of State Register FY 05-06 Health Insurance & Pay Plan Allocator		2,438,739								2,438,739	42.00	2,438,739						2,438,739			
		41,439		250,000						291,439	2.00	41,439		250,000					291,439		
		101,651								101,651	2.00	101,651						101,651			
		101,159								101,159		101,159						101,159			
		2,682,968		250,000						2,932,968	46.00	2,682,968		250,000				2,932,968			
	Total	3,514,822								3,514,822	33.00	3,514,822						3,514,822			
A17 Legislative Printing 6 Legislative Services FY 05-06 Health Insurance & Pay Plan Allocator		85,931								85,931		85,931						85,931			
		3,600,753								3,600,753	33.00	3,600,753						3,600,753			
	Total	1,011,081					4,400		70,000	1,085,481	24.00	1,011,081						1,011,081			
A20 Legislative Audit Council 7 Performance Auditing NEW Sunset Commission FY 05-06 Health Insurance & Pay Plan Allocator		40,372								40,372		40,372						40,372			
		1,051,453					4,400		70,000	1,125,853	24.00	1,051,453						1,125,853			
	Total	1,091,825								1,091,825		1,091,825						1,091,825			
A85 Education Oversight Committee 8 Agency Administration: overhead Implementation and oversight of the educational accountability system Evaluation of the functioning of public education Family Involvement Public Awareness		139,852								139,852	1.50	139,852						139,852			
		705,313								705,313	5.75	705,313						705,313			
		269,037								269,037	2.75	269,037						269,037			
		45,338								45,338		45,338						45,338			
		310,286								310,286		310,286						310,286			
	Total	1,459,856								1,459,856	10.00	1,459,856						1,459,856			
	B04 Judicial Department 14 Supreme Court 15 Bar Examiners 16 Disciplinary Counsel 17 Appeals Court 18 Circuit Court 19 Family Court 20 Court Administration 21 Administration (Finance & Personnel) 22 Information Technology 23 Judicial Commitment 24 Interpreters FY 05-06 Health Insurance & Pay Plan Allocator		3,739,306								3,739,306	48.47	3,739,306					3,739,306			
			243,775								243,775	1.00	243,775						243,775		
			430,711								430,711	15.00	430,711						430,711		
			2,773,491								2,773,491	62.00	2,773,491						2,773,491		
			16,886,473								16,886,473	205.00	16,886,473						16,886,473		
			14,781,937								14,781,937	165.00	14,781,937						14,781,937		
		1,672,608								1,672,608	24.00	1,672,608						1,672,608			
		838,735								838,735	15.00	838,735						838,735			
		1,243,461					3,785,000			1,243,461	33.00	1,243,461		13,099,000				15,771,009			
		1,000								1,000		1,000						1,000			
		1,261,916								1,261,916		1,261,916						1,261,916			
Total		34,093,655						3,785,000		59,067,668	568.47	34,093,655		15,823,985				62,942,316			
C05 Administrative Law Court 25 Due Process Hearings 26 Administrative Overhead 1409 Compliance - Administrative Hearings (function was transferred from DMV) 1526 IT Upgrade FY 05-06 Health Insurance & Pay Plan Allocator		1,337,056								1,337,056	25.00	1,337,056						1,337,056			
		99,002								99,002	3.00	99,002						99,002			
		252,000								252,000	14.00	252,000						252,000			
		57,298								57,298		57,298						57,298			
		1,745,356								1,745,356	42.00	1,745,356						1,745,356			
	Total	2,408,056								2,408,056	42.00	2,408,056						2,408,056			

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan												
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	
D05 Governor's Office - ECS	27 Administration	1,280,928		598,674		302,578				1,280,928	19.00	1,280,928						1,280,928		
	FY 05-06 Health Insurance & Pay Plan Allocator	44,162								44,162		44,162						44,162		
	Travel Savings									(1,093)								(1,093)		
	Total	1,325,090								1,325,090	19.00	1,323,997						1,323,997		
D10 Governor's Office - SLED	28 Courier Terrorism	1,007,939								1,007,939	18.00	1,007,939	598,908	302,578				1,909,425		
	29 Missing Persons	106,099				31,850				137,949	2.00	106,099		71,193				177,292		
	30 Investigative Services	5,941,533	28,566	1,783,616			625,000			8,378,715	110.00	5,941,533	28,566	1,883,616			250,000	7,853,715		
	30 800 MHz Statewide User Fees																	250,000		
	30 Abuse Investigations at Residential Care Facilities											450,000						450,000	7.00	
	31 Arson/Bomb	1,326,235		398,129			250,000			1,974,364	25.00	1,326,235		438,129				1,764,364		
	32 State Grand Jury/Insurance Fraud	424,395		127,401						551,796	8.00	424,395		154,401				578,796		
	33 Tactical Services	742,692		222,952			4,000			969,644	14.00	742,692						742,692		
	34 Special Operations	1,219,606	13,500	366,119			175,000			1,774,225	21.99	1,219,606	13,500	630,846				1,863,952		
	35 Forensic Laboratory - DNA/Serology	1,909,778	1,514,316	573,305			250,000			4,247,399	36.00	1,909,778	465,877	1,199,061				3,574,716		
	36 Criminal Justice Information Services (CJIS)	7,479,965	5,369,768				250,000			15,345,778	141.00	7,479,965	7,515,279	4,374,640				19,369,884		
	37 Community Services	1,114,037		334,428						1,648,465	21.00	1,114,037						1,114,037		
	38 Narcotics/Alcohol Enforcement/ Gaming (VICE)	2,281,124	10,907	684,781			500,000			3,476,812	42.00	2,281,124	10,907	56,657				2,348,688		
	38 VICE 10 Agents for Enforcement											1,100,000						1,100,000	10.00	
	39 Vehicle Crimes	954,889		286,653			250,000			1,491,542	18.00	954,889		296,653				1,251,542		
	40 Regulatory	901,840		270,727			59,000			1,231,567	17.00	901,840						901,840		
	41 Administration	1,803,680	8,788	541,455						2,353,923	34.00	1,803,680	8,788	1,006,455				2,818,923		
	41 Shift in Vehicle Funding																2,000,000	400,000		
	42 Homeland Security Grants		457,604							457,604	5.00		35,967,246					35,967,246		
	43 Forensic Laboratory - Drug Analysis	530,494	420,631	159,251						1,110,376	10.00	530,494		159,251					689,745	
		44 Forensic Laboratory - Evidence Control/ Processing	583,543	462,694	175,177					1,221,414	11.00	583,543		175,177					758,720	
		45 Forensic Laboratory - Firearms/Tool Marks	424,395	336,504	127,401					888,300	8.00	424,395		127,401					551,796	
		46 Forensic Laboratory - Implied Consent (breath alcohol testing systems)	318,296	252,378	95,551					666,225	6.00	318,296		95,551				1,920,000	2,333,847	
		47 Forensic Laboratory - Latent Prints/Crime Scene Processing	954,889	757,135	286,653					1,998,677	18.00	954,889	661,376	286,653					1,902,918	
	48 Forensic Laboratory - Questioned Documents/ Photography	265,247	210,315	79,626					555,188	5.00	265,247	210,315	79,626					555,188		
	49 Forensic Laboratory - Toxicology	795,741	630,946	238,877					1,665,564	15.00	795,741	630,946	238,877					1,665,564		
	50 Forensic Laboratory - Trace Evidence/Arson Analysis	583,544	462,694	175,175						1,221,413	11.00	583,544	462,694	175,175				1,221,413		
	1527 Pass Through Funds						250,000			250,000										
	TERI Savings																	(15,243)		
	FY 05-06 Health Insurance & Pay Plan Allocator	2,108,285								2,108,285		2,108,285						2,108,285		
	Travel Savings																	(1,200)		
	Total	33,778,246	11,535,420	9,507,150			2,504,000	309,000		57,633,816	596.99	33,771,803	46,574,402	11,751,940			4,170,000	96,208,145	17.00	
	D17 Governor's Office - OEPP	51 Grant Making	57,440	1,990,124						2,047,564	6.50	57,440	1,990,124						2,047,564	
52 Pass Through Funds		54,176							54,176		54,176							54,176		
53 Constituent Referral/Clearinghouse			3,158	16,500					19,658	0.25			16,887					16,887		
54 Liaison Services			9,475	47,500					56,975	0.25			47,887					47,887		
55 Formal Complaints			17,639	91,213					108,852	0.25			7,983		91,601			99,584		
56 Training			1,579	7,750					9,329	0.25			1,783					1,783		
57 Certification																				
58 Veterans Disability & Claims Program																				
Intensive Case Management																				
Continuum of Care - administrative savings from restructuring																				
60																				
Targeted Case Management - Continuum of Care																				
61 Advocacy																				
Conduct statewide reviews of children in foster care as per statute																				
63 Training for staff and Review Board volunteers																				
64 Medicaid Review Program																				
65 Pass-Through Funds																				
66 Constituent Services/ Ombudsman																				
67 Constituent Services/ Children's Affairs																				
68 Constituent Services/ CCRS																				
69 Victim Compensation Claims Processing																				
70 Training to Victim Advocates																				
71 Pass Through Funds																				

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
72	Recruit, train, and supervise volunteers	869,271		2,549,850						3,419,130	20.00	869,271		2,830,975				3,700,246	
73	Attorney Compensation	100,296		203,980						304,276		100,296		203,980				304,276	
74	Advocacy for Women- enter into a public-private partnership with Columbia College									100,000								100,000	
74	Grants Administration (Formula)			520,000						28,577,927	19.00			560,000				26,704,316	(75,000)
75	Grants Administration (Formula)			1,687,698						1,687,698	2.00			1,687,698				1,687,698	
76	Dues & Membership Fees									195,080				195,080				195,080	
77	Administration									2,180,758	38.50			2,180,758				2,180,758	
78	TERI Savings									237,627				237,627				237,627	
	FY 05-06 Health Insurance & Pay Plan Allocator																		
	Travel Savings																		
	Total	9,795,450	36,763,842	19,849,904						66,409,196	255.50	9,585,052	33,605,862	22,939,263				66,130,177	
D20 Governor's Office - Mansior																			
79	Administration	409,194								409,194	17.00	409,194						409,194	
	FY 05-06 Health Insurance & Pay Plan Allocator	15,606								15,606		15,606						15,606	
	Total	424,800								424,800	17.00	424,800						424,800	
E04 Lieutenant Governor																			
80	Executive Operations of the Lieutenant Governor's Office	193,639								193,639	3.00	193,639						193,639	
81	Constituent Service & Recognition Programs	47,619								47,619	1.00	47,619						47,619	
82	Lieutenant Governor's Young Writer's Program	49,908								49,908	2.00	49,908						49,908	
83	Administration	1,101,114		699,801						1,800,915	12.00	1,101,114		1,148,110				2,249,224	
84	Quality Assurance	11,631		32,589						44,220	1.50	11,631		32,589				44,220	
85	Statistical Data Collection and Analysis	128,504		38,413						166,917	3.00	128,504		38,413				166,917	
86	Information Systems	275,120		137,560						412,680	3.00	275,120		137,560				412,680	
	State Level Activity - Home and Community-based Services	78,737		236,210						314,947	3.00	78,737		236,210				314,947	
87	Regional Level Activity - Flow Thru Funding - Title II																		
88	Part B Community-Based Supportive Services	833,562		5,520,663						6,354,225		833,562		5,638,620				6,472,182	
89	State Level Activity - Nutrition Services	97,913		277,125						375,038	1.50	97,913		277,125				375,038	
	Regional Level Activity - Flow Thru Funding - Title II																		
90	Part C and USDA - Group Dining and Home Delivered Nutrition Services	835,025		9,095,492						10,549,417		835,025		9,195,492				10,649,417	
	State Level Activity - Employment and Training Services	10,234		92,099						102,333	1.60	10,234		92,099				102,333	
91	Regional Level Activity - Flow Thru Funding - Title I																		
92	State Level Activity - Medicare Counseling Program - Employment and Training Services			1,223,600						1,223,600				1,246,937				1,246,937	
93	I-CARE			97,778						97,778	1.70			97,778				97,778	
94	State Level Activity - Medicare Fraud	25,076		75,227						100,303	0.50	25,076		75,227				100,303	
95	Regional Level Activity - Medicare Fraud			117,273						117,273				117,273				117,273	
	Senior Center Development - Permanent Improvement Projects			3,075,000						3,075,000				3,075,000				3,075,000	
96	State Level Activity - Family Caregiver Support Program	19,484		58,449						77,933	1.00	19,484		58,449				77,933	
97	Regional Level Activity - Flow Thru Funding - Family Caregiver Support Program																		
98	Caregiver Support Program	2,059,170		119,349						2,059,170	3.25	2,059,170		2,079,170				2,079,170	
99	State Level Activity - Information & Assistance									119,349				702,725				702,725	
	Regional Level Activity - Flow Thru Funding - Information and Assistance																		
100	Information and Assistance	12,597		214,143						226,740		12,597		214,143				226,740	
	State Level Activity - Summer School of Gerontology																		
101	State Level Activity - State Long Term Care Ombudsman Program			127,000						127,000	1.75			127,000				127,000	
103	Regional Long Term Care Ombudsman Program under Title II-B and Title VII and State Funds																		
	Regional Level Activity - Flow Thru Funding - Elder Abuse Prevention																		
104	State Level Activity - Elder Abuse Prevention	2,500		853,173						853,173		2,500		853,173				853,173	
105	State level Activity - Legal Assistance	5,000								5,000	0.25	5,000						5,000	
106	State Level Activity - Advance Directives	20,000								20,000	0.45	20,000						20,000	
107	Regional Level Activity - Local Provider Salary Supplement																		
109	State Level Activity - Alzheimer's Resource Coordination Center	5,000								5,000		5,000						5,000	
110	Local Level Activity - Competitive Grant Awards	145,000								145,000	0.50	145,000						145,000	
111	State Level Activity - Elder Care Trust Fund			9,100						9,100				9,100				9,100	

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
113	Local Level Activity - Elder Care Trust Fund Competitive Awards																				
1528	State Level Activity SC Access Special Purpose Developmental Grant from CMS		495,083							495,083	1.00		448,195						448,195		
1529	State Level Activity SC Access Plus/Aging and Disabilities Resource Center		424,000							424,000			305,205						305,205		
1530	State Level Activity - Aging Network Services Medication Management and Health Promotion		85,969							85,969		28,657							114,626		
1531	Regional Level Activity - Flow Thru Funding - Health Promotion Programs		245,329							245,329			245,329						245,329		
1532	Regional Level Activity - Flow Thru Funding - I-CARE		258,551							258,551			295,836						295,836		
1533	Abuse Prevention Program under Title VII		70,784							70,784			70,784						70,784		
1534	State Level Activity Emergency Rental Assistance Program												500,000						500,000		
1535	State Level Activity Geriatric Physician Loan Program											140,000							140,000		
	TERI Savings											(6,666)						(6,666)			
	FY 05-06 Health Insurance & Pay Plan Allocator									152,401		152,401						152,401			
	Travel Savings											(748)						(748)			
	Total	4,183,873	22,642,026	3,830,000						30,655,899	42.00	4,316,459	23,807,607	4,330,000				32,454,066			
E08 Secretary of State																					
114	Administration		420,634							420,634	7.00		420,634						420,634		
115	Corporations		200,000							200,000			177,993						177,993		
116	Uniform Commercial Code		147,261							147,261			147,261						147,261		
117	Notaries and Apostilles		26,318							26,318			26,318						26,318		
118	Boards, Commissions, Acts & Resolutions		46,732							46,732			46,732						46,732		
	Charities, Special Purpose Districts, Municipalities, and Annexations																				
119	Incorporations and Service of Process, Employment		643,395							643,395	5.00		643,395						643,395		
120	Agencies & Business Opportunities		46,207							46,207			46,207						46,207		
	TERI Savings		34,773							34,773			(26,573)					(26,573)			
	FY 05-06 Health Insurance & Pay Plan Allocator											34,773						34,773			
	Travel Savings											(839)						(839)			
	Total	899,918	1,113,395							2,013,313	27.00	872,506	1,113,395					1,985,901			
E12 Comptroller General																					
NEW	Travel Office																				
121	Central State Audit - Payroll		720,522							720,522	14.00		720,522						720,522		
122	Central State Audit - Accounts Payable		111,266							111,266			677,696						677,696		
123	Data Processing - Information Technology		34,324							34,324			946,757						946,757		
124	Financial Reporting		252,070							252,070	11.00		505,039						505,039		
125	Central State Accounting		141,966							141,966			371,945						371,945		
126	Administration		83,188							83,188	8.00		725,572						725,572		
127	Local Government		109,352							109,352	3.00		6,109						6,109		
	TERI Savings		161,821							161,821			161,821						161,821		
	FY 05-06 Health Insurance & Pay Plan Allocator											161,821						161,821			
	Travel Savings											(200)						(200)			
	Total	4,109,352	761,258							4,870,610	77.00	4,153,043	880,000					5,033,043	1.00		
E16 State Treasurer																					
130	Accounting and Banking		1,215,912							1,215,912	26.00		1,215,912						1,215,912		
131	Investments		211,463							211,463	13.00		211,463						211,463		
132	Debt Management		451,012							451,012	8.00		451,012						451,012		
133	Unclaimed Property Program		190,317							190,317	12.00		190,317						190,317		
	Unclaimed Property Program Supplement the administrative cost to the Treasurer's office with other funds from the unclaimed property revenue stream																				
133	South Carolina Tulip Prepayment Program / South Carolina College Investment Program		46,522							46,522	3.00		502,507						502,507		
134	Student Loans - Teachers		520,063							520,063	6.00		520,063						520,063		
136	Administration		94,203							94,203			94,203						94,203		
	TERI Savings		81,679							81,679			(980)						(980)		
	FY 05-06 Health Insurance & Pay Plan Allocator											81,679						81,679			
	Travel Savings											(980)						(980)			
	Total	2,729,492	8,167,991							10,897,483	70.00	2,460,521	8,167,991					10,628,512			
E19 Retirement System Investment Commissioner																					

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan										
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
NEW	Investment Commission (Formerly Retirement Systems Investment Panel)			1,477,347						1,477,347				2,110,235				2,110,235	
	Total			1,477,347						1,477,347				2,110,235				2,110,235	
	E20 Attorney General																		
138	Gun Violence Grant	20,000	80,000							100,000	2.00	20,000						20,000	
139	VAWA	18,066	100,000							118,066	3.00	18,066	115,937					134,003	
	Capital Litigation Sub-Section and the Post																		
140	Conviction Relief (PCR)	1,099,480		182,549						1,282,029	13.00	1,099,480		182,549				1,282,029	
141	The Medicaid Fraud Control Section	323,044	969,122							1,292,166	14.00	323,044	969,122					1,292,166	
142	The State Grand Jury	1,682,502		734,376						2,416,878	42.00	1,682,502	451,500	1,049,376				3,183,378	
143	The Internet Crimes Against Children Sector		225,000							225,000	2.00		225,000					225,000	
144	The Criminal Appeals Section	526,356		87,796						614,152	9.00	526,356		87,796				614,152	
145	Government Litigation Section	586,879		249,892						836,771	7.00	586,879		309,892				896,771	
146	Grievance Section	291,605		48,416						340,021	5.00	291,605		48,416				340,021	
147	Sexually Violent Predator Section	131,130		21,772						152,902	3.00	131,130		21,772				152,902	
148	Securities Fraud Section		1,750,000							1,750,000	21.00		1,750,000					1,750,000	
149	Administration	1,520,384								1,520,384	21.25	1,520,384						1,520,384	
150	The Opinions Division	320,032		253,163						573,197	5.00	320,032		253,163				573,197	
	TERI Savings			53,135										53,135					
	FY 05-06 Health Insurance & Pay Plan Allocator	258,010								258,010		258,010						258,010	
167	Travel Savings																		
	Total	6,777,488	1,374,122	3,381,100				440,000		11,532,710	147.25	6,703,349	1,761,559	4,256,100				12,721,008	
	E21 Prosecution Coordination Commissioner																		
151	Office of Solicitor State Appropriations	8,178,167		2,387,930						11,006,097	32.00	8,178,167		2,387,930				10,566,097	
151	Criminal Domestic Violence Prosecutors									2,200,000								2,200,000	
152	Administration	362,878								362,878	3.00	362,878						362,878	
153	State Office of Pretrial Intervention	104,477								104,477	2.00	104,477						104,477	
154	Child Abuse Prosecution Unit:	86,546	35,538							122,084	1.00	86,546						86,546	
155	DUI Prosecution Unit		114,138							114,138	1.00							114,138	
	FY 05-06 Health Insurance & Pay Plan Allocator	154,328								154,328		154,328						154,328	
	Travel Savings											(1,463)						(1,463)	
	Total	8,886,396	149,676	2,387,930				440,000		11,864,002	39.00	11,084,933		2,387,930				13,472,863	
	E23 Commission on Indigent Defense																		
156	Direct Appeals	425,463								425,463	9.51	425,463						425,463	
157	Post Conviction Relief Appeals	425,463								425,463	9.50	425,463						425,463	
159	Administration	463,070		202,600			45,000			710,670	4.00	463,070		202,600				665,670	
	Administrative savings from consolidation of Appellate & Indigent Defense											(178,321)						(178,321)	
160	Legal Aid Funding	7,542		1,700,000						1,707,542	0.50	7,542		3,500,000				3,507,542	
161	Death Penalty Fund	54,290	2,750,000							2,804,290	1.00	104,290		6,000,000				6,104,290	
162	Conflict Fund	24,525		1,100,000						1,124,525	1.00	321,876		3,000,000				3,321,876	
163	Civil Appointment Fund	20,930		750,000						770,930	2.00	20,930		750,000				770,930	
164	Defense of Indigents Per Capita	4,688,651		2,023,052						6,711,703	0.50	4,688,651		2,023,052				6,711,703	
	FY 05-06 Health Insurance & Pay Plan Allocator	57,227								57,227		57,227						57,227	
	Travel Savings											(188)						(188)	
	Total	6,167,161	8,525,652	2,387,930			45,000			14,737,813	28.01	6,336,003		15,475,652				21,811,655	
	E24 Adjutant General																		
165	Army Operations	1,387,060	300,000	920,200						2,607,260	7.55	1,387,060	505,410	1,008,976				2,901,446	
166	Army Support - Operations and Maintenance	134,147	7,718,647	50,000						7,902,794	13.00	134,147	5,748,145	49,571				5,932,863	
167	Army Support - Environmental	15,815	1,591,900							1,607,715	4.00	15,815	1,105,834					1,122,649	
168	Army Support - Security	435,000								435,000	1.00							435,000	
169	Army Support - Telecommunications	1,700,000								1,700,000								1,700,000	
170	Army Support - Sustainable Range Program	196,500								196,500								196,500	
171	Army Support - Full-Time Dining Facility	650,000								650,000								650,000	
172	Army Support - Supplemental Transportation	8,000								8,000								8,000	
173	Army Support - Distance Learning	150,000								150,000								150,000	
174	Army Support - Youth Challenge	3,840,000					250,000			4,090,000	2.00		4,060,000				4,060,000		
175	Ar Support - Operations and Maintenance	259,508	1,550,400	3,000				100,000		1,912,908	13.00	259,508	1,946,092	3,000				2,208,600	
176	Ar Support - Environmental	13,233	49,634							62,867	1.00	13,233	345,816					359,049	
177	Ar Support - Security	230,000								230,000	2.00		143,900					143,900	
178	Ar Support - Freightlifting	1,071,000								1,071,000	13.00	1,071,000						1,071,000	
179	Ar Support - Natural Resources	80,300								80,300			86,300					86,300	
180	Ar Support - Starbase Swamp Fox	220,000								220,000			220,000					220,000	
181	EMD - Homeland Security	97,884	2,759,456							2,857,340	4.75	97,884	445,529					543,413	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
181	EMD - Statewide Emergency Communications System											100,974						100,974	
182	EMD - Public Information	73,105	84,653	62,714						220,472	2.50	73,105	84,653	60,924				218,682	
183	EMD - Natural Hazards Preparedness	268,920	298,845							567,765	8.00	268,920	298,845					567,765	
183	EMD - State Regional District Operations Program											776,724					203,088	979,812	12.00
184	EMD - Natural Hazards Response	204,581	204,581	87,468						496,630	8.50	204,581	204,581	91,047				500,209	
185	EMD - Hazardous Materials	29,163	95,601							124,764	1.50	29,163	459,601					488,764	
186	EMD - Fixed Nuclear Facility Operations	39,356	39,356	691,324						770,036	12.75	39,356	39,356	820,154				898,866	
187	EMD - Natural Hazards Recovery	69,163	69,163							138,326	3.50	69,163	69,163					138,326	
188	EMD - Natural Hazards Mitigation	65,211	76,760							141,971	2.50	65,211	76,760					141,971	
189	EMD - Local Pass Through		1,500,000						1,000,000	3,000,000			1,679,835				1,679,835		
190	EMD - Operations Support	239,810	255,685	93,190						588,685	6.50	239,810	255,685	93,190				588,685	
191	State Guard	193,634						200,000		393,634	2.50	193,634						393,634	
192	Americorps			30,879						328,355	0.19							328,355	
193	Enterprise Operations		297,476							297,476				1,754,004				1,754,004	
194	Funeral Caisson	99,000								99,000		99,000						99,000	
195	Military Personnel Support	33,755								33,755	0.50	33,755						33,755	
196	Operations & Training	32,301								32,301		32,301						32,301	
197	Burial Flags	3,254								3,254		3,254						3,254	
199	Administration	1,652,638		25,000						1,677,638	33.26	1,652,638	36,466	17,369				1,706,473	
1536	Civil Air Patrol	50,000								50,000		50,000						50,000	
---	Prepayment of Bonds											(243,351)						(243,351)	
---	FY 05-06 Health Insurance & Pay Plan Allocator	109,684								109,684		109,684						109,684	
---	Travel Savings											(2,967)						(2,967)	
	Total	5,071,232	22,792,957	3,229,025			750,000	200,000	1,100,000	33,143,214	146.50	5,817,884	22,689,221	3,929,114			203,088	32,639,307	21.00
E28 Election Commission																			
200	Administration	513,737		300,700						814,437	7.50	513,737		300,700				814,437	
201	Voter Services	341,148		105,000						446,148	9.00	341,148		105,000				446,148	
202	Public Information - Training	121,114		35,000						156,114	3.00	121,114		35,000				156,114	
203	Help America Vote Act (HAVA)	700,000								700,000									
204	Special Primaries/Elections			1,450,000						1,450,000				100,000				100,000	
205	Distribution to Subdivisions	449,017								449,017		449,017						449,017	
206	Distribution to Subdivisions	65,997								65,997		65,997						65,997	
1537	2006 Statewide Primaries			3,335,000						3,335,000				3,125,000				3,125,000	
---	FY 05-06 Health Insurance & Pay Plan Allocator	27,979								27,979		27,979						27,979	
---	Travel Savings											(1,770)						(1,770)	
	Total	2,218,992	1,890,700	7,444,692				3,335,000		7,444,692	19.50	1,517,222	540,700	5,182,922				5,182,922	
F03 Budget & Control Board																			
Statewide Budget Development, Analysis and Implementation																			
208	Implementation	2,346,742								2,346,742	27.00	2,346,742						2,346,742	
209	Health & Demographics	877,810		2,424,492						3,498,031	25.00	877,810		2,273,452				3,259,767	
210	Successful Children Project (Kids Count)			429,359						429,359	1.00			433,655				433,655	
211	Board of Economic Advisors & Economic Research											1,047,703						1,047,703	
212	Redistricting & Precinct Demographics	254,390							65,000	319,390	3.25	254,390						319,390	
213	Enhanced 911	435,150								435,150	4.00			590,161				590,161	
214	Geologic Network	832,419		237,614					250,000	1,319,033	12.25	832,419		146,019				1,270,992	
215	Training and Development Services	568,647		368,265						936,912	13.01			396,305				396,305	
216	Temporary Employment Services	27,147		2,107,598						2,134,745	2.17			2,125,990				2,125,990	
217	Recruitment Services	73,015								73,015	0.81								
218	Workforce Planning	38,713								38,713	0.42								
219	Human Resource Consulting Services	1,870,186								1,870,186	20.68							1,870,186	
220	Grievance and Mediation Services	359,448								359,448	5.41							359,448	
221	Confederate Relic Room & Museum Services	628,332		28,100						656,432	6.00	628,332		28,100				656,432	
222	Facilities Management	2,353,532								2,353,532	176.35			21,252,879				30,062,676	
223	State Fleet Management	14,166,021								14,166,021	38.36			21,252,879				21,252,879	
224	Pint Shop	781,933								781,933	8.27			802,307				802,307	
225	Surplus Property	1,532,943								1,532,943	25.78			1,544,884				1,544,884	
226	Leasing	607,619								607,619	6.72			622,335				622,335	
227	Appraisal	493,400								493,400	6.50								
228	Parking Services	165,281								165,281	5.10			279,465				444,746	
229	Infra Agency Mail	368,276								368,276	10.14			1,136,088				1,504,364	
230	Central Supply	594,278								594,278	13.41								
231	Procurement	1,383,500		395,302						1,778,802	26.50			711,676				2,090,476	
232	Audit and Certification	406,007		50,000						456,007	6.00			57,200				463,207	
233	State Engineer	479,612		75,000						554,612	7.00			82,500				637,112	
234	Property & Liability Self-Insurance	5,494,626								5,494,626	54.80			5,851,112				5,851,112	
235	Employee Insurance Financial Services	3,612,425								3,612,425	33.81			4,276,709				4,276,709	

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
237	Employee Insurance Customer Services			4,463,316						4,463,316	44.95			5,123,239				5,123,239			
238	Adoption Assistance			9,555						9,555	0.14			9,917				9,917			
239	Local Government Infrastructure Grants			3,605,000						3,605,000	5.25			3,605,000				3,605,000			
239	Local Government Infrastructure Grants- combine	275,542								3,880,542		275,542						3,880,542			
239	with Rural Infrastructure Fund within Commerce		500,000	578,800						2,142,890	5.95	1,064,090	500,000	578,800				2,142,890			
240	State Revolving Fund Loans	1,064,090								72,144		72,144						72,144			
241	Community Development Block Grants																				
243	State Energy Program-Facilities Energy Efficiency		475,200	942,322						1,417,522	7.95		714,719	585,327				1,300,046			
244	Radioactive Waste Disposal Program			521,452						521,452	3.70			423,375				423,375			
245	Network Services-Local Services		10,010,747							10,010,747	40.32			10,192,807				10,192,807			
245	Network Services-Long Distance, Internet and Network																				
246	Network			11,694,824						11,694,824	36.09			12,280,517				12,280,517			
247	Network Services- Other			8,938,520						8,938,520	31.02			9,067,442				9,067,442			
248	Data Processing Services			15,021,460						15,021,460	112.97			15,745,791				15,745,791			
248	Data Processing Services - Applications																				
249	Development			2,281,898						2,281,898	34.02			2,316,635				2,316,635			
250	Data Processing Services - Desktop and Mid Range Server Support																				
250	Server Support			1,954,541						1,954,541	22.54			2,586,291				2,586,291			
251	Information Technology Procurement (ITMO)			991,082						991,082	11.42			1,245,004				1,245,004			
252	IT Planning & Project Management			1,586,443						1,586,443	18.00			1,631,541				1,631,541			
253	Enterprise Projects	2,610,000		11,200,000			5,500,000			19,310,000	7.00	5,400,000	10,000,000	10,000,000			5,700,000	21,100,000	8.00		
254	Equity Investment Operations			(see E 19)							3.00										
255	Retirement Systems Financial Services	50,000		4,625,048			50,000	200,000		4,925,048	55.00	50,000		4,262,127				4,312,127			
256	Retirement Systems Customer Services			5,409,196						5,409,196	66.00			5,662,717				5,662,717			
257	Retirement Systems Information Technology			4,537,523						4,537,523	36.00			5,311,230				5,311,230			
258	Retirement Systems Service/Imaging			1,677,559						1,677,559	26.00			1,748,887				1,748,887			
259	Legal Services			1,084,307						1,084,307	10.00			1,084,307				1,084,307			
260	Executive Education Training	390,158		111,731						501,889	4.00			49,300				49,300			
262	Internal Audit and Performance Review	140,563		312,391						452,954	7.00	140,563		329,529				470,092			
263	Brandenburg Coordination Committee																				
264	Civil Contingent Fund	161,902								11,354		11,354						11,354			
265	Base Closure	574,716								574,716											
267	Comptroller and Treasurer Data Processing Support	926,763								926,763		926,763						926,763			
268	Southern Maritime	116,896					75,000	100,000		291,896		116,896						116,896			
269	Human Resources (HR) Support to the Governor's Office	134,001								134,001	3.00	134,001						134,001			
270	Administration	1,625,314		2,998,248						4,623,562	56.62	1,625,314		3,026,720				4,652,034			
1538	Reimbursement for Graniteville Disaster Relief								340,000												
1539	Veteran's Cemetery								250,000												
1540	Competitive Grants						3,000,000			3,000,000											
1541	Morris Island Lighthouse						500,000			500,000											
1542	Accountability Strategy for SC Prevention Programs								70,000												
1543	Expansion of Heritage Corridor						500,000			500,000											
1544	City of Florence - Downtown Redevelopment						1,000,000			1,000,000											
1544	State Energy Program- Renewable Energy and Transportation		707,054	455,728						1,162,782	7.30			485,968	411,758			897,726			
1621	Prepayment of Bonds																				
TERI Savings													(823,680)				(823,680)				
FY 05-06 Health Insurance & Pay Plan Allocator		510,322								510,322		510,322						(1,111,172)			
Travel Savings												510,322						510,322			
Total		22,376,249	2,412,040	155,580,568			5,550,000	5,345,000	1,005,000	192,268,847	1,208.23	21,810,098	1,955,231	167,744,787			5,700,000	197,210,116	8.00		
F27 B & C Bd - Auditor																					
271	Audit the State's Basic Financial Statements	117,202		240,000						357,202	2.60	117,202		294,000				411,202			
272	Single Audit	649,201								649,201	14.50	649,201						649,201			
273	Medicaid Audits	1,045,373								1,045,373	23.80	1,045,373						1,045,373			
274	State Agency Audits	643,438								643,438	14.10	643,438						643,438			
275	Court Audits			250,000						250,000				250,000				250,000			
276	Administration (Overhead Costs)	349,089								349,089	4.00	349,089						349,089			
TERI Savings													(103,583)				(103,583)				
FY 05-06 Health Insurance & Pay Plan Allocator		108,651								108,651		108,651						108,651			
Travel Savings																					
Total		2,912,954		490,000						3,402,954	59.00	2,807,096		544,000				3,351,096			
F30 B&C Bd - Employee Benefits																					
277	Employee Benefits	7,581,481		398,885			972,902			8,953,268		7,581,481		398,885				7,980,366			

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
	Total	7,581,481	398,885					972,902		8,953,268		7,581,481		398,885				7,980,366	
F31	Capital Reserve Fund																		
278	Reserve Fund	102,325,596								102,325,596		102,325,596						102,325,596	
	Total	102,325,596								102,325,596		102,325,596						102,325,596	
H03	Commission on Higher Education																		
279	Administration	1,988,368		247,557						2,245,925	21.74	1,757,086		247,557				2,004,643	
280	SC Alliance for Minority Participation	320,327								320,327		320,327						320,327	
281	Greenville Technical College-University Cn	907,504								907,504		907,504						907,504	
282	Greenville Higher Ed Center	180,287								180,287		180,287							
283	University Center of Greenville -Operations	427,101						800,000		1,227,101		427,101						427,101	
284	Lowcountry Grad Center	660,000								660,000		660,000						660,000	
285	Access and Equity	711,613								711,613	1.32	569,291						569,291	
286	SREB Contractual Scholarships	844,680								844,680		844,680						844,680	
287	SREB Fees and Assessments	1,506,801								1,506,801		1,506,801						1,506,801	
288	Gear Up	600,000	2,171,919					1,200,000		2,771,919	1.83	600,000	4,632,407		5,232,407			5,232,407	
289	SC Manufacturing Extension Partnerships	1,227,921								2,427,921		1,227,921						1,227,921	
290	Arts Program	10,274								10,274									
291	Training for Math & Science Teachers	932,498								932,498	0.50		941,380					941,380	
292	Centers of Excellence	721,101								721,101								721,101	
293	Youth Leadership Conference	50,000								50,000									
294	EIA-Teacher Recruitment	5,871,014								5,871,014		150,682		5,871,014				5,871,014	
295	Cutting Edge	150,682								150,682	2.31							150,682	
296	Professor of the Year	14,850								14,850									
297	Educational Endowment	20,834,108		3,165,892						24,000,000		21,572,425		2,427,575				24,000,000	
298	State Approving Section	84,399	327,317	143,545						555,261	5.76	84,399	303,517	143,545	531,461			531,461	
299	Higher Education Awareness	459,778								459,778	1.25	459,778						459,778	
300	Fund for the Improvement of Postsecondary Education		70,873							70,873	0.52		69,576					69,576	
301	African American Loan Program	202,874								202,874		202,874						202,874	
302	Performance Funding	2,463,806								2,463,806		2,463,806						2,463,806	
	Experimental Program to Stimulate Cooperative Research																		
303	Research	300,000								300,000									
304	National Guard Tuition Repayment Program	129,187			1,700,000					1,829,187	0.68	129,187			1,700,000			1,829,187	
305	Academic Endowment	444,828								444,828		444,828						444,828	
306	LIFE Scholarships	27,631,335								27,631,335		27,631,335			117,098,904			144,730,239	
307	Electronic Library							2,000,000		2,000,000	0.34								
308	Research Centers of Excellence									30,000,000	0.58							20,000,000	
309	Excellence Enhancement									30,000,000	0.20							4,700,000	
310	HOPE Scholarships									4,700,000	0.20							6,673,826	
311	Need Based Grants									6,673,826	0.20							14,246,083	
312	Palmetto Fellows Scholarships									11,246,083	0.20							14,246,083	
313	Teacher Scholarship Grants									14,381,991	0.20							21,105,571	
314	Legacy Tuition Assistance									43,000,000	0.20							43,000,000	
315	Service Learning Engagement									12,000,000	0.20							12,000,000	
1545	Think TecFast			65,000						65,000				65,000				65,000	
1546	National Foundation of Teaching Entrepreneurship	250,000								250,000		250,000						250,000	
1547	(NFT)E																		
NEW	Academic Program Review	250,000								250,000		250,000						250,000	
	TERI Savings									(21,023)		(21,023)						(21,023)	
	FY 05-06 Health Insurance & Pay Plan Allocator									77,162		77,162						77,162	
	Total	62,737,885	3,502,607	10,214,109		231,000,000		4,000,000	100,000	311,554,601	38.00	62,816,164	5,946,880	9,475,792		240,524,394		318,763,230	
H06	Higher Education Tuition Grants																		
316	Tuition Grants	19,322,247								26,529,492	5.00	19,322,247			2,321,305			32,686,923	
317	South Carolina Student Legislature	17,780		2,321,305		4,000,000				17,780									
318	Administration	333,268								333,268		333,268						333,268	
	FY 05-06 Health Insurance & Pay Plan Allocator									9,895		9,895						9,895	
	Total	19,683,190	885,940	2,321,305		4,000,000				26,890,435	5.00	19,665,410	885,940	2,321,305		10,157,431		33,030,686	
H09	The Citadel																		
319	College of Graduate and Professional Studies	1,044,388		962,222						2,006,610	5.00	1,044,388			1,120,525			2,164,913	
320	ROTC Departments	72,296		66,609						138,905	3.00	72,296			78,786			151,082	
321	School of Business Administration	1,640,752		1,511,669						3,152,421	20.94	1,640,752			1,770,448			3,411,200	
322	School of Education	1,049,743		967,156						2,016,899	17.05	1,049,743			1,135,736			2,185,479	

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
323	School of Engineering	1,045,673		963,406						2,009,079	16.28	1,045,673		1,112,211				2,157,884			
324	School of Humanities and Social Sciences	3,158,761		2,910,251						6,069,012	53.62	3,158,761		3,418,591				6,577,352			
325	School of Science and Mathematics	2,698,957		2,486,621						5,185,578	48.10	2,698,957		2,897,105				5,596,062			
326	Research		236,620	219,663						456,483			274,161	288,409				562,570			
327	Public Service		1,369,234	2,445,477						3,814,711	1.81		1,584,262	2,538,835				4,123,097			
328	Academic Support	2,160,216		4,638,231						6,798,447	57.50	2,160,216		5,166,247				7,326,463			
329	Student Services		5,142,248	6,142,248						11,284,496	61.47			5,674,303				5,674,303			
330	Institutional Support	120,620	15,000	6,793,583						6,929,203	94.40	120,620	70,256	8,067,398				8,258,274			
331	O&M of Plant			9,858,518				500,000		10,356,518	103.00			10,499,684				10,499,684			
332	Scholarships and Fellowships		16,960,050	2,339,190						19,299,240			18,538,892	2,886,260				21,425,152			
333	Athletics			5,161,585						5,161,585	39.00			5,522,896				5,522,896			
334	Gift Shop Enterprises			2,540,487						2,540,487	12.00			2,718,321				2,718,321			
335	Director of Auxiliary Activity			31,204						31,204	2.00			33,388				33,388			
336	Barracks			4,891,153						4,891,153				5,233,534				5,233,534			
337	Cadet Store			4,202,075						4,202,075	6.00			4,496,220				4,496,220			
338	Dining Hall			4,794,942						4,794,942				5,130,588				5,130,588			
339	Faculty/Staff Quarters			579,866						579,866	3.00			620,457				620,457			
340	Infirmiry			1,008,914						1,008,914	12.17			1,079,538				1,079,538			
341	Laundry/Dry Cleaning			1,097,324						1,097,324	24.75			1,174,137				1,174,137			
342	Print Shop			361,441						361,441	12.00			386,742				386,742			
343	Tailor Shop			1,313,148						1,313,148	9.00			1,405,068				1,405,068			
344	Telephone			20,802						20,802	1.00			22,258				22,258			
345	Coeducation Initiative	1,110,000								1,110,000	15.81	1,043,731		81,181				1,124,912			
	Reduce Operation & Maintenance by 3% to											(340,808)						(340,808)			
	Encourage Collaboration											(557,390)						(557,390)			
	TERI Savings	652,855								652,855		652,855						652,855			
	FY 05-06 Health Insurance & Pay Plan Allocator																				
	Total	14,754,261	18,580,904	67,307,985				500,000		101,143,150	618.90	13,789,794	20,467,571	74,558,866				108,816,231			
H12 Clemson University																					
346	Auxiliary - Student Housing		3,410	22,289,567						22,292,977	126.00			3,410	22,289,567			22,292,977			
347	Auxiliary - Other		318,626	22,843,268						931,747			318,626	22,843,268				23,161,894			
348	Line Item-Municipal Services	931,747								931,747	30.00	931,747						931,747			
349	Line Item-Advanced Films and Fibers	1,000,000								1,000,000	5.00	1,000,000						1,000,000			
	Wireless Communication - fund through SCRA contribution	1,000,000								1,000,000	5.00	500,000						500,000			
350	Research (also see the Economic Growth Result Area for Auto Research)			31,766,051						31,766,051	279.14			554,536	32,744,155			33,298,691			
351	Research - International Ctr for Auto Research			63,889,066						74,850,021	107.83			67,068,212	10,860,955			78,029,167			
352	Sponsored Research		10,454,404	5,457,881						15,912,285	102.18			10,454,404	3,853,169			16,317,573			
353	Public Service		2,134,214	36,754,159						38,888,373	404.06			2,432,484	38,336,631			40,789,125			
354	Academic Support		1,281,129	13,279,126						14,560,255	191.10			1,282,160	13,317,970			14,799,007			
355	Student Services		15,914	30,061,722						30,477,636	540.60			15,914	30,009,359			30,250,663			
357	Operation and Maintenance of the Plant		10,089,999	74,139,452						84,229,451				10,282,684	83,009,359			93,291,003			
358	Scholarships and Fellowships			30,943,715						30,943,715	127.08			33,550,111				33,550,111			
359	Auxiliary - Intramural Athletics			10,880,245						10,880,245	1.00			11,880,245				11,880,245			
360	Auxiliary - Bookstores			1,279,741						1,279,741	0.63			1,729,741				1,729,741			
361	Instruction-College of Architecture, Arts and																				
362	Humanities	16,115,980	4,155,524	5,740,213						26,011,717	203.04	16,115,980	4,155,524	6,186,266				26,457,770			
363	Science	16,530,759		5,887,949						22,418,708	208.26	16,530,759		6,368,608				22,899,367			
364	Sciences	10,590,157		3,772,017						14,362,174	133.42	10,590,157		4,044,913				14,635,070			
365	Instruction-College of Engineering and Science	30,801,072		11,008,532						41,809,604	379.38	30,801,072		11,662,217				42,463,289			
	Instruction-College of Health, Education and Human																				
366	Development	11,085,860		3,948,577					1,300,000	16,334,437	139.67	11,085,860		4,136,998				15,222,858			
1548	COMSET	106,021						408,728		514,749	10.00	106,021						106,021			
	Reduce Operation & Maintenance by 3% to											(1,039,231)						(1,039,231)			
	Encourage Collaboration											(881,615)						(881,615)			
	1% Reduction to Encourage Collaboration											(3,212,613)						(3,212,613)			
	TERI Savings (Includes PSA)									4,229,355		4,229,355						4,229,355			
	FY 05-06 Health Insurance & Pay Plan Allocator																				
	Total	92,390,951	92,342,286	321,012,970				808,728	1,300,000	507,854,935	3,168.98	88,757,492	96,567,964	339,377,499				524,702,965			
H15 University of Charleston																					
367	Instruction	1,781,110	80,113	5,569,748						7,430,971	24.06	1,781,110		80,113	5,942,157			7,803,380			
368	Instruction	1,129,087	50,785	3,749,856						4,909,728	48.50	1,129,087		50,785	3,749,956			4,929,828			
369	Instruction	1,331,471	59,888	4,163,074						5,555,033	48.55	1,331,471		59,888	4,422,120			5,813,479			

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
370	Instruction	1,202,681	54,096	3,760,930						5,017,707	46.18	1,202,681	54,096	3,994,377				5,251,154			
371	Instruction	4,023,656	180,981	12,582,466						16,787,103	180.11	4,023,656	180,981	14,878,175				19,082,812			
372	Instruction	3,163,512	142,292	9,892,689						13,198,493	124.62	3,163,512	142,292	10,506,745				13,812,549			
373	Research	351,234	2,358,865	3,290,244						6,000,343	5.00	351,234	2,358,865	3,572,066				6,282,165			
374	Public Service	84,684	472,895	705,304						1,262,883	6.00	1,262,883		764,619				1,237,514			
375	Academic Support-Other	1,579,452	4,845,404	4,845,404						6,424,856	75.67	1,579,452		5,147,165				6,726,617			
376	Academic Support-Libraries	1,239,520		3,815,712						5,055,232	40.90	1,239,520		4,053,145				5,292,665			
377	Student Services	1,672,254		5,660,118						7,332,372	105.76	1,672,254		6,004,503				7,676,757			
378	Institutional Support	5,160,712		15,831,906						20,992,618	179.15	5,160,712		16,817,881				21,978,593			
379	Operation/Maintenance of Plant	3,221,112		9,881,649						13,102,761	167.30	3,221,112		10,497,056				13,718,168			
379	Encourage Collaboration		6,600,085	7,866,861						14,466,946		(452,961)	6,600,085	8,546,340				(452,961)			
380	Scholarships/Fellowships	395,000								395,000	2.25	395,000						15,146,425			
381	Hospitality and Tourism	300,000							100,000	400,000	8.00	300,000						395,000			
382	Avery Center	288,017								288,017	3.00							300,000			
383	Governor's School																				
384	Auxiliary - Residence Halls			10,961,382						10,961,382	48.54			11,656,883				11,656,883			
385	Auxiliary - Food Service			5,903,780						5,903,780	6.54			5,910,029				5,910,029			
386	Auxiliary - Health Services			929,010						929,010	6.54			951,807				951,807			
387	Auxiliary - Other Rentals			63,813						63,813	3.54			89,976				89,976			
388	Auxiliary - Vending			89,423						89,423	3.54			399,893				399,893			
389	Auxiliary - Bookstore			397,437						397,437	3.54			1,692,426				1,692,426			
390	Auxiliary - Parking			1,634,838						1,634,838	31.79			7,442,347				7,442,347			
391	Auxiliary - Athletics			6,520,317						6,520,317	4.25		501,800					501,800			
1549	Effective Teaching/Learning	501,800							129,000	129,000	2.00							591,550			
1550	Office of Tourism Analysis									591,550	7.00	591,550						(396,023)			
1551	Economic Partnership	591,550							100,000	100,000	3.34							1,266,201			
1552	Low Country Graduate Center																				
	TERI Savings	1,266,201								1,266,201											
	FY 05-06 Health Insurance & Pay Plan Allocator																				
	Total	29,283,053	10,000,000	117,897,499				329,000		157,509,552	1,175.59	29,061,368	10,000,000	127,103,873				165,165,241			
H17 Coastal Carolina University																					
392	Book Store			7,826						7,826				7,826							
393	General Instruction			2,081,292						2,081,292	6.71			2,081,292				2,081,292			
394	Specific Instruction Program			1,854,384						1,854,384	20.63			1,854,384				1,854,384			
395	College of Business			4,123,462						6,382,640	35.38		2,259,178	4,609,905				6,869,083			
396	College of Education			2,895,030						4,481,036	35.95		1,586,006	3,259,862				4,845,868			
397	College of Hum. & Fine Arts			7,214,103						11,167,371	80.00		3,953,268	8,126,183				12,079,451			
398	College of Natural Science			7,206,278				500,000		11,656,021	79.44		3,949,743	8,118,358				12,068,101			
399	Research		2,765,125							2,765,125	2.24		2,695,917					2,695,917			
400	Public Service		3,979,083							3,979,083	3.36		3,979,083					3,979,083			
401	Academic Support		5,070,215							5,070,215	74.34			5,678,268				5,678,268			
402	Student Services		4,960,674							4,960,674	65.11			5,568,728				5,568,728			
403	Athletics		7,041,966							7,041,966	57.41			7,041,966				7,041,966			
404	Institutional Support		9,843,103							9,843,103	124.76			12,530,719				12,530,719			
404	Savings from Implementing Administration Standards											(67,241)						(67,241)			
405	Oper. and Maint. Of Plant		7,276,698							7,276,698	98.54		8,249,584					8,249,584			
406	Scholarship & Fellowship		15,805,301							15,805,301			16,265,522					16,265,522			
407	Residence Halls		2,542,932							2,542,932	15.46		3,022,851					3,022,851			
408	Food Serve / Vending		117,366							117,366			122,061					122,061			
409	Health Service		203,435							203,435			258,056					258,056			
	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(251,555)						(251,555)			
---	TERI Savings	504,772								504,772			(331,407)					(331,407)			
	FY 05-06 Health Insurance & Pay Plan Allocator																	504,772			
	Total	12,252,967	6,744,208	78,244,065				500,000		97,741,240	699.33	11,602,764	6,675,000	86,795,565				105,073,329			
H18 Francis Marion University																					
410	Research		211,457	34,584						246,041			211,457	34,584				246,041			
411	Public Service		83,385	292,945						394,340			83,385	292,945				376,330			
412	Academic Support	18,010		2,140,126						3,251,620	43.19	1,111,494	2,806,690	3,918,184				3,918,184			
413	Student Services	1,111,494		775,730						1,776,626	34.00	775,730	1,000,896	1,776,626				1,776,626			
414	Athletics	382,076		1,013,102						1,395,178	14.54	254,717	1,013,102	1,267,819				1,267,819			
415	Institutional Support	1,749,572		1,735,293						3,484,865	65.16	1,749,572	1,735,293	3,484,865				3,484,865			
	Savings from Implementing Administration Standards											(118,087)						(118,087)			
415	for Non-teaching Personnel																				
416	Operation and Maintenance of Plant	1,433,105		4,770,529						6,203,634	94.00	1,433,105	4,770,529	6,203,634				6,203,634			

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
Reduce Operation & Maintenance by 3% to												(214,459)	4,628,449	4,770,655					(214,459)
416	Encourage Collaboration									8,508,907								9,399,104	
417	Scholarships and Fellowships									285,095	5.00							285,095	
418	Auxiliary Enterprises - Dining Services									85,250	1.00							85,250	
419	Auxiliary Enterprises - Bookstore									1,636,253	1.00							189,799	
420	Auxiliary Enterprises - Housing																		
421	Omega Project								18,853	75,000									
422	Nursing Program									1,238,031	11.31							1,238,031	25.00
423	Instruction - School of Business									1,286,450								2,471,935	
424	Instruction - School of Education									2,264,968	19.50							769,882	
425	Instruction - College of Liberal Arts									1,449,905	15.04							1,593,190	
1553	Small and Minority Business Assistance									8,838,731	121.72							9,618,837	
1554	College of Nursing Building									500,000	2.90							500,000	
1555	Center for the Child Construction									1,500,000									
1556	Francis Marion Trail									2,000,000									
	TERI Savings									110,000								(377,886)	
	FY 05-06 Health Insurance & Pay Plan Allocator									590,901								590,901	
	Total	15,249,562	4,606,904	22,350,006				1,500,000	2,000,000	128,853	428.36	14,337,635	4,923,291	23,274,284				42,535,210	25.00
H21 Lander University																			
427	College of Business & Public Affairs									3,946,681	24.50							4,105,150	
428	College of Science, Mathematics & Natural Sciences									5,183,524	31.25							5,128,076	
429	College of Arts and Humanities									5,804,244	34.75							5,962,179	
430	College of Education									4,032,754	30.75							4,073,912	
431	Instruction - Other									54,006								54,006	
432	Public Service									11,805	11.311							23,116	
433	Academic Support									30,681	21.91							1,956,605	
434	Student Services									1,440,896	40.00							1,440,896	
435	Intercollegiate Athletics									1,228,245	15.75							1,228,245	
436	Institutional Support									2,515,405	44.50							2,517,726	
Savings from Implementing Administration Standards for Non-teaching Personnel												(158,795)						(158,795)	
436	Operation & Maintenance of Plant									3,828,379	47.50							2,822,144	
437	Scholarships and Fellowships									823,852								823,852	
439	Food Services									1,144,930	6.00							1,144,930	
440	Book Store									1,042,114								1,042,114	
441	Residence Halls									1,725,513	4.00							1,742,241	
Reduce Operation & Maintenance by 3% to												(97,561)						(97,561)	
	Encourage Collaboration									424,835								(358,797)	
	TERI Savings											424,835						424,835	
	FY 05-06 Health Insurance & Pay Plan Allocator																		
	Total	9,895,866	377,575	24,102,658				1,000,000		35,176,099	300.91	9,080,713	3,501,718	21,299,678				33,882,109	
H24 SC State University																			
442	Food Services									5,489,245	41.00							5,489,245	
443	Housing									5,386,000	40.00							7,299,402	
444	Bookstore									2,334,534	14.00							2,334,534	
445	Instruction									19,511,568	316.00							25,505,923	
446	Research/Grants									30,955,687	75.00							30,660,057	
447	Public Service									143,526	3.33							143,526	
448	Libraries									789,138	8.00							789,138	
449	Student Services									1,691,025	45.00							6,738,265	
450	Residential Life																		
Operation and Maintenance of Plant & Deferred Maintenance										16,038,204	70.00							25,002,137	
451	Reduce Operation & Maintenance by 3% to											(502,584)						(502,584)	
452	Administration									5,308,267	60.00							5,308,267	
Savings from Implementing Administration Standards for Non-teaching Personnel												(278,942)						(278,942)	
453	Access and Equity									123,000								123,000	
454	School of Business Accreditation									594,446								505,081	
455	Transportation									1,705,446								1,705,446	
456	Fellon Laboratory									904,050								904,050	
	TERI Savings									(283,894)								(283,894)	
	FY 05-06 Health Insurance & Pay Plan Allocator									908,213								908,213	
	Total	21,040,022	30,526,411	40,525,426				2,337,730		96,925,589	672.33	20,722,968	30,230,781	58,897,116				112,350,865	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
H27 USC - Columbia																			
457	School of Medicine	21,590,476	11,865,448	16,033,344						49,489,268	706.10	21,590,476	25,608,854	19,378,753				66,578,083	
458	Research	457,649	45,931,481	43,581,959						89,971,089	118.01	457,649	68,335,729	43,912,011				112,705,389	
459	Public Service	771,871	16,702,356	13,477,485						30,951,712	201.14	771,871	16,702,356	14,248,485				31,722,712	
460	Academic Support	4,110,813	35,818,492	35,818,492						39,929,305	437.23	4,110,813	36,889,941	36,889,941				41,000,754	
461	Student Services	4,922,954	1,043,897	17,525,719						23,492,570	169.33	4,922,954	1,043,897	19,051,740				25,018,591	
462	Operations & Maintenance	1,071,449		25,182,827			1,400,000	475,000		28,129,276	414.90	1,071,449		30,105,781				31,177,230	
463	Scholarships		39,688,096	36,795,645						76,463,741				36,795,645				76,463,741	
464	Institute for Public Service and Policy Research	716,454								716,454		716,454						716,454	
465	Instruction: Arts and Sciences	44,120,949	456,805	60,588,135						105,165,889	778.35	44,120,949	456,805	75,800,619				120,378,373	
466	Instruction: Business and Hospitality, Retail, and																		
467	Sports Management	13,542,332	163,213	21,647,681						35,353,226	241.81	13,542,332	163,213	30,459,801				44,165,346	
468	Instruction: Education	6,924,846	61,201	8,117,355						15,103,402	123.27	6,924,846	61,201	11,788,326				18,774,373	
468	Instruction: Engineering & Information Technology	12,435,118	80,343	10,656,292						23,171,753	133.44	12,435,118	80,343	10,656,292				23,171,753	
469	Instruction: Law School	5,793,074	70,947	9,410,955						15,274,076	74.65	5,793,074	70,947	12,224,218				18,088,239	
	Instruction: Mass Communications and Libran																		
470	Science	2,621,667	39,839	5,575,139						8,236,645	56.90	2,621,667	39,839	9,128,006				11,789,512	
	Instruction: Public Health to include Public Health																		
471	Pharmacy, Nursing, and Social Work	14,518,851	119,321	15,826,199						30,464,371	309.05	14,518,851	119,321	21,147,265				35,785,437	
472	African American Professors Program	178,805								178,805		178,805						178,805	
473	USC NanoCenter - fund through SCRA contribution	1,000,000								1,000,000								1,000,000	
474	Small Business Development Center	686,534								686,534		686,534						686,534	
475	Law School Books and Publications	344,074								344,074		344,074						344,074	
476	Institutional Support	13,093,456		20,485,757						33,579,213	561.27	13,093,456		23,402,775				36,496,231	
477	Auxiliary: Athletics		41,048,820	197,531						41,048,820	197.53		41,048,820	41,048,820				41,048,820	
478	Auxiliary: Housing		18,236,249	87,761						18,236,249	87.76		18,236,249	18,236,249				18,236,249	
479	Auxiliary: Student Health Services		6,617,291	31,841						6,617,291	31.84		6,617,291	6,617,291				6,617,291	
480	Auxiliary: Bookstore		267,973	1,229						267,973	1.29		267,973	267,973				267,973	
481	Auxiliary: Other		3,921,429	18,871						3,921,429	18.87		3,921,429	3,921,429				3,921,429	
1557	Instruction: Honors College	1,503,170	10,193	1,351,880						2,865,243	9.81	1,503,170	10,193	1,351,880				2,865,243	
	Instruction: Graduate School, DEIS and University																		
1558	101	1,502,646	42,035	5,284,021						6,828,702	22.40	1,502,646	42,035	5,284,021				6,828,702	
1559	Hydrogen Fuel Cell Research	1,000,000								1,000,000		1,000,000						1,000,000	
1560	Palmetto Poison Control Center							200,000		200,000							200,000	200,000	
1561	Epilepsy	75,000								75,000		75,000						75,000	
1562	Augusta Baker Children's Literacy							1,500,000		1,500,000									
	Reduce Operation & Maintenance by 3% to																		
	Encourage Collaboration																	(907,608)	

---	Consolidate Institute for Archeology & Anthropology																	(496,812)	
---	with Dept of Archives & History																	(1,529,071)	
---	1% Reduction to Encourage Collaboration																	(2,984,504)	
	TERI Savings (All Campuses)																	(2,984,504)	
	FY 05-06 Health Insurance & Pay Plan Allocator	7,042,269								7,042,269		7,042,269						7,042,269	
	Total	160,024,457	116,255,175	417,449,747			1,400,000	475,000	1,700,000	697,304,379	4,694.95	153,106,462	152,402,829	471,717,321			200,000	777,426,612	
H29 USC - Aiken																			
482	Instruction: Arts and Sciences	3,553,189	211,982	6,927,148						10,692,319	95.87	3,553,189	211,982	9,174,116				12,939,287	
483	Sports Management	701,857		1,220,653						1,922,710	17.24	701,857		1,659,713				2,361,570	
484	Instruction: Education	592,486		957,573						1,550,059	13.90	592,486		1,329,727				1,922,213	
	Instruction: Public Health to include Public Health																		
485	Pharmacy, Nursing, and Social Work	727,044		1,191,912						1,918,956	17.21	727,044		1,441,103				2,168,147	
486	Institutional Support	1,036,744	2,090,710	33,821						3,127,454	33.82	1,036,744		2,453,246				3,489,990	
487	Auxiliary: Bookstore		1,960,631	4,000						1,960,631	4.00		1,960,631	1,960,631				1,960,631	
488	Auxiliary: Housing		632,905	5,571						632,905	5.57		632,905	632,905				632,905	
489	Auxiliary: Other		87,140							87,140				133,371				133,371	
490	Research		127,189	319,590						446,779	0.19		127,187	519,965				647,152	
491	Public Service	57,346		1,752,586						2,233,896	15.47		423,964	1,794,583				2,218,547	
492	Academic Support	824,227		1,856,448						2,680,675	31.92	824,227		1,856,448				2,680,675	
493	Student Services	1,105,700	3,362,092	49,571						4,467,792	49.57	1,105,700		3,362,092				4,467,792	
494	Operations & Maintenance	980,325		2,147,129			250,000			3,377,454	32.00	980,325		2,147,129				3,127,454	
	Reduce Operation & Maintenance by 3% to																		
494	Encourage Collaboration																	(108,116)	
495	Scholarships		3,476,506	6,352,635						9,829,141			3,531,042	6,822,911				10,153,953	
	FY 05-06 Health Insurance & Pay Plan Allocator	443,061								443,061		443,061						443,061	
	Total	10,021,979	4,239,641	30,859,352			250,000			45,370,972	316.76	9,856,517	4,294,175	35,087,940				49,238,632	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan										
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
H34 USC - Upstate																			
496	Research		173,174	18,159						191,333	0.16		173,174	1,018,159				1,191,333	
497	Public Service	24,956	1,645,150	1,518,773						3,188,879	18.46		1,282,989	2,089,718				3,372,707	
498	Academic Support	1,157,537		3,306,893						4,464,430	29.67		1,157,537	3,306,893				4,464,430	
499	Student Services	1,223,322		5,154,436						6,377,758	58.35		1,223,322	5,154,436				6,377,758	
500	Operations & Maintenance	1,476,772		4,263,210						5,739,982	53.14		1,476,772	4,263,210				5,739,982	
	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(198,431)						(198,431)	
501	Scholarships		6,320,838	8,348,005						14,668,843			6,320,838	8,777,060				15,097,898	
502	Instruction: Arts and Sciences	3,890,018	519,520	9,048,000						13,447,538	113.97		3,890,018	519,520	12,161,186			16,560,724	
503	Instruction: Business and Hospitality, Retail, and			1,462,965						2,175,089	18.43		712,124	1,462,965				2,175,089	
504	Instruction: Education	819,016		1,707,527						2,526,543	21.41		819,016	1,707,527				2,526,543	
	Instruction: Public Health to include Public Health											948,618		3,045,128				3,993,746	
506	Pharmacy, Nursing, and Social Work			1,948,812						2,897,430	24.55		1,532,719	4,518,045				6,050,764	
507	Institutional Support	1,532,719		3,378,154						4,910,873	58.72		1,532,719	3,378,154				4,910,873	
508	Auxiliary: Bookstore		2,400,329							2,400,329	8.01		2,400,329	2,359,850				2,359,850	
509	Auxiliary: Housing			748,411						748,411	2.50			748,411				748,411	
509	Auxiliary: Other			40,139						40,139	0.13			40,139				40,139	
	FY 05-06 Health Insurance & Pay Plan Allocator	508,752								508,752			508,752					508,752	
	Total	12,283,834	8,658,682	43,343,813						64,286,329	407.50	12,060,447	8,296,521	50,652,727				71,009,695	
H36 USC - Beaufort																			
510	Instruction	1,009,599	246,297	4,047,760						5,303,656	38.16		1,009,599	272,567	5,896,422			7,178,588	
511	Research	19,623		116,368						135,991	1.15			116,368				116,368	
512	Public Service		293,211	206,505						499,716	2.18		266,941	206,505				473,446	
513	Academic Support	369,275		1,534,601						1,903,876	13.61		369,275	1,534,601				1,903,876	
514	Student Services	284,398		959,523						1,223,921	13.19		284,398	959,523				1,223,921	
515	Operations & Maintenance	382,937		1,112,966						1,495,903	6.88		382,937	924,380				1,307,317	
	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(51,713)						(51,713)	
516	Scholarships		633,336	454,594						1,087,930			633,336	454,594				1,087,930	
517	Auxiliary: Bookstore			543,965						543,965	3.44			710,876				710,876	
518	Penn Center - LINE ITEM	180,240						500,000		680,240	2.00								
519	Institutional Support	300,143		923,776						1,223,919	12.73		300,143	923,776				1,223,919	
	FY 05-06 Health Insurance & Pay Plan Allocator	83,272								83,272			83,272					83,272	
	Total	2,609,487	1,172,844	9,900,068				500,000		14,182,389	93.34	2,357,911	1,172,844	11,727,045				15,257,800	
H37 USC - Lancaster																			
520	Instruction: Arts & Sciences	1,254,596	124,248	2,264,602						3,643,446	24.74		1,254,596	124,248	3,132,249			4,511,093	
522	Public Service		220,885	1,172,197						1,393,082	9.92		220,885	237,551	1,248,162			1,568,713	
523	Academic Support	220,050		315,751						535,801	4.65		220,050	315,751	485,329			735,379	
524	Student Services	235,925		407,036						642,961	7.07		235,925	407,036	642,961			984,912	
525	Operations & Maintenance	390,614		573,927				100,000		1,064,441	11.78		390,614	573,927				964,441	
	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(33,341)						(33,341)	
526	Scholarships		1,035,398	1,322,725						2,357,523			1,035,398	1,358,791				2,394,189	
527	Auxiliary: Bookstore			428,641						428,641	1.34			466,060				466,060	
528	Institutional Support	265,755		484,366						750,121	5.53		265,755	484,366				750,121	
	FY 05-06 Health Insurance & Pay Plan Allocator	103,314								103,314			103,314					103,314	
	Total	2,470,254	1,380,531	6,968,545				100,000		10,919,330	65.03	2,436,913	1,417,197	8,165,820				12,019,930	
H38 USC - Salkelatchie																			
529	Instruction: Arts & Sciences	948,516	112,201	1,169,568						2,230,285	21.07		948,516	132,572	1,594,131			2,675,219	
530	Research		32,057	42,285						74,342				32,057	42,285			74,342	
531	Public Service		176,316	240,651						419,940	5.23			176,316	322,356			498,672	
532	Academic Support	2,973		250,637						253,610	5.00		229,763	302,124				531,887	
533	Student Services	197,696		248,361						446,057	5.11		197,696	248,361				446,057	
534	Operations & Maintenance	326,622		416,006				100,000		843,428	8.12		326,622	416,006				743,428	
535	Scholarships		1,282,295	799,304						2,081,599			1,403,339	961,414				2,364,753	
536	Auxiliary: Bookstore			223,028						223,028	0.13			191,391				191,391	
537	Leadership Center	100,460								100,460									
538	Institutional Support	260,014		334,729						594,743	5.61		260,014	334,729				594,743	
	Reduce Operation & Maintenance by 3% to Encourage Collaboration											(25,700)						(25,700)	
---	FY 05-06 Health Insurance & Pay Plan Allocator	83,867								83,867			83,867					83,867	
	Total	2,149,911	1,602,869	3,765,369				100,000		7,618,149	50.27	2,020,778	1,744,284	4,413,597				8,178,659	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
H39 USC - Sumter																			
539	Instruction: Arts & Sciences	1,752,578	164,319	2,327,117						4,244,014	38.64	1,752,578		164,319				2,880,828	4,797,725
540	Public Service	4,528	136,933	101,054						242,515		4,528		136,933				101,054	237,987
541	Academic Support	577,755	877,336							1,455,091	16.84	577,755		1,029,990				1,607,745	
542	Student Services	433,227	536,833							970,060	15.94	433,227		536,833				970,060	
543	Operations & Maintenance	436,273		533,787				250,000		1,220,060	10.78	436,273						668,981	1,105,254
	Reduce Operation & Maintenance by 3% to																		
543	Encourage Collaboration											(33,535)							(33,535)
544	Scholarships									2,303,893				1,250,223				1,235,817	2,486,040
545	Auxiliary, Bookstore		1,068,076	1,235,817						606,288	2.12			606,288				606,288	
546	Institutional Support		602,559	731,273						1,333,832	14.74			731,273				1,333,832	
	FY 05-06 Health Insurance & Pay Plan Allocator		176,136							176,136				176,136				176,136	
	Total	3,983,056	1,369,328	6,949,505				250,000		12,551,889	99.06	3,944,993	1,551,475	7,791,064				13,287,532	
H40 USC - Union																			
547	Instruction: Arts & Sciences	457,837	128,192	610,090						1,196,119	10.02	457,837		129,936				765,789	1,353,562
548	Public Service		83,325	82,803						166,128				83,325				82,803	166,128
549	Academic Support	125,515	173,515							299,030	2.95	125,515		173,515				299,030	
550	Student Services	112,843	119,736							232,579	5.39	112,843		119,736				232,579	
551	Operations & Maintenance	79,938		86,189				100,000		266,127	4.36	79,938		86,189				166,127	
552	Scholarships		429,444							863,864				577,699				1,235,363	
553	Auxiliary, Bookstore			99,077						99,077	0.73			110,929				110,929	
554	Institutional Support	140,273		158,756						299,029	6.37	140,273		158,756				299,029	
	Reduce Operation & Maintenance by 3% to																		
	Encourage Collaboration											(5,743)						(5,743)	
---	FY 05-06 Health Insurance & Pay Plan Allocator		42,158							42,158				42,158				42,158	
	Total	958,564	640,961	1,765,186				100,000		3,464,711	29.82	952,821	790,960	2,155,381				3,899,162	
H47 Winthrop University																			
555	Instruction- General	586,776	331,804	699,370						1,617,950	6.40	586,776		482,087				699,370	1,768,233
556	Instruction- College of Arts and Sciences	5,587,718		6,659,903						12,247,621	129.90	5,587,718		7,559,903				13,147,621	
557	Instruction- College of Education	2,360,443		2,813,370						5,173,813	54.80	2,360,443		3,113,370				5,173,813	
558	Instruction- College of Business	2,613,824		3,115,372						5,729,196	38.60	2,613,824		3,115,372				5,729,196	
559	Instruction- College of Visual and Performing Arts	2,187,077		2,606,703						4,793,780	50.00	2,187,077		2,606,703				4,793,780	
560	Research		23,144	496,964						520,108				444,274				941,238	
561	Public Service		595,140							3,800,067	6.00			289,592				3,538,423	
562	Academic Support	1,557,179		3,213,927						7,425,130	65.28	1,557,179		4,255				7,429,385	
563	Student Services	1,098,011		5,867,951						8,731,565	96.00	1,098,011		220,000				8,951,565	
564	Institutional Support Services	1,442,259		7,633,554						4,103,283	113.44	1,442,259		4,103,283				5,545,542	
565	Scholarships and Fellowships		4,342,980	13,350,000						17,692,980				4,825,205				17,975,205	
	Reduce Operation & Maintenance by 3% to																		
	Encourage Collaboration											(345,362)						(345,362)	
566	Operation and Maintenance of Plant	2,495,479		7,494,763						9,990,242	111.00	2,495,479		21,000,000				9,990,242	
567	Student Direct Lending Program		17,600,000							17,600,000								21,000,000	
	Center for Education, Recruitment, Retention and																		
568	Advancement- Teaching Fellows Program			5,500,000						5,500,000	2.00			5,500,000				5,500,000	
569	Auxiliary Services- Housing			6,050,000						6,050,000	50.11			6,050,000				6,050,000	
570	Auxiliary Services- Health Center			1,125,000						1,125,000	12.00			1,125,000				1,125,000	
571	Auxiliary Services- Cafeteria			3,250,000						3,250,000				3,250,000				3,250,000	
572	Auxiliary Services- Bookstore and Vending			575,000						575,000				575,000				575,000	
1563	Thurmond Auditorium									1,000,000									
	TERI Savings											(376,282)						(376,282)	
	FY 05-06 Health Insurance & Pay Plan Allocator									993,874				993,874				993,874	
	Total	20,922,640	22,893,068	74,555,160				1,000,000		119,370,888	735.53	20,202,996	27,065,413	75,490,064				122,756,473	
H51 Medical University of South Carolina																			
573	Instruction: College of Medicine	16,600,915	135,279	50,436,871						67,173,065	509.26	16,600,915		135,279				71,182,871	87,919,065
574	Instruction: College of Pharmacy	1,108,369	9,032	3,367,447						4,484,848	34.53	1,108,369		9,032				3,367,447	4,484,848
575	Instruction: College of Nursing	1,256,153	10,236	3,816,441						5,082,830	37.40	1,256,153		10,236				3,816,441	5,082,830
576	Instruction: College of Graduate Studies	98,522	803	299,330						398,655	2.88	98,522		803				299,330	398,655
577	Instruction: College of Dental Medicine	2,906,392	23,683	8,830,195						11,760,270	89.19	2,906,392		23,683				8,830,195	11,760,270
578	Instruction: College of Health Professions	2,660,087	21,677	8,081,973						10,763,637	80.56	2,660,087		21,677				8,081,973	10,763,637
579	Instruction: College of Medicine		3,875,021	628,377						4,503,398	17.26			3,875,021				628,377	4,503,398
580	Instruction: College of Pharmacy		258,718	41,954						300,672				258,718				300,672	
581	Instruction: College of Nursing		293,214	47,548						340,762				293,214				340,762	
582	Instruction: College of Graduate Studies		22,968	3,729						26,727				22,968				26,727	
583	Instruction: College of Dental Medicine		678,416	110,013						788,429				678,416				788,429	

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan											
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	
584	Instruction: College of Health Professions		620,923	100,690						721,613			620,923	100,690					721,613	
586	Research	7,004,029	132,150,000	34,783,119						193,937,148	1,429.95	7,004,029	132,150,000	34,783,119					173,937,148	
587	Public Services	5,058,857	10,880,000	17,466,529						33,405,386	241.68	5,058,857	10,880,000	17,466,529					33,405,386	
588	Public Services - Diabetes Center	289,088								289,088		289,088							289,088	
589	Administration	29,004,921	1,020,000	88,344,554						118,369,475		29,004,921	1,020,000	90,344,554					120,369,475	
590	Student Services	1,977,608	6,055,007							8,032,615	57.54	1,977,608	6,155,007					8,132,615		
591	Operation & Maint of Plant	13,925,655		42,422,251						56,347,906	345.26	13,925,655		42,422,251					56,347,906	
	Reduce Operation & Maintenance by 3% to											(1,947,939)						(1,947,939)		
592	Encourage Collaboration																			
593	Scholarships & Fellowships			2,710,129						2,710,129				2,710,129					2,710,129	
593	Auxiliary (Parking)			5,438,943						5,438,943	31.65			5,538,943				5,538,943		
1564	Simulation Lab - College of Nursing				1,500,000					1,500,000										
1565	Rural Dentist Incentive	250,000								250,000		250,000						250,000		
1566	Hollings Cancer Center								500,000	500,000								500,000		
	1% Reduction to Encourage Collaboration											(821,405)						(821,405)		
---	Targeted Case Management											200		6,600				6,800		
---	Hypertension Initiative											250,000						250,000		
NEW	TERI Savings	3,766,110								3,766,110		(571,631)						(571,631)		
	FY 05-06 Health Insurance & Pay Plan Allocator											3,766,110						3,766,110		
	Total	85,906,706	170,000,000	272,985,000				1,500,000	500,000	530,391,706	2,877.17	83,315,931	150,000,000	295,937,600					529,253,531	
H63 Consortium of Community Teaching Hospitals																				
594	Instruction-Continuing Educator	1,288,232								1,288,232	2.00	1,288,232							1,288,232	
595	Health Professions Student Programs	619,523								619,523	1.75	619,523							619,523	
596	Student Development and Diversity Programs	428,543								428,543	1.85									
597	Regional Center Administration	385,432								385,432		385,432						385,432		
598	Miscellaneous Other Funds			1,041,364						1,041,364				1,081,364				1,081,364		
599	Recruitment - Palmetto Initiative for Excellence (PIE)	74,440								74,440		74,440						74,440		
600	Recruitment - Rural Physician Program	77,917								77,917	1.00	77,917						77,917		
601	Recruitment - Rural Physician Program	689,845								689,845		689,845						689,845		
602	Recruitment - Nursing Recruitment Center	37,955								37,955	0.25	37,955						37,955		
603	Library Information Service	144,680								144,680		144,680						144,680		
604	Instruction	1,262,731								1,262,731	1.55	1,393,845						1,393,845		
605	Instruction - National Health Service Corps Loan	72,268		470,284						542,552	0.91	72,268		449,499				521,767		
606	Repayment		320,000							320,000	0.50		320,000					320,000		
607	Miscellaneous Federal Grant Opportunities		243,959							243,959			18,959				18,959			
608	Instruction-Family Medicine Residency	6,219,481								6,219,481	11.03	6,219,481						6,219,481		
	Instruction-Graduate Doctor Education Residency																			
609	Training Programs (excluding Family Medicine Residency Training Programs)	4,101,555								4,101,555	2.00	4,101,555						4,101,555		
610	System Wide Administration/Coordination	519,509								519,509	3.33	519,509						519,509		
1567	Student Development and Diversity Programs			113,636						113,636	0.15			113,636				113,636		
	FY 05-06 Health Insurance & Pay Plan Allocator	175,492								175,492		175,492						175,492		
	Total	14,834,872	2,296,974	1,155,000						18,286,846	26.32	14,406,329	2,182,303	1,195,000					17,783,632	
H69 Technical & Comprehensive Education																				
611	INSTRUCTION: Agriculture, Agriculture Operations, and Related Sciences (CIP 01)	694,231		557,747						1,251,978	12.16	694,231		557,747					1,251,978	
612	INSTRUCTION: Natural Resources and Conservation (CIP 03)	89,592		99,329						188,921	1.66	89,592		99,330					188,922	
613	INSTRUCTION: Communication, Journalism, and Related Programs (CIP 09)	93,794		89,774						183,568	1.98	93,794		89,774					183,568	
	INSTRUCTION: Communications Technologies/Technicians and Support Services (CIP 10)																			
614	INSTRUCTION: Computer and Information Sciences and Support Services (CIP 11)	464,925		937,171						1,402,096	13.75	464,925		937,171					1,402,096	
615	INSTRUCTION: Personal and Culinary Services (CIP 12)	5,776,449	427,616	4,581,619						10,786,684	101.54	5,776,449	428,136	4,581,619					10,786,204	
616	INSTRUCTION: Engineering (CIP 14)	917,607	144,740	1,707,873						2,770,220	16.50	917,607	144,740	1,707,873					2,770,220	
617	INSTRUCTION: Engineering (CIP 14)	297,117		241,537						538,654	5.38	297,117		241,537					538,654	
618	INSTRUCTION: Engineering Technologies/Technicians (CIP 15)	5,418,762	265,506	5,099,392						10,783,660	83.85	5,418,762	265,965	5,099,392					10,784,119	
619	INSTRUCTION: Foreign Languages, Literatures, and Linguistics (CIP 16)	774,565	16,166	799,020						1,589,751	13.41	774,565	16,166	799,020					1,589,751	
620	INSTRUCTION: Family and Consumer Sciences (CIP 19)	1,377,556	194,478	2,100,253						3,672,287	53.57	1,377,556	194,478	2,100,253					3,672,287	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
621	INSTRUCTION: Legal Professions and Studies (CIP 22)	1,082,758	12,768	687,112						1,782,638	14.06	1,082,758	12,768	687,112				1,782,638	
622	INSTRUCTION: English Language and Literature/Letters (CIP 23)	7,907,586	145,774	5,998,129						14,051,489	129.10	7,907,586	145,774	6,349,575				14,402,935	
623	INSTRUCTION: Liberal Arts and Sciences, General Studies and Humanities (CIP 24)	1,537,825	414,679	1,083,488						3,035,992	25.79	1,537,825	414,679	1,083,488				3,035,992	
624	INSTRUCTION: Biological and Biomedical Sciences (CIP 26)	4,787,540	43,635	3,929,538						8,760,713	76.06	4,787,540	43,635	3,929,538				8,760,713	
625	INSTRUCTION: Mathematics and Statistics (CIP 27)	6,415,919	148,363	4,668,041						11,232,322	100.28	6,415,919	148,363	4,952,100				11,516,382	
626	INSTRUCTION: Multi/Interdisciplinary Studies (CIP 30)	67,266		188,638						255,904	1.41	67,266		188,638				255,904	
627	INSTRUCTION: Parks, Recreation, Leisure and Fitness Studies (CIP 31)		1,481	14,594						16,075			1,481	14,594				16,075	
628	INSTRUCTION: Basic Skills (CIP 32)	4,386,140	185,507	4,259,481						8,831,128	89.81	4,386,140	185,507	4,259,481				8,831,128	
629	INSTRUCTION: Interpersonal and Social Skills (CIP 35)	204,608	3,576	244,628						452,812	4.31	204,608	3,576	244,628				452,812	
630	INSTRUCTION: Philosophy and Religion Studies (CIP 38)	296,037	4,194	404,969						705,200	4.41	296,037	4,194	404,969				705,200	
631	INSTRUCTION: Physical Sciences (CIP 40)	1,686,943	9,682	1,610,351						3,306,976	27.41	1,686,943	9,682	1,610,351				3,306,976	
632	INSTRUCTION: Science Technologies/Technician (CIP 41)	46,191		15,008						61,199	0.50	46,191		15,008				61,199	
633	INSTRUCTION: Psychology (CIP 42)	2,137,815	16,421	1,745,998						3,900,234	34.23	2,137,815	16,421	1,745,998				3,900,234	
634	INSTRUCTION: Security and Protective Services (CIP 43)	1,283,020	71,796	859,419						2,114,235	21.66	1,283,020	71,796	859,419				2,114,235	
635	INSTRUCTION: Public Administration and Social Service Professions (CIP 44)	602,908	37,157	700,548						1,340,613	19.25	602,908	37,157	700,548				1,340,613	
636	INSTRUCTION: Social Sciences (CIP 45)	2,736,398	10,375	1,990,833						4,737,606	42.25	2,736,398	10,375	1,990,833				4,737,606	
637	INSTRUCTION: Construction Trades (CIP 46)	124,648		93,023						217,671	2.25			93,023				93,023	
638	INSTRUCTION: Mechanic and Repair Technologies/technicians (CIP 47)	4,713,207	296,001	3,575,041						8,584,249	78.91	4,713,207	296,001	3,575,041				8,584,249	
639	Auxiliary Enterprises - Food Service	46,403		1,071,067						1,117,470	5.34	46,403		1,071,067				1,117,470	
640	Auxiliary Enterprises - Bookstores	19,503	22,255,369							22,274,871	44.81	19,503	22,255,369					22,274,871	
641	Auxiliary Enterprises - Residence Halls		482,328							482,328	1.00		482,328					482,328	
642	Auxiliary Enterprises - Vending		4,962,854							4,962,854	10.00		4,962,854					4,962,854	
643	Sales & Services of Education Departments		46,200							46,200			46,200					46,200	
644	F. E. Dubeau Career Center		1,581,638							1,581,638	22.00		1,581,638					1,581,638	
645	Missing and Exploited Childrer	94,050								94,050	1.00	94,050						94,050	
646	Midlands Tech Nursing Program	613,590		613,590						613,590	8.00	613,590						613,590	
647	Pathways to Prosperity			1,000,000						1,000,000								1,000,000	
648	Florence-Darlington - Entrepreneurial Operations Equipment	500,000		500,000						500,000		500,000						500,000	
649	Trident Technical College Culinary Arts	775,000		775,000						775,000		775,000						775,000	
650	System Office President's Office	870,669		870,669						870,669	10.00	870,669						870,669	
651	Human Resource Services (HRS)	396,887		396,887						396,887	7.00	396,887						396,887	
652	Finance and General Administration	1,422,367		1,422,367						1,422,367	15.00	1,422,367						1,422,367	
653	Academic Affairs	855,070	100,000							955,070	14.00	855,070	100,000					955,070	
654	Audits of Colleges	271,459		271,459						271,459	4.00	271,459						271,459	
655	Data Processing Support	1,929,582		1,929,582						1,929,582	19.00	1,929,582						1,929,582	
656	Innovative Technical Training	552,674		552,674						552,674	0.95	552,674						552,674	
657	Economic Development - Administration	2,269,186		2,269,186						2,269,186	31.00	2,269,186						2,269,186	
658	Support Unit and Warehouse	427,164		427,164						427,164	7.00	427,164						427,164	
659	Inventory Control	120,073		500,000						620,073	3.00	120,073		500,000				620,073	
660	Multi Media	255,740		255,740						255,740	4.00	255,740						255,740	
661	Center for Accelerated Technology Training (formerly Special Schools)	2,080,307					3,000,000			5,080,307	9.00	3,580,307					3,000,000	6,580,307	
662	INSTRUCTION: Precision Production (CIP 48)	2,374,445	48,802	2,715,097						5,138,344	38.16	2,374,445	48,802	2,715,097				5,138,344	
663	INSTRUCTION: Transportation and Materials Moving (CIP 49)	142,890	98,000	297,622						538,512	3.75	142,890	98,000	297,622				538,512	
664	INSTRUCTION: Visual and Performing Arts (CIP 50)	1,317,486	12,000	1,591,673						2,921,159	21.66	1,317,486	12,000	1,591,673				2,921,159	
665	INSTRUCTION: Health Professions and Related Clinical Sciences (CIP 51)	18,290,593	301,527	16,386,068						34,978,188	310.54	18,290,593	301,527	17,229,905				35,822,025	
666	INSTRUCTION: Business, Management, Marketing and Related Support Services (CIP 52)	7,879,521	103,510	5,287,350						13,270,381	125.13	7,879,521	103,510	5,792,338				13,775,369	
667	Occupational Upgrading	4,008,907	212,786	10,853,626						14,805,319	90.53	4,008,907	212,786	11,522,648				15,744,341	
668	Community Service Programs	55,000	2,932,604							2,987,604	22.61	55,000	2,932,604					2,987,604	
669	Academic Support - Library	2,657,268	26,357	4,984,737						7,668,362	113.22	2,657,268	26,357	5,291,783				7,975,408	
670	Academic Support - Other	11,185,159	5,995,530	33,050,771						49,832,460	500.03	11,185,159	5,355,173	35,319,128				51,859,459	
671	Student Services	9,614,571	17,481,442	28,617,436						55,713,449	663.70	9,614,571	16,886,118	30,728,363				57,231,052	
672	Institutional Support	15,941,030	1,965,725	54,439,845						72,346,600	759.76	15,941,030	2,411,943	58,411,994				76,764,967	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
672	Savings from Implementing Administration Standards for Non-teaching Personnel	2,319,039	521,765	41,552,540						44,393,344	383.76	(970,252)						(970,252)	
673	Operation and Maintenance of Plant		736,021	2,656,769						3,392,790		2,319,039		522,391	44,199,388			47,040,818	
674	Scholarships												736,021	2,656,769			3,392,790		
1568	Piedmont Nursing Program									250,000									
1569	York Infrastructure Project																		
1570	Deferred Maintenance									1,400,000									
1571	Florence-Darlington - Mullins Satellite Campus									350,000									
1572	Orangeburg Construction									2,000,000									
1573	Spartanburg Cherokee Expansion	20,946		800,000						2,820,946	0.20				800,000			800,000	
1574	Horry-Georgetown Nursing Program									235,000									
1575	INSTRUCTION: History (CIP 54)										7.50	654,792	14,296	509,586				1,178,674	
1576	INSTRUCTION: Education (CIP 13)										2.00	119,921	72,678	10,114				202,713	
	TERI Savings											(2,146,684)					(2,146,684)		
	FY 05-06 Health Insurance & Pay Plan Allocator											6,348,143					6,348,143		
	Total	153,229,936	29,862,259	285,597,848			2,522,000	6,750,000	485,000	478,447,043	4,284.14	150,692,406	29,475,401	299,826,527	3,000,000		482,994,334		
H63 State Department of Educator																			
	Foundation Education Program - Education Finance Act (EFA)								14,225,833	1,381,365,909		1,425,267,987						1,425,267,987	
675	Ad (EFA)	1,367,140,076								401,128,289		401,128,289						401,128,289	
676	Employer Contributions											55,444,902					55,444,902		
677	Retiree Insurance											35,047,429					35,047,429		
678	Reduce Class Size											31,000,000					31,000,000		
679	Summer Schools (Recurring & Nonrecurring)											23,632,801					23,632,801		
680	Increase Credits for High School Diploma											3,078,265					3,078,265		
682	Advanced Placement (AP)											223,767					223,767		
683	Junior Scholars											29,497,533					29,497,533		
684	Gifted and Talented (G&T) Instruction											120,599,723					120,599,723		
685	Early Child Development and Academic Assistance											103,017,864					95,556,147		
686	Teacher Salary Supplement											19,161,330					19,161,330		
687	Teacher Salary Supplement Employer Contributions											39,280,874					37,708,692		
688	National Board Certification (NBC) Incentive											12,500,000					12,500,000		
689	Teacher Supplies											2,900,382					2,900,382		
690	Professional Development and Support for Math and Science											602,911					602,911		
691	Critical Teaching Needs											2,217,245					2,217,245		
693	Teacher Quality - ADEP1											3,973,584					3,973,584		
694	Services to Students with Disabilities - Special Needs Children w/ Disabilities PL99-457											43,316					43,316		
695	Services to Students with Disabilities - Special Needs Children - Ad Sch Dist-Pilot Ext											129,928					129,928		
696	Service to Students with Disabilities - Special Need Children - Ad Sch Dist-Handicapped																		
697	Service to Students with Disabilities - Special Needs Career and Technology Education - Modernize											4,205,017					4,205,017		
698	Vocational Equipment											4,800,452					8,763,972		
699	Tech Prep											1,661,751					5,726,234		
700	High Schools That Work (HSTW)											1,000,000					1,000,000		
701	Nursing Program											597,562					597,562		
702	School Lunch Program Aid											413,606					413,606		
703	Principal Salary Supplement											3,098,123					3,098,123		
704	School Facilities - Buildings											23,272,152					12,954,652		
706	Safe Schools - Middle School Initiative											4,937,500					4,937,500		
707	Safe Schools - Alternative Schools											10,976,277					10,976,277		
708	School Transportation System - Bus Driver Salary & Fringe Supplement											40,656,418					41,107,194		
709	Curriculum and Standards Services											1,236,751					21,637,085		
710	Professional Development on Standards											18,957,217					4,413,485		
711	Professional Development on Reading to Teachers - Institute of Reading											500,000					2,012,874		
712	SAT Improvement											282,919					282,919		
	Enhance Teacher Skills and Student Performance in English, Math, Science and Social Studies in Grades K-5 and 6-8																		
713	Academic/Instructional Assistance to High Poverty Schools and Students (Title I, Part A, of NCLB (Basic Grants))											48,558,610	0.60			11,924,016	48,558,610		
714												138,157,364	9.60				168,165,911		

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
715	Academic/Instructional Assistance to Migrant Children (Title I, Part C, of NCLB (Migrant))		371,552							371,552	1.00	371,552						371,552	
716	Academic/Instructional Assistance to Neglected and Delinquent Children (Title I, Part D, of NCLB (Neglected and Delinquent))		950,037							950,037	0.80		950,037					950,037	
717	Comprehensive School Reform - CSR (Title I, Part F and Fund for Improvement, in NCLB)		2,072,474							2,072,474	1.45		5,160,255					5,160,255	
718	Charter School Program	28,250	2,577,831							2,606,081	1.70	28,250	2,577,831					2,606,081	
719	Character Education Program	311,524								311,524	1.00	311,524						311,524	
720	Reduce Dropouts - Truancy, Dropout and Youth Court Initiative (Non-competitive grants)		260,313							260,313			220,387					220,387	
721	Homework Centers			6,810,000						6,810,000									
722	21st Century Community Learning Center Program (Competitive Grants)		7,593,903							7,593,903			16,796,471					16,796,471	
723	Teacher Specialists Assistance and Technical Support	400,000			31,367,776					31,767,776	21.00	400,000			46,880,000			47,280,000	
724	Retraining Grants				5,845,000					5,845,000	5.30		280,000					280,000	
725	External Reviews - External Review Teams				826,800					826,800	4.00		826,800					826,800	
726	Palmetto Gold and Silver Awards Program				3,050,000					3,050,000	0.70		3,050,000					3,050,000	
727	Accreditation of Schools	530,000								530,000	9.00	530,000						530,000	
728	Principal Specialists, Mentors, Leaders Progress Energy School Leadership Executive Institute (SLEI)	163,135			3,554,039					3,717,174	2.00		163,135					163,135	
729	School Leadership Executive Institute-Technology Training			670,000						1,031,370	2.00				1,031,370			1,031,370	
730	English Speakers of Other Languages - ESOL (Title III, of NCLB)																		
731	Innovative Programs (Title V of NCLB)		827,432							827,432	1.00		827,432					827,432	
732	Rural Education Achievement Program - REAP (Title VI of NCLB)		4,784,349							4,784,349	1.05		4,892,130					4,892,130	
733	Arts Curriculum Instruction	85,000			1,613,701					1,698,701	1.31	85,000	1,586,781					1,586,781	
734	Arts Scholarship - Archibald Rutledge Scholarship	15,963								15,963		15,963						15,963	
735	Early Childhood Education-Four-Year Old Early Childhood	180,000		367,230	22,554,944					23,102,174	13.00	180,000		367,230	22,554,944			23,102,174	
737	Parenting and Family Literacy Services		2,205,986		5,859,601					8,065,587			2,198,074		5,859,601			8,065,675	
738	Competitive Teacher Grants				1,287,044					1,287,044									
739	Services to Students with Disabilities - Special Needs																		
739	Special Education	210,000	140,547,928							140,757,928	26.00	210,000	158,203,235					158,413,235	
740	Adult Education (AE)	910,416	8,473,300		14,277,703					26,014,402	20.00	910,416	8,473,300		1,548,450			25,764,402	
741	Career and Technical Education (CATE)	310,000	24,177,682							24,487,682	27.30	310,000	22,471,324		1,158,155			22,781,324	
742	Teacher Certification	1,910,000			882,163					4,156,677	35.00	1,910,000		882,163	1,364,514			4,156,677	
743	Teacher Recognition (Teacher of the Year)				166,102					166,102					166,102			166,102	
744	Alternative Certification Programs		574,731							1,004,731	1.00		574,731		430,000			1,004,731	
745	Teacher Education				200,000					200,000					200,000			200,000	
746	Teacher Evaluation (ADEPT)				100,000					100,000	1.00				100,000			100,000	
747	Teacher Quality - Title II A of the No Child Left Behind Act		43,469,619							43,469,619	2.00		43,268,930		1,000,000			44,268,930	
748	Teacher Advancement Program (TAP) NON-EAA			300,000						300,000	0.50				300,000			300,000	
749	School Transportation System	28,667,018		6,230,358						34,897,376	481.02	28,667,018			6,230,358			34,897,376	
750	School Transportation System - EAA	4,000,000								4,000,000		4,000,000						4,000,000	
751	School Transportation System - Bus Purchase	10,676,931						3,000,000	7,584,957	5,000,000		10,676,931					10,676,931		
751	School Transportation System											17,006,454						17,006,454	
752	Technology Support and Assistance	3,944,137			887,000		2,277,405			7,108,542	49.30	3,944,137		887,000	2,277,405			7,108,542	
753	Uniform Management Information Reporting System (UMIRS)		350,000							350,000								350,000	
754	Enhancing Education Through Technology (E2T2) Title II Part D of NCLB		8,615,363							8,615,363			11,325,035					11,325,035	
755	Data Collection-SASI				1,049,375					1,049,375					1,548,450			1,548,450	
756	Student Identifier				891,370					891,370					1,158,155			1,158,155	
757	Technology Initiative														15,947,619			15,947,619	
758	Conduct Research and Prepare Reports	969,322			971,793					1,941,115	17.00	969,322			971,793			1,941,115	
759	Assessment and Testing Activities	1,016,000	5,708,615							6,724,615	28.00	1,016,000	5,708,615		20,057,891			26,782,506	
760	Instructional Materials - Textbooks	37,498,804								37,498,804	5.00	37,498,804			51,350,587			51,350,587	
761	School Facilities Support	603,460			61,425					664,885	8.00	603,460		1,573,000	29,285,237			64,885	
762	Safe and Drug-Free Program		4,830,848							4,830,848	16.20				61,425			4,830,848	
763	School Food Services and Food Distribution System	171,250	156,753,462							156,924,712	18.00	171,250			162,118,088			162,289,338	
764	Coordinated School Health Programs		408,600							408,600					4,548,940			4,548,940	
765	Healthy Schools Programs		252,642							252,642					252,642			252,642	
766	School Health Finance System (Medicaid)			2,367,370						2,367,370	6.10				2,367,370			2,367,370	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan										
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
767	Community Service Learning	78,535	513,000							591,535	1.50	78,535	476,774					555,309	
	GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs)			20,000						20,000				20,000				20,000	
768	Commission on National and Community Service	89,700	2,163,023							2,252,723	3.50	89,700	2,163,023					2,252,723	
770	Parental and Community Partnerships	76,370		1,000,000				1,000,000		1,076,370	1.00	76,370						76,370	
	School Leadership Executive Institute-Developing Aspiring Principals									94,385	1.50						94,385		
771	Principal Evaluation and Induction				148,857					148,857	3.00							148,857	
772	School Leadership Executive Institute - Tapping Executive Educators (SLEI-TEE)				75,321					75,321	1.50							75,321	
774	Office of School Leadership Technical Assistance				75,321					75,321								75,321	
	School Leadership Executive Institute for District Administrators (SLEI DA)				27,017					27,017	1.00							27,017	
775	Topical Seminars for School Administrators				212,743					212,743	2.00							212,743	
777	Teacher Quality - Teacher Recruitment				5,871,014					5,871,014								5,871,014	
778	Teacher Loan				5,367,044					5,367,044								5,367,044	
	School Leadership Executive Institute-Developing Career Changer Loan				1,622,662					1,622,662								1,622,662	
779	Archives & History				34,918					34,918								34,918	
780	Status Offender				527,835					527,835								527,835	
781	Ad Sch Dist-Fellow Lab				165,659					165,659								165,659	
783	Holocaust				44,065					44,065								44,065	
784	Youth in Government				18,445					18,445								18,445	
785	EOC Family Involvement				45,318					45,318								45,318	
786	State Agency Teacher Pay				8,678,854					8,678,854								8,678,854	
787	Writing Improvement Network				288,444					288,444								288,444	
788	Education Oversight Committee (EOC)				1,214,538					1,214,538								1,214,538	
790	SC Geographic Alliance				184,508					184,508								184,508	
791	School Improvement Council				180,192					180,192								180,192	
792	Centers Of Excellence				721,101					721,101								721,101	
793	EOC Public Relations				226,592					226,592								226,592	
794	State Board of Education and SCSEA				65,735					65,735								65,735	
795	Ombudsman Services				86,750					86,750	1.00							86,750	
796	Governmental Services				332,581					332,581	4.00							332,581	
797	Finance				1,026,109					1,026,109								1,026,109	
798	Administration				88,000					88,000								88,000	
799	FIRST STEPS - EARLY EDUCATION				3,020,562					3,020,562	51.46							3,020,562	
800	FIRST STEPS - CHILD CARE				750,000					750,000								750,000	
801	FIRST STEPS - PARENTING/FAMILY LITERACY				4,372,432					4,372,432								4,372,432	
	FIRST STEPS - PARENTING/FAMILY LITERACY				1,000,593					1,000,593								1,000,593	
801	FIRST STEPS - PARENTING/FAMILY LITERACY				6,801,561					6,801,561								6,801,561	
802	FIRST STEPS - HEALTH				750,000					750,000								750,000	
803	FIRST STEPS - ADMINISTRATION				647,769					647,769								647,769	
804	FIRST STEPS - FEDERAL PROGRAM				1,956,772					1,956,772	14.00							1,956,772	
1577	Robert C. Byrd Scholarship				2,244,854					2,244,854								2,244,854	
1578	Interpreter Recruitment				547,187					547,187								547,187	
	TERI Savings				100,000					100,000								100,000	
NEW	Education and Economic Development Act (EEDA)																		
	TERI Savings				23,420,189					23,420,189								(592,799)	
	FY 05-06 Health Insurance & Pay Plan Allocator																	23,420,189	
	Total	2,018,823,744	584,867,843	39,193,138	625,848,389	51,500,000	7,584,957	10,250,000	14,225,833	3,352,393,904	978.02	2,138,161,320	651,782,256	29,875,638	652,342,646	11,924,016	6,993,546	3,491,079,422	11.00
H64 Governor's School for Arts and Humanities																			
806	Academic Programs									1,222,308	15.84							1,222,308	
807	Art Programs				25,000					1,197,308								1,197,308	
	Admissions, Outreach, Recruiting, and Special Programs (Summer Programs)				50,000					1,086,757	18.70							1,086,757	
808	Residential Life				50,000					815,000	25.31							815,000	
	Admissions, Outreach, Recruiting, and Special Programs (Summer Programs)				379,771					679,771	4.00							679,771	
809	Library				181,200					181,200	3.00							181,200	
810	Institutional Advancement				250,000					507,820	5.00							507,820	
811	Administration				250,000					2,989,154	17.49							2,989,154	
812	Residential Life - One Time actions /improvements.				775,000					775,000								(29,025)	
	TERI Savings																		
	Total	6,577,239	1,004,771				775,000			8,357,010	89.34							7,552,985	
H65 Governor's School for Math and Science																			
813	Academics-Instruction									1,539,606	16.90							1,539,606	
814	Life in Residence				57,400					1,306,155	11.42							1,306,155	
815	Statewide Outreach				155,140					322,704	1.85							322,704	
816	Administrative Overhead				520,260					287,028	2.75							287,028	
	TERI Savings				13,700					13,700								13,700	
	Total	1,539,606	57,400							1,907,006	16.90							1,597,006	
	Life in Residence				155,140					322,704	1.85							322,704	
	Statewide Outreach				520,260					287,028	2.75							287,028	
	Administrative Overhead				13,700					13,700								13,700	
	TERI Savings									(13,434)								(13,434)	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
	Total	3,455,493	746,500	775,000						4,976,993	32.92	3,442,059	746,500					4,188,559	
H67 Educational Television Commissior																			
824	Agency Fundraising	353,682								835,067	10.20	353,682		481,385				835,067	
825	Pre K - 12 Educational Services	3,023,720	1,641,668	448,000						5,113,388	66.00	3,023,720	2,241,668	2,241,668				5,265,388	
826	Educational Radio	244,761	923,646							1,168,407	9.00	244,761	923,646					1,168,407	
827	Higher & Medical Education Services	1,077,680	371,023	658,000						2,106,703	18.00	1,077,680	371,023					1,448,703	
828	Educational Television - National Programming	596,278								2,811,991	5.00	596,278		2,215,713				2,811,991	
829	Government	1,035,103	368,420	196,000						1,599,523	26.00	1,035,103		323,420				1,358,523	
830	Educational Television - Local Programming	3,782,135	1,365,650	98,000						5,245,785	66.00	3,782,135	1,410,650	1,410,650				5,192,765	
831	Administration	2,900,556	132,495							3,033,051	32.00	2,900,556	132,495					3,033,051	
	TERI Savings									(80,442)								(80,442)	
	FY 05-06 Health Insurance & Pay Plan Allocator	407,216								407,216		407,216						407,216	
	Total	13,421,131	7,500,000	1,400,000						22,321,131	237.20	13,340,689	8,100,000					21,440,689	
H71 Will Lou Gray Opportunity Schoo																			
832	Administration Program	422,991								422,991	10.00	422,991						422,991	
833	Academic Program	780,119	670,609							1,450,728	18.38	780,119		710,931				1,491,050	
834	Vocational Program	117,511	87,795							205,306	3.23	117,511		92,676				210,187	
835	Library Program	56,397	16,833							73,230	0.81	56,397		18,149				74,546	
836	Student Services Program (Residential Program)	331,672	8,000							339,672	13.15	331,672		8,000				339,672	
837	Support Services Program	1,022,041	240,000	461,840						3,723,881	17.69	1,022,041	240,000	461,840				1,723,881	
	FY 05-06 Health Insurance & Pay Plan Allocator	94,518								94,518		94,518						94,518	
	Total	2,825,249	240,000	2,000,000						6,310,326	63.26	2,825,249	240,000	1,291,596				4,356,845	
H73 Vocational Rehabilitator																			
838	Administration	1,874,385	5,468,582							7,378,502	73.00	1,874,385	5,307,848	15,535				7,197,768	
	Administrative savings from restructuring									(411,686)		(411,686)						(411,686)	
839	Direct Client Services	9,044,039	26,257,741	1,084,208						36,985,988	729.91	9,703,668	29,910,082	954,720				40,568,470	
840	Case Services, Purchased	800,000	8,814,563							9,614,563		800,000		8,814,563				9,614,563	
841	In-Service Training	27,500	247,500							275,000		27,500	247,500					275,000	
842	Supported Employment	528,000								528,000	17.00	528,000						528,000	
843	Independent Living	35,000	315,000							350,000		35,000	315,000					350,000	
844	Workshop Contracts		1,250,000							1,250,000	9.00		1,250,000					1,250,000	
845	SSI Program	2,000,000								2,000,000	10.00	16,000	2,020,193					2,020,193	
846	BPAQ Grant	16,000	400,000							416,000	1.00	16,000	403,057					419,057	
847	Extended Rehabilitation	15,000								15,000		15,000						15,000	
848	Miscellaneous Grants		190,000	95,000						285,000			190,000	182,302				372,302	
849	Workshop Production		17,000,000							17,000,000			17,000,000					17,000,000	
850	Disability Determination Services	28,525,000	3,427,400							31,952,400	312.36		32,337,364	2,650,686				34,988,050	
Residential Substance Abuse Treatment Centers																			
1516	Case Services, Purchased		35,437							35,437			35,437					35,437	
1517	Residential Substance Abuse Treatment Centers	422,208	1,923,677	4,257						2,350,142	49.00	422,208	1,923,677	4,257				2,350,142	
	FY 05-06 Health Insurance & Pay Plan Allocator	457,330								457,330		457,330						457,330	
	Travel Savings									(3,139)		(3,139)						(3,139)	
	Total	12,691,462	74,705,500	22,896,400						110,993,362	1,201.27	12,936,256	82,032,721	22,057,500				117,026,477	
H75 School for the Deaf & the Blind																			
851	Education	4,954,151	494,246	8,073,855						15,510,842	204.40	4,954,151	489,146	8,166,855				13,610,152	
852	Student Support	1,145,858	114,315	503,272						1,763,895	65.66	1,145,858		114,315				2,192,225	
853	Residential	2,190,611	218,544	962,997						3,372,152	36.55	2,190,611	218,544	963,497				3,372,652	
854	Outreach	1,449,173	144,575	637,060						2,230,808	30.84	1,449,173	166,175	1,085,543				2,700,891	
855	Administration	991,493	104,229	459,275						1,554,997	19.13	991,493	87,729	612,724				1,691,946	
856	Physical Support	1,078,455	107,591	474,091						1,660,137	25.09	1,078,455	107,591	454,091				1,640,137	
----	Targeted Case Management																		
	TERI Savings									(77,504)		(77,504)						(77,504)	
	FY 05-06 Health Insurance & Pay Plan Allocator	429,257								429,257		429,257						429,257	
	Total	12,238,998	1,183,500	11,111,000						26,522,088	383.67	12,170,994	1,183,500	12,528,262				25,882,766	
H79 Dept of Archives & History																			
857	Archival Services	744,898	80,000	28,519						853,417	17.00	744,898	80,000	28,519			217,000	1,070,417	
858	Records Management Services	705,009	61,200	10,500						776,709	18.00	705,009	61,200	10,500				776,709	
859	Micrographics and Photocopy Services	232,973	360,917							593,890	7.00	232,973		360,917				593,890	
860	State Historic Preservation Program	214,072	375,693	500,360						1,090,125	17.50	214,072	375,623	500,360				1,091,055	
861	State Historical Marker Program	335	21,829							22,164	0.50	335						22,164	
862	National History Day Program	55,241								55,241	1.00								

FY 2006-07 Governor's Purchase Plan

Activity Number		Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan									
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds
863		Teaching American History in South Carolina Program		301,783						301,783	1.00	39,229	301,783					301,783	
864		Publication Program	39,229							39,229	1.00	1,405,452						39,229	
865		Administration	1,405,452	436,544						1,841,996	12.00			436,544				1,841,996	
865		Administrative Savings from Consolidation of Cultural Agencies			370,000										(187,910)				(187,910)
866		Hunley Project	175,000							175,000		1,405,452						175,000	
1580		Pass Through				850,000				1,025,000									
		TERI Savings	111,014							111,014									(9,520)
		FY 05-06 Health Insurance & Pay Plan Allocator																	
		Travel Savings													(2,579)				(2,579)
		Total	3,683,223	818,676	1,728,669	850,000				7,080,568	74.00	3,427,973	819,606	1,728,669			217,000	6,193,248	
HB7 State Library																			
867		Administration	1,453,628	65,386	5,000					1,524,014	7.00			5,000				1,549,336	
867		Agencies													(93,408)				(93,408)
868		Talking Book Services (TBS)	611,932	25,000						636,932	12.00			25,000				681,932	
869		Network Services (July 1, 2004 -- Name changed to Information Technology Services (ITS))	33,915	282,107						316,022	4.00								
870		DISCUS - South Carolina's Virtual Library	2,097,458	200,000						2,297,458	2.00	2,097,458	200,000					2,297,458	
871		Collection Management Services (CMS)	433,825	75,963						509,788	9.00	433,825	63,963					497,788	
872		Information Services (IS)	311,228	47,500						358,728	10.00	561,228	47,500					608,728	
873		Library Development Services (LDS)	121,135	1,019,621	100,000					1,240,756	5.00	121,135	1,023,421	100,000				1,244,556	
874		Continuing Education (CE)	66,208	33,403						99,611	1.00	66,208	33,403					99,611	
875		Pass Through	8,079,638							8,079,638		8,079,638						8,079,638	
1581		Pass Through																	
		FY 05-06 Health Insurance & Pay Plan Allocator																	
		Travel Savings																	
		Total	12,652,043	2,335,912	130,000			450,000		15,567,955	50.00	12,808,013	2,398,034	130,000				15,336,047	
HB1 Arts Commission																			
876		Arts Education	759,059	263,849	34,512					1,057,420	6.86	759,059	263,849	34,512				1,057,420	
877		Community Arts Development	1,645,556	720,833	486,147					2,852,536	18.11	1,398,723	793,574	444,457				2,636,754	
878		Arts Development	158,294	5,305	13,044					176,643	2.47	176,643	5,305	13,044				18,349	
879		Contributions	225,757							225,757		225,757						225,757	
880		Administration	709,819	14,530						724,349	11.12	709,819	14,530					724,349	
880		Administrative Savings from Consolidation of Cultural Agencies													(166,995)			(166,995)	
---		Prepayment of Bonds													(147,711)			(147,711)	
		TERI Savings	68,701							68,701					(15,020)			(15,020)	
		FY 05-06 Health Insurance & Pay Plan Allocator																	
		Travel Savings													(2,771)			(2,771)	
		Total	3,587,186	1,004,517	533,703					5,105,406	38.56	2,829,562	1,077,258	492,013				4,398,833	
HB5 State Museum																			
881		Collections	390,722		60,966					451,688	7.00	390,722		60,966				451,688	
882		Education	384,289	185,276						569,565	7.00	384,289	185,276					569,565	
883		Exhibits	500,969	111,247						612,216	6.00	500,969		111,247				612,216	
884		Operations	256,313	1,017,016						1,273,329	9.00	256,313		1,017,016				1,273,329	
885		Facilities	2,505,625	73,568						2,579,193	9.00	2,505,625		73,568				2,579,193	
886		Administration	489,558	43,926						543,484	6.00	489,558		43,926				543,484	
886		Administrative Savings from Consolidation of Cultural Agencies													(94,364)			(94,364)	
1582		Greenville Children's Museum				1,200,000				1,200,000									
---		Prepayment of Bonds													(1,688,004)			(1,688,004)	
		TERI Savings	60,282							60,282					(3,347)			(3,347)	
		FY 05-06 Health Insurance & Pay Plan Allocator													60,282			60,282	
		Travel Savings													(1,073)			(1,073)	
		Total	4,597,758		1,492,299	1,200,000				7,290,057	44.00	2,810,970		1,492,299				4,303,269	
J02 Department of Health & Human Services																			
887		Integrated Personal Care Administration	144,158	299,266	21,333					464,757	6.00	144,158	919,798	21,333				1,085,289	
888		Clinic Services	29,490,858	73,169,572	2,076,217					104,735,647		30,963,708	66,417,955	2,076,217				99,446,880	
889		Clinic Services Administration	24,026	49,878	3,556					77,460	1.00	24,026	49,878	3,556				77,460	
890		Durable Medical Equipment	13,284,007	32,373,055	681,920					46,338,982		13,284,007	32,373,055	681,920				46,338,982	
891		Durable Medical Equipment Administration	144,158	299,266	21,334					464,758	6.00	144,158	919,798	21,334				1,085,289	
892		Managed Care	22,480,685	54,696,662	1,118,695					78,296,032		45,607,070	146,304,951	9,118,695				178,248,822	
893		Managed Care Administration	252,277	523,716	37,334					813,327	10.50	252,277	523,716	37,334				813,327	
894		DH Medicaid Services	155,014,314	66,783,245						221,797,559		155,014,314	66,783,245					221,797,559	
895		DH Medicaid Services	327,982,953	141,301,570						469,284,523		327,982,953	141,301,570					469,284,523	

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
886	DHEC Medicaid Services	30,767,767	13,255,365							44,023,132		27,697,271	13,255,365					40,952,636			
887	MUSC Medicaid Services	22,110,432	9,525,613							31,636,045		40,163,026	9,525,613					49,688,639			
888	USC Medicaid Services	4,458,954	1,921,006							6,379,960		7,985,247	1,921,006					9,906,253			
889	DAODAS Medicaid Services	9,406,402	4,052,465							13,458,867		8,983,913	4,052,465					12,736,378			
900	Continuum of Care	8,205,761	3,535,205							11,740,966		5,858,963	3,535,205					9,394,168			
901	Hospital Services	173,008,665	464,658,073	27,434,454						665,101,192		176,166,912	478,882,758	23,051,826				678,101,496			
901	Hospital Services - Nonrecurring Funding Provider													8,000,000				8,000,000			
902	Tobacco Deallocation Appropriation	414,454	860,391	61,334						1,336,179	17.25	414,454	860,391	61,334				1,336,179			
903	Hospital Services Administration	125,433,331	343,373,050	22,798,973						491,610,354		125,433,331	288,720,995	5,568,573				419,722,899			
904	Nursing Facility Administration	1,528,697	4,140,166	2,173,334						7,842,197	15.00	1,528,697	5,381,574	2,173,334				9,083,605			
905	Pharmaceutical Services	137,703,231	500,119,835	78,030,214						715,853,280		156,797,090	340,120,833	88,480,214				585,398,137			
	Move from the old (AWP - 10 percent) standard to a standard more in line with the southeastern average (AWP - 12).											(3,300,000)						(3,300,000)			
906	Pharmaceutical Services Administration	156,171	4,759,541	1,501,556						6,417,268	6.50	156,171	4,759,541	1,501,556				6,417,268			
907	Physician Services	85,296,278	209,204,004	5,120,380						299,620,662		107,995,212	250,093,385	5,120,380				363,168,977			
908	Physician Services Administration	506,956	1,052,420	75,023						1,634,399	21.10	506,956	1,052,420	75,023				1,634,399			
909	Dental Services	26,196,231	69,834,884	3,929,713						99,960,828		27,699,245	68,263,957	3,929,713				99,892,915			
910	Dental Services Administration	122,534	254,376	18,134						395,044	5.10	122,534	254,376	18,134				395,044			
911	Community Long Term Care	27,597,831	65,902,495	1,752,836						95,253,162	151.00	29,310,703	69,738,147	1,752,836				100,801,686			
	CLTC - Add 500 slots to Elderly/Disabled Waiver; Increase Personal Care Rate \$1											2,159,394	4,853,902					7,013,296			
912	Community Long Term Care Administration	1,466,792	4,455,264	393,335						6,315,391	51.00	1,466,792	914,107	443,335				2,824,234			
913	Home Health Services	3,745,097	9,635,412	303,124						13,683,633		3,745,097	9,635,412	193,124				13,573,633			
914	Home Health Services Administration	36,040	74,817	5,333						116,190	1.50	36,040	74,817	5,333				116,190			
915	EPSTD Screening	3,404,634	8,759,466	275,568						12,439,668		3,404,634	8,759,466	175,568				12,339,668			
916	EPSTD Screening Administration	9,611	19,951	1,422						30,984	0.40	9,611	19,951	1,422				30,984			
917	Medical Professional Svcs.	5,106,951	13,139,199	413,351						18,659,501		5,106,951	13,139,199	263,351				18,509,501			
918	Medical Professional Svcs. Administrator	60,066	124,694	8,889						193,649	2.50	60,066	124,694	8,889				193,649			
919	Transportation Services	13,278,073	34,161,917	1,074,714						48,514,704	7.50	24,839,305	64,948,867	684,714				90,472,886			
920	Transportation Services Administrator	180,198	374,083	26,667						580,948		180,198	374,083	26,667				580,948			
921	Lab and X-Ray Services	8,511,585	21,898,665	688,919						31,099,169		8,511,585	21,898,665	438,919				30,849,169			
922	Lab and X-Ray Services Administration	24,026	49,878	3,556						77,460	1.00	24,026	49,878	3,556				77,460			
923	Family Planning Services	2,120,106	19,735,551	72,733						21,928,390		3,062,607	27,991,639	72,733				31,126,979			
924	Family Planning Services Administrator	156,171	324,205	23,111						503,487	6.50	156,171	324,205	23,111				503,487			
925	Medicare Premium Payments	34,410,891	75,502,855	5,449,667						115,363,413		43,410,891	102,490,479	12,449,667				168,351,037			
926	Hospice Care	1,536,317	3,745,602	79,444						5,361,363		1,770,439	10,666,394	79,444				12,516,277			
927	Hospice Care Administration	36,040	74,817	5,333						116,190	1.50	36,040	74,817	5,333				116,190			
928	Residential Care Facility	16,074,487								16,074,487		16,074,487						16,074,487			
929	Residential Care Facility Administrator	72,080	149,634	10,666						232,380	3.00	72,080	149,634	10,666				232,380			
930	Integrated Personal Care	383,870	889,725							1,273,595		383,870	889,725					1,273,595			
931	School for the Deaf and Blind	1,627,541		701,177						2,328,718			2,572,731					3,273,508			
932	DSS Medicaid Services	41,459,331	17,861,503							59,320,834		34,072,132	17,861,503					51,933,635			
933	DJJ Medicaid Services	18,748,725	8,077,323							26,826,048		29,884,869	8,077,323					37,962,192			
934	Dept of Education Medicaid	55,587,823	23,948,338							79,536,161		55,581,109	23,948,338					79,529,447			
935	Commission for the Blind	202,221	87,121							289,342			415,994	87,121				503,115			
936	Emotionally Disturbed Children	51,065,427	22,000,000							73,065,427		49,451,770	22,000,000					71,451,770			
937	Disproportionate Share	21,292,776	484,414,900	178,786,386						664,494,062		21,292,776	472,217,564	188,786,386				682,296,726			
938	Other Entities Medicaid Ser	7,936,786	3,419,325							11,356,111		18,925,024	8,419,325					27,344,349			
939	Palmetto Senior Care	3,000,000	6,963,467							9,963,467		3,000,000	6,163,464					9,163,464			
940	MUSC Maxillofacial Services	250,000								250,000		250,000						250,000			
941	Other Agencies Administration	1,765,968	26,535,711	27,122,900						55,424,579	26.90	1,765,968	40,046,225	27,122,900				68,935,093			
942	Medicaid Eligibility	7,967,367	19,589,649	11,033,109						38,590,145	493.00	10,467,387	20,068,410	11,033,109				41,568,906			
943	Medicaid Eligibility Support	995,027	1,811,362	483,963						3,290,352	67.50	995,027	1,811,362	483,963				3,290,352			
944	Automated Claims Processing	7,437,376	30,903,985	2,982,911						41,324,272	23.50	7,437,376	23,312,286	2,982,911				33,732,573			
945	Special Projects	125,000	250,000							591,000			75,000					75,000			
946	Audits/Compliance	823,613	1,566,659	127,799						2,518,071	29.00	823,613	1,566,659	127,799				2,518,071			
947	Internal Information Technology	914,896	1,517,610	151,165						2,583,671	24.00	914,896	1,517,610	151,165				2,583,671			
948	Agency Administration	5,390,522	9,275,174	889,977						15,555,673	151.75	5,390,522	7,542,447	1,414,977				14,347,946			
1563	Regeneas	100,000								100,000											
1564	Trauma Center Fund	4,000,000	9,181,230	2,000,000						13,181,230		4,000,000	8,991,231					12,991,231			
1565	Prevention Partnership Grants									2,000,000								5,000,000			
1566	Rural Hospital Grants									3,000,000											
	FY 05-06 Health Insurance & Pay Plan Allocator									786,745								786,745			
	Travel Savings									786,745								(15,532)			
	Total	789,246,893	3,325,275,559	695,738,838				3,111,858	104,142	4,813,477,090	1,130.00	893,965,765	3,341,524,406	720,150,610				4,955,640,771			
J04 Dept of Health & Environmental Control																					
949 Administration		9,468,267	33,000	14,155,217						23,656,484	312.86										
949 Administrative savings from restructuring												9,468,267	360,644	15,713,691				25,542,602			
												(4,897,634)						(4,897,634)			

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
949	Administrative savings from consolidating regional offices and RIF											(1,000,000)						(1,000,000)	
950	Underground Storage Tanks	3,476,096	3,180,653							6,656,749	95.24		3,157,945	2,076,512				5,234,457	
951	Water Management - Drinking Water	1,321,809	3,389,345	5,036,759						9,747,913	143.09	1,321,809	1,914,480	4,924,240				8,160,529	
952	Water Management - Water Pollution Control Program	9,717,884	10,842,508	8,114,028						28,674,420	322.22	11,954,769	13,300,107	7,948,675			666,000	33,869,551	26.00
953	Water Mgt Recreational Waters Program		892,957							892,957	14.69		939,896				939,896		
954	Coastal Resource Improvement	1,193,008	4,167,667	1,254,069						6,614,744	54.58	1,193,008	4,994,881	1,668,696			350,000	8,206,585	
955	National Estuary Research Reserve		908,680							908,680			600,783					600,783	
	Hunting Island Beach Renourishment (pass thru funds)							5,000,000											
956	Air Quality Improvement	1,165,689	2,131,801	11,510,992						14,808,482	251.14	1,165,689	2,786,388	11,584,570				15,536,647	
958	Air Quality Improvement - Asbestos Program		263,647							263,647	5.41		252,512					252,512	
959	Land & Waste Management	3,268,641	7,751,619	13,237,508						24,257,768	250.41	5,223,511	9,400,644	12,766,377				27,390,532	13.00
960	Land & Waste Management - Emergency Response	354,219	682,375	221,077						1,257,671	17.98	354,219	734,691	232,593				1,321,503	
961	Land & Waste Management - Waste Minimization Program	64,533	118,632	63,350						246,515	3.92	64,533	142,664	64,502				271,699	
962	Land & Waste Management - Mining Program	393,719	136,273							529,992	10.87	393,719		146,215				539,934	
963	Land & Waste Management - Radiological Waste Program	48,878	8,476	728,912						786,266	13.20	48,878	91,065	748,825				888,768	
964	Savannah River Plant	89,461								89,461		89,461						89,461	
965	Infectious Disease Prevention - General Sanitation Program	2,200,208	167,074	3,509,975						5,877,257	102.07	2,565,208	161,265	3,590,703				6,317,176	
966	Infectious Disease Prevention - Surveillance Investigation and Control Program	7,120,210	47,262,044	82,324						54,454,578	158.25	7,443,210	48,698,939	236,527				56,378,676	
967	Infectious Disease Prevention - Immunization Program	4,088,225	3,386,905	509,679						7,984,809	68.60	4,537,930	2,821,183	450,423				7,809,536	
969	Palmetto Aids Life Support (pass thru funds)	18,158								18,158		18,158						18,158	
970	Maternal and Infant Health	3,357,658	109,290,956	21,919,812						134,568,426	793.92	3,691,263	112,843,321	21,820,020				138,354,604	
972	Maternal and Infant Health - Newborn Hearing and Screening Program	804,001								804,001		804,001	76,802					880,803	
973	Chronic Disease Prevention	1,738,580	5,708,590	96,745						7,543,915	37.12	1,738,580	5,560,214	70,747				7,369,541	
974	Youth Smoking Prevention		11,031							11,031									
975	Assuring Public Health Services	41,979,734	23,044,282	22,602,368						87,626,384	1,292.96	41,979,734	27,333,044	28,629,952				95,942,730	
976	Injury and Violence Protection		404,265	39,841						444,106	3.09		832,181	50,919				883,100	
977	Minority Health	409,378	264,916							674,294	8.45	446,078	159,797	70,486				676,361	
978	Protection from Public Health Emergencies	22,824,323								22,824,323	84.62		17,306,332	26,219				17,332,551	
979	Family Health Centers (pass thru funds)							2,800,000		3,244,603		444,603						444,603	
980	Family Health Center Lancaster-Kershaw (pass thru funds)	175,738								175,738		175,738						175,738	
981	Biotechnology Center (pass thru funds)	577,620								577,620		577,620						577,620	
982	Rape Violence Prevention	858,415	1,014,121	2,008,454						2,008,454	32.88	858,415	770,094	2,128,071				2,128,071	
984	Independent Living - Home Health Program		452	29,655,372						29,655,824	368.65		7,371	28,740,329				1,628,509	
985	Independent Living - Children with Special Health Care Needs Program	6,372,958	9,433,434	1,859,629						17,666,021	158.29	6,372,958	9,242,666	1,536,879				17,152,503	
986	Independent Living - Sickle Cell Program (pass thru funds)	1,488,170	25,000							1,513,170	6.47	1,488,170		36,280				1,524,450	
987	Camp Burnt Gin	222,263	10,657							232,920	0.90	222,263		3,184				225,447	
988	Radiological Health	866,355	232,801	809,105						1,908,261	27.79	866,355	76,483	752,063				1,694,901	
989	Health Facilities & Services Development	859,423	290,000	248,362						1,397,785	13.86	859,423	79,124	273,964				1,212,501	
990	Health Facilities Licensing	1,842,824		728,299						2,571,123	49.04	1,842,824		727,699				2,570,523	
991	Certification		5,192,402	274,589						5,466,991	81.60		5,855,565	46,342				5,902,907	
992	Emergency Medical Services	703,276	1,906,347	95,931						2,705,154	26.30	703,276	1,214,686	139,934				2,057,896	
	Emergency Medical Services - Counties and Regions (pass thru funds)																		
993	Laboratory	1,581,777	2,940,890	6,478,437						12,072,022	118.55	1,581,777	2,845,102	6,812,989				1581,777	
994	Vital Records	253,969	1,831,054	4,647,234						6,732,257	71.65	253,969	1,240,800	4,667,239				12,310,766	
---	Targeted Case Management											3,400		112,200				6,162,008	
---	Collections - Incr. rate of collections 10% per LAC Report											(180,000)						115,600	
												(180,000)						(180,000)	
---	Vehicles - Shift from recurring to nonrecurring source											(206,631)					206,631		
---	Prepayment of Bonds											(564,317)						(564,317)	
---	TERI Savings											(1,873,454)						(1,873,454)	
---	FY 05-06 Health Insurance & Pay Plan Allocator	3,221,541								3,221,541		3,221,541						3,221,541	
---	Travel Savings											(275,332)						(275,332)	
	Total	110,923,887	268,695,055	154,407,886				7,800,000		541,828,828	5,000.67	107,629,684	274,810,261	157,990,463			1,222,631	541,453,039	39.00
J12	Department of Mental Health																		

FY 2006-07 Governor's Purchase Plan

FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
997	School-Based Services	8,650,054	1,534,161	9,908,973						20,992,788	463.59	8,650,054	1,224,187	10,208,573				20,082,814	
998	Employment Services	355,728	52,111	407,484						815,323	33.77	355,728	52,111	407,484				815,323	
999	Crisis Stabilization	12,111,220	1,090,504	8,527,208						21,728,932	282.63	12,111,220	780,527	8,527,208				21,418,955	
1000	Intensive Family Services (Family Preservation)	1,486,419	217,748	1,702,682						3,406,849	98.56	1,486,419	458,881	1,702,682				3,647,982	
1001	Deaf Services																		
1002	Long Term Inpatient Psych	12,072,561	19,190	10,638,401						22,730,152	380.37	12,472,561		7,348,375				19,820,936	
1003	Acute Psych	18,472,430	27,467	15,335,494						33,835,391	567.96	19,772,430	6,657	15,356,494				35,134,581	
1004	Inpatient Psych for Children	9,448,432	33,972	7,396,728						16,884,132	274.12	9,448,432	74,355	7,396,728				16,919,515	
1005	Inpatient Forensics	4,668,436	23,329	10,131,088						14,822,853	84.40	4,668,436	23,329	10,131,088				14,822,853	
1006	Inpatient Alcohol & Drug	8,932,161	23,329	2,059,728						11,015,218	223.83	9,032,161	3,329	2,059,728				11,095,218	
1007	Nursing Home for Mentally Ill	11,856,222	23,329	16,913,325						28,792,875	479.60	11,856,222	3,329	16,913,325				28,772,875	
1008	Veterans Nursing Homes	7,167,517	5,866	10,335,942			3,000,000			21,108,425	127.55	11,367,517	5,866	17,695,042				29,068,425	
1009	Sexually Violent Predator Program	3,791,558	23,329	42,026						3,856,913	62.14	3,791,558	23,329	42,026				3,856,913	
1010	Administration	11,297,629	349,705	386,572						12,033,906	167.90	11,297,629	450,029	386,572				12,134,230	
1011	Administrative savings from restructuring											(6,444,805)						(6,444,805)	
1012	Pass Through Funds	192,192		400,000						592,192		192,192		400,000				592,192	
1013	Forensic - Community Mental Health	616,860	396,397	706,609						1,719,865	50.21	616,860		706,609				1,323,469	
1588	Assertive Community Treatment	1,370,346	190,504	1,489,651						3,050,501	73.92	1,370,346	190,504	1,489,651				3,050,501	
1589	Community Based Rehabilitation	8,035,568	1,177,144	9,204,683						18,417,395	234.64	8,035,568	1,177,144	9,204,683				18,417,395	
1590	Community Residential (Housing) Support	13,533,738	1,919,574	15,010,120						30,463,431	548.37	14,133,738	1,788,804	15,360,120				31,282,682	
1591	Day Treatment	4,902,003	586,260	4,584,264						9,172,527	160.61	4,902,003	586,260	4,584,264				9,172,527	
1592	Outpatient Services	35,045,302	5,133,844	40,144,132						80,323,278	1,482.30	35,045,302	5,155,136	40,034,132				80,234,570	
---	Targeted Case Management											85,200		2,811,600				2,896,800	
---	Collections - Incr. rate of collections 10% per LAC											(840,000)						(840,000)	
---	Report																		
---	Vehicles - Shift from recurring to nonrecurring source											(48,657)					48,657		
---	TERI Savings											(1,930,576)						(1,930,576)	
---	FY 05-06 Health Insurance & Pay Plan Allocator	5,861,208								5,861,208		5,861,208						5,861,208	
---	Travel Savings											(7,663)						(7,663)	
---	Total	179,867,564	12,832,762	165,323,807			3,000,000			360,724,153	5,797.45	176,381,083	12,003,776	172,765,381				48,657	361,198,897
J16	Dept of Disabilities and Special Needs																		
1012	Greenwood Genetic Center	1,729,849		4,696,051						6,425,900		1,729,849		4,696,051				6,425,900	
1013	Other Prevention	26,715	144,492	32,290						203,497		26,715	99,952	35,000				161,667	
1014	Early Intervention	1,297,740	10,472,284	10,472,284						11,770,034	2.00	3,265,740	12,052,294	15,318,034				15,318,034	
1015	Center Based Child Development	300,000		1,043,058						1,343,058		300,000		1,043,058				1,343,058	
1016	Other Family Support	509,471	1,668,734							2,178,205	2.00	509,471	117,304					626,775	
---	Special Olympics- state funds are passed through to													130,000				130,000	
1017	Special Olympics Organization	174,175		130,000						304,175		13,097,907	140,000	22,106,298				35,344,205	
1018	Waiver Services	13,097,907	140,000	22,106,298						3,223,662	4.00	3,223,662						3,223,662	
1019	Respite/Family Support Stipends	3,223,662								3,223,662		9,861,090	39,820,052	49,681,142				49,681,142	
1020	Adult Development and Supported Employment	9,861,090		39,820,052						49,681,142	9.00	9,861,090		12,130,991				15,310,722	
1021	Service Coordination	3,179,731		12,130,991						15,310,722		(307,957)						(307,957)	
---	Provide funding specific to agency needs and mission											674,845	55,000	5,234,034				5,963,879	
1022	Autism Family Support		20,000	5,234,034						5,254,034	13.00	674,845							
1023	Head and Spinal Cord Injury Service Coordination	626,235		1,653,826						2,280,061		626,235		2,712,659				3,338,894	
1024	Head and Spinal Cord Injury Waiver Services	2,683,866		4,283,459						6,967,325		2,795,866		4,283,459				7,079,325	
1025	Head and Spinal Cord Injury Family Support	357,849	130,000							487,849	6.00	357,849	130,000					487,849	
---	Intermediate Care Facility/Mental Retardation (ICF																		
1026	MR)	15,846,329	2,15,657	40,576,031						56,638,017	18.00	15,846,329	192,181	45,255,029				61,293,539	
1027	Mental Retardation - Community Training Homes	24,988,442		63,635,634						88,146,860	28.00	27,230,793		86,146,860				113,377,653	
1028	Mental Retardation - Assisted Living	4,571,056	16,211,721	4,000						16,211,721	4.00	4,571,056		11,640,665				16,211,721	
1029	Autism Community Training Homes	2,449,369		6,249,458						8,698,827	50.00	2,669,164		7,093,658				9,762,822	
---	Head and Spinal Cord Injury Community Training																		
1030	Homes	325,640		483,835						809,475		354,862		283,835				638,697	
1031	Head and Spinal Cord Injury Assisted Living	120,442		432,619						553,061		120,442		432,619				553,061	
---	Regional Centers - Intermediate Care Facility/Menta																		
1032	Retardation (ICF/MR)	54,456,883	41,500	47,067,730						101,366,113	2,444.50	54,256,883	40,000	44,083,677				98,380,560	
1033	Administration	4,143,502		3,465,052						7,608,554	96.00	4,143,502		2,547,138				6,690,640	
---	Administrative savings from restructuring											(2,210,269)						(2,210,269)	
---	Targeted Case Management											322,500		10,642,500				10,965,000	
---	TERI Savings											(956,930)						(956,930)	
---	FY 05-06 Health Insurance & Pay Plan Allocator	6,234,254								6,234,254		6,234,254						6,234,254	
---	Travel Savings											(7,197)						(7,197)	
---	Total	150,979,052	2,360,383	275,153,377						428,192,812	2,676.50	151,916,392	774,437	312,369,877				465,060,706	
J20	Alcohol & Other Drug Abuse Services																		
1034	Chemical Dependency Service Accountability	152,234	390,088	284,060						826,382	16.10	152,234	418,053	293,246				863,533	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1035	Chemical Dependency Community-Based Prevention Services	122,659	7,903,827							8,026,486	7.25	122,659	7,353,827					7,476,486	
1036	Chemical Dependency Community-Based Intervention Services	753,367	1,046,153							1,799,520	2.00	753,367	956,153					1,709,520	
1037	Chemical Dependency Community-Based Treatment Services	6,863,387	15,588,942	1,323,881						23,756,210	5.50	7,613,387	15,703,791	1,021,951				24,339,129	
1038	Direct Chemical Dependency Services		63,077	490,872						553,949	3.00		63,077					63,077	
1039	Gambling Services	8,229	3,484	350,000						361,713	3.10	8,229	3,484	350,000				361,713	
1040	Targeted Case Management											8,000		264,000				272,000	
1040	Alcohol and Drug Abuse Administration	288,179	221,922	28,412						538,513	13.86	288,179	216,760	28,803				533,742	
1040	Administrative savings from restructuring									(422,537)		(422,537)						(422,537)	
	FY 05-06 Health Insurance & Pay Plan Allocator	314,877								314,877		314,877						314,877	
	Total	8,502,932	25,197,493	2,477,225						36,177,650	50.81	8,838,395	24,715,145	1,958,000				35,511,540	
K05 Dept of Public Safety																			
1041	Core Administration and Office of Professional Resp	5,451,464		5,190,540						10,642,004	132.99	5,451,464		5,070,527				10,521,991	
1043	Office of Justice Programs	252,085	22,246,460	825,000						23,323,545	24.58	252,085	22,780,561	825,000				23,857,646	
1044	Office of Highway Safety	279,949	5,807,192							6,087,141	14.70	279,949	5,807,192					6,087,141	
1045	School Bus Transportation Safety										2.00								
1049	Uninsured Motor Vehicle Enforcement		2,666,368							2,666,368	1.00			2,666,368				2,666,368	
1050	Special Operations	129,929								129,929	2.00								
1051	Highway Patrol Pilot	88,083								88,083	1.00								
1052	Executive Protection	170,859								170,859	3.00	170,859						170,859	
1054	Information Technology Section	696,395		62,192						758,587	13.00	696,395		62,192				758,587	
1055	Communication and Intelligence	5,171,634								5,171,634	127.00	5,171,634						5,171,634	
1056	Aggressive Criminal Enforcement	408,800	2,953,686							3,362,486	40.00	408,800		2,953,686				3,362,486	
1057	Multi-disciplinary Accident Investigation Team	1,130,204								1,130,204	16.00	1,130,204						1,130,204	
1058	Highway Traffic Enforcement	44,700,797	941,162	10,769,914						64,635,953	895.75	44,700,797	1,225,004	13,812,724				59,738,525	
1058	Hwy Patrol Replacement Trooper Class											5,023,781					3,828,085	8,851,866	100.00
1058	Advancement of Troopers & TCO's											1,248,904						1,248,904	
1058	Vehicle Purchases													3,000,000				3,000,000	
1059	Commercial Motor Vehicle (CMV) Safety Inspections	1,061,639	1,179,599	266,648						2,507,886	36.18	1,061,639	704,068	266,648				2,032,355	
1059	Shift funding to other funds											(1,061,639)		1,061,639					
1060	CMV Traffic Enforcement	288,157	576,313							864,470	12.66	288,157	576,313					864,470	
1060	Shift funding to other funds											(288,157)		288,157					
1061	Size & Weight Enforcement	1,297,158	3,638,605							4,935,763	57.95	1,297,158	3,397,126					4,694,284	
1061	Shift funding to other funds											(1,297,158)		1,297,158					
1061	Weight Station Upgrades																5,000,000	5,000,000	
STP New Class of Officers (transfer from DOT gas tax)																			
1061	Inspections	211,551	423,101							634,652	8.86	211,551	423,101					634,652	
1062	Compliance Reviews	248,285								338,285	4.22	248,285		90,000				338,285	
1063	Drug Interdiction	59,761	239,045	47,631						346,437	5.12	59,761	239,045	47,631				346,437	
1065	Data Collection & Reporting	130,891	29,581							160,472	2.11	130,891	29,581					160,472	
1066	Training	330,526								405,762	5.80	330,526		75,236				405,762	
1067	Dyed Fuel Inspections																		
1067	Shift funding to other funds											(330,526)		330,526					
Hazardous Material and Radioactive Shipment																			
1068	Inspections	97,450	261,800							359,250	4.81	97,450	261,800					359,250	
1069	Fuel Tax and Registration Enforcement		211,800							952,013	8.02		211,800					952,013	
1070	Training - Basic/Mandated Activity		1,540,039							1,540,039	19.00		2,250,441					2,250,441	
1071	Training - Regional Activity		398,614							398,614	5.00		398,614					398,614	
1072	Training - Advanced/Specialized Activity		413,428							1,257,432	21.00		1,257,432					1,257,432	
1073	Training - Range Operations Activity		678,645							678,645	7.00		678,645					678,645	
1074	Registrar Activity		685,908							685,908	15.00	91,448	685,908				580,000	1,357,356	3.00
1075	Media/Library Activity		392,934							392,934	6.00		392,934					392,934	
1076	Standards and Testing Activity		958,009							958,009	9.00		958,009				458,809	458,809	
1077	Food Service Activity		565,805							565,805	6.00			565,805				565,805	
1078	Student Housing Activity		100,092							100,092	2.00							100,092	
1079	Facilities Planning & Maintenance Activity		1,556,142							3,056,142	16.00		1,556,142				1,000,000	2,556,142	
1080	Weapons of Mass Destruction Activity		1,000,000							1,000,000			1,000,000					1,000,000	
1081	State House and Complex	1,288,654		197,970				87,998		1,574,622	21.00	1,515,387	220,000	530,085			39,148	2,304,620	5.00
1082	Judicial Division	257,875		163,557				31,975		453,407	6.00	257,875		163,557				421,432	
1083	Governor's Mansion/Complex	579,496		93,825						673,321	11.00	579,496		93,825				673,321	
1084	Contractual Services		1,550,126							1,550,126	28.00			1,550,126				1,550,126	
1085	H. L. Hunley Commission	117,287								117,287	3.00							1,550,126	
1086	General Operations		208,876							208,876	2.00		208,876					208,876	
1087	Collections Management		20,658							20,658				20,658				20,658	

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding						FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
---	Vehicles - Shift from recurring to nonrecurring source											(129,489)					129,489		
	TERI Savings	4,774,493								4,774,493		(50,007)						(50,007)	
	FY 05-06 Health Insurance & Pay Plan Allocator											4,774,493						4,774,493	
	Travel Savings											(2,647)						(2,647)	
	Total	69,223,422	33,329,481	37,695,465	8,424,080	119,973	1,500,000	150,292,421	1,595.75	150,292,421	1,595.75	72,319,366	33,478,465	45,229,380			14,938,047	165,965,268	133.00
L04 Department of Social Services																			
1088	Adoptions	2,632,015	4,232,868	3,971,758				10,836,641	137.05	10,836,641		3,451,412	4,568,047	7,115,351				15,134,810	47.00
1089	Adoption Subsidy- Legal Costs	750,000	750,000					1,500,000		1,500,000		750,000	750,000					1,500,000	
1090	Adoption Subsidy- Special Needs	7,866,719	12,056,457	1,546,887				21,469,863		21,469,863		9,866,719	13,100,074	3,680,850				26,647,643	
1091	Adult Protective Services	2,144,051	3,861,818	3,066,473				9,072,342	166.38	9,072,342		2,144,051	5,602,886	4,349,660				12,096,597	
1092	Child Abuse and Neglect - Intake and Assessment	3,294,692	17,019,313	5,292,017				25,606,022	372.94	25,606,022		3,536,743	28,920,530	4,905,368				37,362,641	6.00
1093	Chafee Foster Care Independence Program	20,030	461,786	169,327				651,143	3.61	651,143		20,030	1,803,454	80,315				1,903,769	
1094	Child Protective Treatment Services - In-Home	4,026,962	15,447,044	3,916,741				23,390,747	411.93	23,390,747		7,946,013	19,044,278	6,239,082				33,229,353	100.00
1095	Foster Care Services	3,921,693	21,999,020	8,297,844				34,218,557	502.35	34,218,557		4,924,169	24,128,848	14,391,672				43,444,689	55.00
1096	Foster Home Payments	5,619,563	13,311,076	2,856,323				21,966,962		21,966,962		9,979,630	10,854,739	2,867,892				23,702,261	
1097	Homemaker Services	228,312	3,573,258	629,086				4,430,656	131.81	4,430,656		228,312	4,546,366					4,774,678	
1098	Licensing Services - Foster Care and Group or Institutional Facilities and Child Placing Agencies	274,560	490,337	68,514				833,411	15.67	833,411		1,773,091	549,989	2,529,804				4,852,884	90.00
1099	Domestic Violence	5,027	4,156,750	1,058,079				5,220,456	1.61	5,220,456		5,027	3,601,984	1,104,381				4,711,392	
1100	Foster Care Treatment Services for Emotionality Disturbed Children	21,987,673	4,831,852	10,125,359				36,924,884	226.66	36,924,884		22,660,746	6,395,732	13,275,534				42,332,012	52.00
1101	Child Support Enforcement	5,238,230	22,551,507	10,464,903				49,754,640	329.14	49,754,640		5,238,230	31,902,868	13,281,915				66,923,013	
1102	Child Care Licensing	173,728	3,460,737	336,452				3,970,917	19.29	3,970,917		173,728	3,509,673	221,878				3,905,279	
1103	Child Care	4,678,869	64,142,287	8,701,873				77,523,029	98.46	77,523,029		4,678,869	78,700,224	4,951,339				88,330,432	
1104	Temporary Assistance to Needy Families	16,581,589	58,355,086	13,225,040				88,161,715	750.31	88,161,715		16,581,589	76,475,962	8,142,973				101,200,524	
1105	Food Stamp Program	11,745,183	533,205,324	11,062,121				556,012,628	786.88	556,012,628		11,745,183	600,168,105	10,639,335				622,552,623	
1106	Child and Adult Care Food, After School Snack Program, Emergency Shelters Food Program,											8,710	33,666,546	312,022				33,987,278	
1107	Summer Food Service Program	8,710	30,826,050	319,384				31,154,144	11.66	31,154,144		8,710	9,529,356	69,065				9,655,432	
1107	USDA Food Distribution	57,011	8,323,691	67,716				8,448,418	2.01	8,448,418		57,011	9,529,356	69,065				9,655,432	
1108	Administration	866,879	1,428,077	548,015				2,842,971	51.03	2,842,971		866,879	1,381,604	437,998				2,686,481	
1109	Pass Through Funds	3,080,009			86,000	700,000		3,866,009		3,866,009		3,080,009						3,080,009	
---	Targeted Case Management											480,400		15,953,200				16,333,600	
---	Prepayment of Bonds											(108,145)						(108,145)	
---	TERI Savings											(3,823)						(3,823)	
---	FY 05-06 Health Insurance & Pay Plan Allocator							1,649,909		1,649,909								1,649,909	
---	Travel Savings											(33,836)						(33,836)	
	Total	97,031,414	824,484,338	85,724,312	11,586,000	700,000	11,586,000	1,019,526,064	4,018.79	1,019,526,064	4,018.79	111,700,656	959,201,265	114,449,614			16,500,000	1,201,851,535	350.00
L12 John de la Howe School																			
1111	Cottage Life	703,055		1,360				704,415	33.00	704,415		703,055		144,458				847,513	
1112	Social Services	219,469		51,444				270,913	11.00	270,913		219,469		53,047				272,516	
1113	Medical Care	104,617	17,503					122,120	3.00	122,120		104,617		17,503				122,120	
1114	Therapeutic Activities	194,036	12,896					206,932	7.00	206,932		194,036		3,670				197,606	
1115	Family Enrichment	149,092	12,896					161,988	7.00	161,988		149,092		12,896				161,988	
1116	Education	730,527	73,500	250,886				1,054,913	17.96	1,054,913		730,527	59,640	315,288				1,105,455	
1117	Buildings and Grounds	497,914	132,422					630,336	5.55	630,336		497,914		153,422				651,336	
1118	Dietary	246,084	60,000	35,444				341,628	6.00	341,628		246,084	80,000	53,440				379,524	
1119	Garbage Pickup/Motor Vehicle Opr	82,558		3,000				85,558	1.00	85,558		82,558		85,500				168,058	
1120	Laundry/Supply/ Housekeeping Services	49,510						49,510	2.00	49,510		49,510						49,510	
1121	Business Operations	322,178						322,178	8.00	322,178		322,178		12,832				335,010	
1122	Administration	127,318		1,000				128,318	3.00	128,318		127,318		1,000				128,318	
1123	Public Relations & Alumni	43,202		5,000				48,202	1.00	48,202		43,202		5,000				48,202	
1124	Information Technology	35,205		11,742				46,947	1.00	46,947		35,205		12,080				47,285	
1593	Therapeutic Wilderness Camping	382,332						382,332	10.00	382,332		382,332						382,332	
---	TERI Savings											(39,903)						(39,903)	
---	FY 05-06 Health Insurance & Pay Plan Allocator							142,727		142,727		142,727						142,727	
	Total	4,029,824	133,500	526,467				4,689,791	116.51	4,689,791	116.51	3,989,921	139,640	870,146				4,999,707	
L24 Commission for the Blind																			
1125	Adjustment to Blindness	242,000	910,660					1,152,660	19.25	1,152,660		242,000		910,660				1,152,660	
1126	Vocational Rehab Services	290,302	3,600,000					3,890,302	27.75	3,890,302		290,302	3,693,955					3,989,257	
1127	Business Enterprise Program	29,754	1,177,382	597,520				1,344,656	12.00	1,344,656		29,754	717,382	597,520				1,344,656	
1128	Training and Employment	325,078	489,718	80,000				894,796	12.00	894,796		325,078	489,718	80,000				894,796	
1129	Prevention of Blindness	804,856						804,856	7.00	804,856		804,856						804,856	
1130	Older Blind & Independent Living	20,000	391,179					411,179	4.50	411,179		20,000	397,168					417,168	

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan											
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	
1131	Radio Reading Services	129,990								129,990	2.00									
1132	Children's Services	232,728		25,000						257,728	3.00	232,728		25,000				257,728		
1133	Administration	704,103	413,811							1,117,914	35.25	704,103	413,811					1,117,914		
1133	Administrative savings from restructuring									(122,337)								(122,337)		
1594	Renovation of Residential Building						900,000			900,000										
---	Targeted Case Management																			
	FY 05-06 Health Insurance & Pay Plan Allocator	83,091								83,091		83,091		3,300				3,400		
	Travel Savings											(1,156)						(1,156)		
	Total	2,861,902	6,622,750	702,520			900,000			10,387,172	122.75	2,738,509	6,627,694	705,820				10,072,023		
L32 Housing Finance & Development Authority																				
1134	Rental Assistance		100,380,719	1,549,940						101,930,659	43.00		100,380,719	1,549,940					101,930,659	
1135	Housing Initiatives		10,210,345							10,210,345	6.56		9,457,143					9,457,143		
1136	Homeownership			1,705,970						1,705,970	22.00		1,935,153					1,935,153		
1137	Property Administration and Compliance			1,047,235						1,047,235	12.89		1,047,235					1,047,235		
1138	Tax Credit			871,229						871,229	5.55		871,229					871,229		
1139	Administration			3,279,523						3,279,523	32.00		3,084,714					3,084,714		
1595	Special Initiatives			11,500,000						11,500,000				7,000,000				7,000,000		
	Total	110,591,064	19,953,897							130,544,961	122.00	109,837,862	15,488,271					125,326,133		
L36 Human Affairs Commission																				
1140	Board of Commissioners	9,500								9,500		9,500						9,500		
1141	Administration	658,564								658,564		658,564						658,564		
1142	Legal	79,797								79,797	1.00	79,797						79,797		
1143	Technical Services & Training	285,261		71,804						357,065	7.50	285,261		71,804				357,065		
1144	Community Relations			66,163						66,163	5.00			83,063				83,063		
1145	Intake & Referral	142,536		138,837						281,373	5.00	142,536		138,837				281,373		
1146	Employment Discrimination Investigations	485,157		394,461						879,618	21.50	485,157		394,461				879,618		
1147	Mediation	44,811		28,335						73,146	1.00	44,811		28,335				73,146		
1148	Fair Housing Investigations		174,700							174,700	3.00		224,700					224,700		
1149	Fair Housing - Education & Outreach		146,400							146,400			146,400					146,400		
	TERI Savings											(47,888)						(47,888)		
	FY 05-06 Health Insurance & Pay Plan Allocator	60,307								60,307		60,307						60,307		
	Travel Savings											(432)						(432)		
	Total	1,765,933	321,100	699,600						2,786,633	53.00	1,717,813	371,100	716,500				2,805,213		
L46 Commission on Minority Affairs																				
1150	Hispanic/Latino Affairs			115,500						115,500	1.00			115,500				115,500		
1151	Native American Affairs			115,500						115,500	1.00			115,500				115,500		
1152	African American Affairs	60,300		50,000						110,300	2.00	60,300		50,000				110,300		
1153	Research	236,782		50,000						286,782	2.00	236,782		50,000				286,782		
1154	Administration (Overhead Cost)	190,222								190,222	3.00	190,222						190,222		
	FY 05-06 Health Insurance & Pay Plan Allocator	12,399								12,399		12,399						12,399		
	Travel Savings											(1,013)						(1,013)		
	Total	499,703		331,000						830,703	8.00	498,690		331,000				829,690		
NP4 Department of Corrections																				
1155	Incarcerate Offenders	190,732,865	9,943,087	3,277,000			247,953			204,200,905	5,082.00	190,732,865	3,501,308	3,277,000					197,511,173	
	Incarcerate Offenders - 192 Bed Turberville Facility											2,250,000								
1156	Maintenance	57,400,000		1,514,000						58,914,000	499.00	58,900,500		1,514,000				60,414,500		
1157	Provide Inmate Health Care			18,611,600						18,611,600	32.00			18,611,600				18,611,600		
1158	Institutions Canteen Operations	2,700,000		175,000			1,000,000			3,875,000	39.00	2,700,000		175,000				2,875,000		
1159	Vehicle Maintenance	1,500,000								1,500,000	45.00	1,500,000						1,500,000		
1160	Agency Training Academy	110,000		359,000						469,000	8.00			469,000				469,000		
1161	Recycling Operation - shift to Other Funds	578,988		300,000						878,988	54.00	578,988		300,000				878,988		
1162	Work and Vocational			12,687,048			50,000			12,737,048	53.00			12,687,048				12,687,048		
1163	Prison Industries - Traditional			5,762,556						5,762,556	23.00			5,762,556				5,762,556		
1164	Prison Industries - PIE Prog			3,462,096						3,462,096	25.00			3,462,096				3,462,096		
1165	Prison Industries - Service			2,730,000						2,730,000	30.00			2,730,000				2,730,000		
1166	Agriculture Operation	175,000								175,000								175,000		
1167	Palmetto Pride - shift to Other funds	600,000								600,000	19.00			600,000				600,000		
1168	Education of Inmates	3,577,792	2,152,400	6,554,200						12,284,392	98.00	3,577,792	2,210,375	6,554,200				12,342,367		
1169	Inmate Program Services	3,027,660		428,400						3,456,060	154.00	3,027,660		428,400				3,456,060		
1169	Penal Facilities Inspection						1,902,000			1,902,000										
	Penal Facilities Inspection - reduce staff & expenses	241,593								241,593	5.00	241,593						241,593		
1169	pursuant to Section 24-9-20											(125,000)						(125,000)		
1170	Administration & Support	9,955,472	508,725	491,600						10,955,797	164.00	9,955,472	464,270	491,600				11,401,192		
1171	Federal Grant Allocation	65,000		4,000,000						4,065,000	1.00	65,000		4,000,000				4,065,000		
1622	Food Service	18,452,560								18,452,560		18,452,560						18,452,560		

FY 2006-07 Governor's Purchase Plan

Activity Number	Activity Name	FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan											
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	
1622	Dept's daily operations to become self-sufficient with its spp-based needs											(250,000)						(250,000)		
1622	CRF appropriation of \$4.9 million for freezer & food warehouse will save \$500,000 annually											(500,000)						(500,000)		
---	Vehicles - Shift from recurring to nonrecurring source											(422,900)					422,900			
	FY 05-06 Health Insurance & Pay Plan Allocator											16,255,445						16,255,445		
	Travel Savings											(601)						(601)		
	Total	305,772,375	16,604,212	56,350,800			1,297,953	1,902,000		381,927,340	6,331.00	309,514,374	10,175,953	57,060,800	14,499,755		391,250,882	41.00		
N08 Dept of Probation, Parole & Pardon Services																				
1172	Community Supervision - Regular											14,425,371		47,490			35,129,458			
1173	Community Supervision - Intensive											432,932				721,841	1,154,773			
1174	Community Supervision - Sex Offender Programming											3,694,311					248,186	3,942,497	47.00	
1175	Residential Programs											286,541					403,812	403,812		
1176	Statewide Emergency Operations Plan											2,786,057					2,954,102	2,954,102		
1177	Parole Board Support											425,444					193,150	380,128		
1178	Parole Board											865,512					480,983	984,675		
1179	Core Administration											304,838					304,838	304,838		
												1,888,837					2,085,983	3,139,552		
1179	Consolidation of Dept of Corrections and the DPPPP											(518,012)					(518,012)			
	FY 05-06 Health Insurance & Pay Plan Allocator											1,213,330					1,213,330			
	Travel Savings											(6,718)					(6,718)			
	Total	18,045,527	439,543	22,376,225						40,861,295	820.00	21,213,108	47,490	27,531,651	248,186		49,040,435	47.00		
N12 Dept of Juvenile Justice																				
1180	Incarceration Services											21,247,432								
	Incarceration Services- shift cost to counties \$25/day fee												89,338							
1181	Alternative Residential Placement Services											23,012,095		2,532,651			27,375,500			
1182	Evaluation Services											10,606,862		353,378			3,840,844	27,808,583		
1183	Detention Services											566,704		353,378			4,908,634	15,868,874		
1184	Medical Services											5,743,387		168,000			3,913,437	4,833,519		
1185	Educational Services											3,403,062		1,255,958			7,600,377	5,903,764		
1186	Other Community Services											11,149,130		205,84			7,400,249	12,059,269		
1187	Prevention and Diversion Services											14,041,136		1,092,349			3,067,256	94,370		
1188	Volunteer Services											1,256,893		7,772			505,400	1,256,893		
1189	Victim Services											7,655		5,000			5,000	5,000		
1190	Parole Board											234,589		5,000			239,589	239,589		
1191	Administrative Services											721,561					721,561	3,474,472		
---	Targeted Case Management											3,469,472					5,000			
---	Combine parole boards at the DJJ and the DPPPP												5,723				1,636,800	1,636,800		
																	(425,000)	(425,000)		
---	Vehicles - Shift from recurring to nonrecurring source																113,400			
	TERI Savings											2,763,130					(367,040)	(367,040)		
	FY 05-06 Health Insurance & Pay Plan Allocator																2,763,130			
	Travel Savings											(3,500)						(3,500)		
	Total	83,607,177	3,004,888	19,510,922			2,800,000	100,000		109,022,587	1,668.11	85,275,391	3,965,782	28,512,319	5,213,807		122,867,299	80.00		
P12 Forestry Commission																				
1192	Wildland Firefighting											7,768,199		1,173,575				8,941,774		
1193	Wildland Fire Prevention											282,431		317,053				680,484		
1194	Law Enforcement - Timber Theft and Fraud											328,262						25,000		
1195	Forest Health - (Insects and Disease)											11,320		1,750,909				1,762,229		
1196	Forest Management Assistance											822,548		704,506				1,879,677		
1197	Pass-through Programs											177,370						177,370		
1198	Forest Renewal Program Financial Assistance											781,515						581,515		
1199	Community Forestry Assistance											642,199		585,799				585,799		
1200	Forest Resource Development											146,701		83,333				549,112		
1201	Nurseries and Tree Improvement											924,000		882,000				942,000		
1202	Forestry Best Management Practices											327,990		135,152				343,478		
1203	State Forest Education											163,500		163,500				163,500		
1204	State Forest Resource Management											2,051,500		2,362,877				2,362,877		
1205	Forestry Program Outreach											204,167						204,167		
1206	Administration											1,051,219		44,273				1,051,219		
1206	Administrative savings from restructuring											(460,511)						(460,511)		
1623	Wildland Fire Dispatch											1,269,115		41,065				1,310,180		
1624	Wildland Fire Suppression											1,801,235		202,500				2,003,735		
	TERI Savings																860,839	(139,525)		

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
	FY 05-06 Health Insurance & Pay Plan Allocator	467,133								467,133		467,133						467,133			
	Travel Savings									(11,716)								(11,716)			
	Total	14,308,057	5,706,557	4,376,500				150,000		24,541,114	411.30	12,307,204	5,381,954	4,869,500			860,839	23,419,497			
	P16 Department of Agriculture																				
1207	Soybean Board (Pass Thru)			350,000						350,000	1.00			350,000				350,000			
1208	Pork Board (Pass Thru)			150,000						150,000				150,000				150,000			
1209	Cotton Board (Pass Thru)			413,700						413,700				413,700				413,700			
1210	Peanut Board (Pass Thru)			167,900						167,900				167,900				167,900			
1211	Watermelon Board (Pass Thru)			99,077						99,077				99,077				99,077			
1212	Tobacco Board (Pass Thru)			138,000						138,000				138,000				138,000			
1213	S. C. Beef Board (Pass Thru)			300,000						300,000	1.00			300,000				300,000			
1214	Laboratory Services	1,407,950	5,000	151,000						1,563,950	22.00	1,407,950	5,000	127,500				1,540,450			
1215	Consumer Services	664,468		362,875						1,027,343	40.00	664,468		1,056,196				1,720,664			
	General Fund Savings as Activity will be Funded from																				
1215	Gasoline Tax																				
1216	Marketing & Promotions	1,309,483	630,000	94,550						2,034,033	23.75	1,709,483	119,000	266,082				2,084,565			
1217	Market Services		16,100	1,926,661						1,942,761	20.00			1,817,511				1,817,511			
1218	Inspection Services			2,091,565						2,091,565	25.81			1,809,865				1,809,865			
1219	Market Bulletin			376,222						376,222	3.00			342,722				342,722			
1220	Administrative Services	1,153,053	11,000	35,000						1,199,053	15.00	1,153,053	1,000	21,000				1,175,053			
	TERI Savings																				
	FY 05-06 Health Insurance & Pay Plan Allocator	142,485								142,485		142,485						142,485			
	Travel Savings																				
	Total	4,677,439	682,100	6,656,550				626,000	75,000	12,697,089	151.56	4,216,627	125,000	7,059,553				11,401,180			
	P20 Clemson PSA																				
	Natural Resources and Environmental Research and																				
1474	Education: Master Wildlifer/Master Naturalist	51,668	24,860	10,709						87,237	1.27			24,860	10,709			36,569			
1475	Rural Community Enhancement and Improvement	283,277	187,692	89,600						560,569	10.61	283,277	187,692	89,600				560,769			
1476	Government and Public Affairs Research and																				
	Education	214,073	97,802	56,829						368,704	6.99			97,802	56,829			154,631			
1477	Agricultural Education Teachers Salaries (pass-thru)			276,533						276,533		405,599						682,132			
1478	Administration	4,168,347	393,580	138,356						4,700,283	35.05	4,168,347	393,580	138,356				4,700,283			
1479	Distance Education: Radio Productions	83,018		29,503						112,521	2.16			29,503				29,503			
	Distance Education: Television, Web and Print																				
1480	Productions	1,196,941								1,196,941	25.47	1,196,941						1,196,941			
	Prioritize PSA television & print productions &																				
1480	coordinate outreach with the Dept of Ag.																				
1481	BiEngineering Alliance	95,537								95,537	1.05							(398,980)			
	Sustainable Agricultural Production Systems																				
1482	Horticultural Crops	3,373,435	956,132	377,294						4,706,861	55.04	3,373,435	956,132	377,294				4,706,861			
	Defer to golf course industry for funding golf relatc																				
1482	turfgrass research																				
1483	The South Carolina Institute for Energy Studies	76,159								76,159	2.05	76,159						(145,200)			
1484	Rural Community Leadership Development	365,626	275,917	75,779						717,322	8.96	365,626	275,917	75,779				76,159			
	Natl Res & Environmental Research & Educ:																				
1485	Recreation & Tourism	63,473	24,192	10,992						98,657	1.40			24,192	10,992			35,184			
	Natural Resources and Environmental Research and																				
	Education: Alternative Income Opportunities for																				
1486	Landowners	83,232	29,046	12,512						124,790	1.48	83,232	29,046	12,512				124,790			
1487	Natural Res & Environmental Research & Educ:																				
	Water Quality & Quantity	834,217	299,637	61,298						1,195,152	16.85	834,217	299,637	61,298				1,195,152			
1488	Natural Res & Environmental Research & Educ	1,203,776	370,530	83,436			5,000,000			6,657,742	27.10	1,203,776	370,530	83,436				1,657,742			
	Sustainable Agricultural Production Systems																				
1489	Nutraceutical Crops	363,191	102,397	49,100						514,688	5.73	363,191	102,397	49,100				514,688			
	Sustainable Agricultural Production Systems: Organic																				
1490	Crops	86,774	33,681	15,235						135,690	2.40	86,774	33,681	15,235				135,690			
	Reducing the Impact of Animal Agriculture on the																				
1491	Environment	407,374	104,633	45,870						557,877	5.57	407,374	104,633	45,870				557,877			
1492	Agro Medicine (pass-thru)	219,393								219,393		219,393						219,393			
1493	Agricultural Biosecurity	204,371	24,909	7,235						236,515	2.81	204,371	24,909	7,235				236,515			
	Environmental Horticulture Education: Master																				
1494	Gardener	310,555	193,762	82,842						587,159	10.62			193,762	82,842			776,604			
1495	Agricultural Biotechnology	1,206,947	330,569	88,595						1,626,111	17.54	1,206,947	330,569	88,595				1,626,111			
1496	Risk Management Systems for Agricultural Firms	833,912	404,621	78,030						1,316,563	21.03	833,912	404,621	78,030				1,316,563			
	Integrated Pest Management (IPM) for Agriculture																				
1497	and Forestry	1,083,208	352,021	161,819						1,597,048	21.01	1,083,208	352,021	161,819				1,597,048			
	Sustainable Forestry Management and Environmental																				
1498	Enhancement	1,869,641	487,852	196,632						2,554,125	25.52			487,852	196,632			684,484			

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
1499	Nat Res & Environmental Research & Educ:	83,873	40,354	17,383						141,610	2.05			40,354	17,383			57,737			
1500	Rural Community/Public Issues Educator	65,770	50,890	21,921						138,581	2.59			50,890	21,921			72,811			
1501	Natural Resources and Environmental Research and	35,561	17,110	7,370						60,041	0.87			35,561	17,110	7,370		60,041			
1502	Education: Coastal Natural Hazards	934,380	368,162	26,669						1,329,211	21.84			934,380	368,162	26,669		1,329,211			
1503	Rural Community/Economic Development																				
1503	Livestock-Poultry Health Programs: Meat Inspection	1,311,900	1,311,900	80,000						2,703,800	42.08			1,311,900	1,444,111	80,000		2,836,011			
1504	Livestock-Poultry Health Programs: Animal Health																				
1504	Regulatory and Diagnostic Laboratory	1,036,248		123,073						1,159,321	35.25			1,036,248		123,073		1,159,321			
1505	Regulatory and Public Service Programs: Plant and																				
1505	Seed Certification	946,931	244,129	53,106						1,244,166	31.33			946,931	225,629	53,106		1,225,666			
1506	Bot Weevil Eradication Programs (pass-thru)	134,974								134,974				134,974				134,974			
1507	Regulatory and Public Service Programs: Pesticide																				
1507	Regulation	228,657	366,193	906,220						1,501,070	38.09			228,657	640,722	2,106,220		2,975,599			
1508	4-H and Agricultural & Natural Resource Programs																				
1508	for Youth	4,292,162	1,331,557	2,244,753						7,868,472	132.92			4,292,162	1,331,557	4,677,480		10,301,199			
1509	Food Safety and Nutrition	2,888,995	2,032,390	47,221						4,968,606	65.67			2,888,995	2,032,390	47,221		4,968,606			
1510	Sustainable Agricultural Production Systems: Anima																				
1510	Production Systems	3,522,149	1,252,422	352,006						5,126,577	48.41			3,522,149	930,522	352,006		4,804,677			
1511	Natural Resources and Environmental Research and																				
1511	Education: Urban wildlife	32,130	15,403	7,470						55,003	1.06			32,130	15,403	7,470		55,003			
1512	Growth and Population Research and Educator	15,900	7,650	3,295						26,845	0.39			15,900	7,650	3,295		26,845			
1513	Community and Economic Affairs Research and																				
1513	Education	181,121	83,825	41,300						306,246	5.92			83,825	41,300			125,125			
1514	Sustainable Agricultural Production Systems																				
1514	Agroecomic Crops	4,437,614	1,391,428	563,038						6,392,080	81.56			4,437,614	1,391,428	563,038		6,392,080			
1515	Household and Structural Pest Control and Pesticide																				
1515	Training	376,025	180,918	77,930						634,873	9.21			376,025	180,918	77,930		634,873			
1515	Self-Sufficient Licensure																				
1515	FY 05-06 Health Insurance & Pay Plan Allocator	1,652,450								1,652,450				1,652,450				1,652,450			
	Total	41,260,564	13,388,164	6,521,154			5,000,000			66,169,902	826.95			37,239,573	13,454,504	10,153,881		60,847,958			
P21 South Carolina State PSA																					
1221	Sustainable Agriculture, Natural Resources and																				
1221	Environment	592,942	688,452							1,281,394	11.20			592,942	712,066			1,305,008			
1222	Nutrition Education, Diet, and Health	454,420	392,592	847,012						1,750,128	8.40			454,420	416,207	840		870,827			
1223	Youth and Family Development	658,194	752,296							1,410,490	17.40			658,194	775,911			1,434,105			
1224	Community Leadership and Economic Development																				
1224	Administration	539,463	629,675							1,169,138	11.00			539,463	653,290			1,192,753			
1225	FY 05-06 Health Insurance & Pay Plan Allocator	125,520	492,602	1,070,122						1,750,122	7.00			125,520	492,602			618,122			
		29,228								29,228				29,228				29,228			
	Total	2,399,767	2,955,617						452,000	5,807,384	55.00			2,399,767	3,050,076			5,449,843			
P24 Department of Natural Resources																					
1226	Environmental Conservation																				
1226	Marine Shellfish Monitoring and Management	481,806	7,968,821	554,362						9,004,989	11.25			481,806	7,968,821	554,362		9,004,989			
1227	Marine Fishery Monitoring and Management	397,441	921,437	431,250						1,750,128	18.22			397,441	921,437	431,250		1,750,128			
1228	Monitoring and Managing of Marine Crustacean	641,515	3,520,474	1,250,943						5,412,932	44.52			641,515	3,520,474	1,250,943		5,412,932			
1229	Resources																				
1229	Mariculture	150,920	416,366	254,525						821,811	14.89			150,920	416,366	254,525		821,811			
1230	Reduce services to permits, compliance & research	1,256,448	462,458	257,070						1,975,976	25.35			1,256,448	462,458	257,070		2,275,976			
1230	supportive of viable SC industry. Allow private																				
1230	industry to fund add'l research																				
1231	Marine Education and Outreach																				
1231	Marine Education and Outreach	255,098	482,241	509,769						1,247,108	9.61			255,098	482,241	509,769		1,247,108			
1232	Marine Environmental Monitoring and Management																				
1232	Special Marine Projects	424,461	1,359,646	1,561,282						3,345,389	21.10			424,461	1,359,646	1,561,282		3,345,389			
1233	Game and fish licensing (Charleston Office)	85,914	964,916	370,509						1,421,339	4.30			85,914	964,916	370,509		1,421,339			
1234	Game and fish licensing (Columbia Office)																				
1234	Game and fish licensing (Columbia Office)																				
1235	Game and fish licensing (Columbia Office)	147,919	450,000							597,919	9.00			147,919				597,919			
1236	Agency Support Services (Administration)	4,245,730	1,496,529							5,742,259	73.00			4,245,730	1,496,529			5,742,259			
1236	Administrative savings from restructuring																				
1236	information technology																				
1236	information technology																				
1237	Provide public information	505,335								505,335	13.00			505,335				505,335			
1238	Provide outreach and education services	437,181	106,563	77,066						620,810	8.50			437,181	156,563	77,066		670,810			
1239	South Carolina Wildlife (SCW) Magazine																				
1240	Manage and grow the Wildlife Shop	747,851								747,851	10.00			747,851				747,851			
	Provide the registration and titling of watercraft and	382,316								382,316	2.00							382,316			
1241	outboard motors as required by law																				

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
1242	Wildlife Regional Operations	10,052,869	5,683,211							15,736,080	66.57	2,846,128	5,645,733				1,500,000	9,891,861			
1243	Statewide Projects - Wildlife Section	1,364,412	2,283,294							3,647,706	38.12	223,545	1,364,412					3,871,251			
1244	District Operations	690,360	919,380							1,609,740	31.00	1,840,090	919,380					2,759,460			
1245	Hatchery Operations	195,720	189,050							384,770	3.00	30,004	195,720					2,159,954			
1246	Rediversion	8,970,611	8,929,325							17,799,936	245.30	9,470,611	8,929,325				2,250,000	20,649,936	12.00		
1248	Provide avialion services		600,000							600,000	4.00							600,000			
1249	Provide staff development and training to agency law enforcement officers.		479,474	150,000						479,474	1.00		479,474					150,000			
1250	Maintain a victim's assistance program									1,008,829											
1251	Services provided through County Funds		1,008,829							1,008,829			1,008,829					1,008,829			
1252	Provide hunter education and promote hunter safety.		683,913	181,444						865,357	9.00		683,913	181,444				865,357			
1253	Enforce boating safety laws and investigate boating accidents		2,132,761							2,132,761	13.50		2,132,761					2,132,761			
1255	Provide boating access facility assistance			655,984						655,984	4.00			655,984				655,984			
1256	Heritage Trust Program		635,104	22,800						1,169,781	21.39		635,104	22,800				1,169,781			
1257	Conservation Districts (a portion is "pass-through")		1,481,286	100,000						1,581,286	25.00		1,481,286	180,000				1,661,286			
1258	South Carolina State Climatology Office (SCO)		178,625							178,625	4.00		178,625					178,625			
1259	Southeast Regional Climate Center (SEROC)		20,000	310,909						355,909	7.00		20,000	310,909				355,909			
1260	Geological Survey		476,239	320,716						796,955	9.00		476,239	320,716				796,955			
1261	Hydrology Section		1,053,202							1,053,202	12.00		1,053,202					1,053,202			
1620	Services provided through Water Recreation Resources Fund			1,536,636						1,536,636				1,561,636				1,561,636			
NEW	Timber Conservation Fund																				
TERI	Savings																				
FY 05-06	Health Insurance & Pay Plan Allocator									1,136,568								(379,047)			
	Travel Savings									1,136,568								1,136,568			
										(9,277)								(9,277)			
	Total	23,139,952	34,106,027	34,082,910						91,328,889	811.20	21,987,635	27,029,286	34,071,332			16,550,000	99,638,253	12.00		
P26 Sea Grant Consortium																					
1262	Research and Education		6,672,202	45,754						6,717,956	2.00			6,457,202	133,754			6,590,956			
1263	Communications		113,222	50,390						244,538	4.00	80,926	113,222	50,390				244,538			
1264	Sea Grant Extension Program		439,576	36,000						475,576	1.00		439,576	36,000				475,576			
1265	Administration		357,194	4,356						361,550	7.00	357,194	160,000	4,356				521,550			
FY 05-06	Health Insurance & Pay Plan Allocator									14,188								14,188			
	Travel Savings									(1,441)								(1,441)			
	Total	452,308	7,385,000	136,000						7,973,808	14.00	450,967	7,170,000	224,500				7,845,367			
P28 Dept of Parks, Recreation & Tourism																					
1266	Administration - Executive Office - Tourism									407,049	4.00		407,049					407,049			
1267	Administration - Tourism									1,165,135	10.00		1,165,135					1,165,135			
1268	Communications - Tourism									103,842	2.00		103,842					103,842			
1269	State Parks-Central Support									2,257,470	25.00		2,257,470					2,257,470			
1270	State Parks-Field Operations		16,558,144							22,276,873	351.42		5,718,729	17,150,388				22,869,127			
1271	Interpretive & Resource Management		88,566							565,377	9.00		476,521	88,566				565,377			
1272	Recreation & Grants		1,933,565	2,000,000						4,115,036	2.50		181,471	2,316,185				4,062,656			
1273	Engineering									665,040	9.00		665,040					665,040			
1274	Media Placement & Productions									9,894,093			9,494,093	1,000,000				10,494,093			
1275	Tourism Marketing Partnership Program									3,147,276	2.00		3,147,276					3,147,276			
1276	Marketing & Sales									934,525	14.00		934,525					934,525			
1277	Welcome Centers									2,048,592	42.00		2,048,592					2,048,592			
1278	Research & Policy Development									233,951	3.75		233,951					233,951			
1279	Tourism Community & Economic Development									352,819	4.00		277,819	125,000				402,819			
1280	Heritage Corridor & Discovery Centers			75,000						1,703,382	3.00		456,247	1,247,115				1,703,382			
1281	Pass Through Funds		1,247,115							1,375,000								1,375,000			
1282	Pass Through Funds - Line Item									200,000								200,000			
1283	Pass Through Funds - Line Item									3,000,000								3,000,000			
1284	Pass Through Funds - Line Item									45,000											
1286	Pass Through Funds - Line Item									246,000											
1287	Pass Through Funds - Line Item									377,586											
1288	Executive Office - Parks									845,407	8.00		845,407					845,407			
1289	Administration - Parks									2,424,893	20.00		2,419,893					2,424,893			
1290	Communications - Parks									215,670	3.00		215,670					215,670			
1596	Recreation Land Trust Fund									358,875								358,875			
1597	Pass Through Funds - Line Item									200,000											
1598	Pass Through Funds									500,000											
1599	Pass Through Funds									25,000											
1600	Pass Through Funds - Line Item									350,000											

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
1601	Pass Through Funds - Line Item						7,000,000	250,000		7,250,000											
1602	State Parks - Charlestowne Landing							3,000,000	56,727	3,056,727											
1603	Competitive Grants									175,000											
1604	Pass Through Funds	175,000																			
NEW	Beach Renourishment																				
	TERI Savings	684,766								684,766											
	FY 05-06 Health Insurance & Pay Plan Allocator																				
	Travel Savings																				
	Total	32,935,957	3,180,680	22,727,000			7,500,000	3,800,000	1,056,727	71,200,364	512.67	33,499,318	3,563,300	22,934,254			5,000,000	64,996,872			
P32 Department of Commerce																					
1291	Business Development - Project Management	1,937,879								1,937,879	14.00	2,193,879							2,193,879		
1292	Business Development - Marketing	750,000								750,000	5.00	750,000							750,000		
1293	Business Development - Foreign Offices	857,850								857,850		857,850							857,850		
1294	Business Solutions - International Trade	443,338	25,000							468,338	4.00	443,338		1,489					444,827		
1295	Business Solutions - Small Business	518,930								518,930	4.00	518,930	1,000,000						518,930		
1296	Business Solutions - Film	513,074								513,074	4.00	513,074			44,714				557,788		
1297	Business Solutions - Recycling	150,000								150,000	2.00	150,000							150,000		
1298	Community and Rural Development	218,590								218,590	8.00	218,590							218,590		
1299	Community Development Corporation	66,568								66,568	1.00	1,066,568							1,066,568		
1300	Grants and Incentives - Highway Set Aside		18,000,000							18,000,000	6.00								18,941,001		
1301	Grants and Incentives - Enterprise Zone		275,000							275,000	4.00								269,754		
1302	Grants and Incentives - Tourism Infrastructure Fund		1,000,000							1,000,000									1,000,000		
1303	Grants and Incentives - Rural Infrastructure Fund		5,429,539							5,429,539									9,413,910		
1304	Grants and Incentives - CDBG		35,876,911							35,876,911	12.00		34,178,927						35,167,488		
1305	Aeronautics - Flight Operations	590,801	200,000							790,801	7.00	590,801							924,801		
1306	Aeronautics - Airport Development	890,553	1,000,000					5,000,000		7,840,553	4.00	890,553	1,000,000						2,640,553		
1307	Agency Pass Through	597,688						1,450,000		2,047,688		500,000							500,000		
1308	Administration	2,790,805	97,286							2,888,091	39.00	3,490,805							3,635,591		
1605	Workforce Investment Act		61,697,984							61,697,984	36.00		61,697,984						61,697,984		
NEW	Capital Access Program						3,500,000			3,500,000									3,000,000		
NEW	Governor's Closing Fund											7,000,000							7,000,000		
NEW	Competitive Enhancements											2,253,750							2,253,750		
NEW	Hydrogen/Fuel Cell											367,640							448,870		
	FY 05-06 Health Insurance & Pay Plan Allocator											223,616							223,616		
	Travel Savings											(17,412)							(17,412)		
	Total	10,399,692	98,574,895	26,542,000			3,500,000	6,450,000		145,466,597	150.00	21,861,982	96,876,911	35,653,500			81,230	154,473,623	12.00		
P34 Jobs - Economic Development Authority																					
1607	Administration									126,081	1.00								126,081		
1608	Pass-through									750,000									178,399		
	Total		876,081							876,081	1.00		304,480					304,480			
P36 Patriots Pt. Develop. Authority																					
1312	Operations/Maintenance									2,423,460	50.00								2,423,460		
1313	Retail Operations									1,396,419	5.00								1,396,419		
1314	Education/Overnight Camping									1,009,601	6.00								1,009,601		
1315	Collections									168,684	2.00								168,684		
1316	Visitor Services									1,116,118	9.00								1,116,118		
1317	Administration									1,038,018	8.00								1,038,018		
	Total									7,152,300	80.00							7,152,300			
P40 SC Conservation Bank																					
1318	Grants & loans to public & private entities to acquire interests in real property worthy of conservation									15,250,000	1.00								15,250,000		
	Total									15,250,000	1.00							15,250,000			
R04 Public Service Commission																					
1319	Utility Regulation									3,257,541	27.00								3,257,541		
1321	Administration									871,767	10.00								871,767		
	Total									4,229,308	37.00							4,229,308	1.00		
R06 SC Office of Regulatory Staff																					
1520	Utilities-Electric									397,656	4.13								397,656		

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
1521	Transportation			573,061						573,061	7.87	573,061		573,061				573,061	573,061		
1522	Telecommunications			703,920						703,920	7.87	703,920		703,920				703,920	703,920		
1523	Consumer Services			477,477						477,477	8.00	477,477		477,477				477,477	477,477		
1524	Dual Party Relay			2,500,000						2,500,000		2,500,000		2,500,000				2,500,000			
1525	Administration			1,506,211						1,506,211	12.00	1,506,211		1,506,211				1,506,211	1,506,211		
1609	Legal			741,550						741,550	8.00	741,550		741,550				741,550	741,550		
1610	Utilities-Natural Gas			566,187						566,187	6.88	566,187		566,187				566,187	566,187		
1611	Audit			1,145,252						1,145,252	16.00	1,145,252		1,145,252				1,145,252	1,145,252		
1612	Water/Wastewater			234,100						234,100	2.25	234,100		234,100				234,100	234,100		
	Total			8,845,414						8,845,414	73.00			8,845,414				8,845,414			
R08 Workers' Compensation Commission																					
1323	Administration		604,302							1,145,337	16.00			604,302				541,035	1,145,337		
1324	Adjudication		2,241,646							3,800,611	49.10			2,241,646				1,358,965	3,800,611		
1613	Computer Project			886,180				886,180													
	FY 05-06 Health Insurance & Pay Plan Allocator									117,408								117,408			
	Travel Savings									(1,015)								(1,015)			
	Total		2,963,356					886,180		5,749,536	65.10			2,962,341				1,900,000	4,862,341		
R12 State Accident Func																					
1325	Administration			1,236,462						1,236,462	13.00			1,255,800				1,255,800			
1326	Workers' Compensation Insurance Services			5,453,464						5,453,464	77.12			5,473,721				5,473,721			
	Total			6,689,926						6,689,926	90.12			6,729,521				6,729,521			
R14 Patient's Comp Fund																					
1327	Membership Services			893,801						893,801	3.00			543,560				543,560			
1328	Risk Management Services			26,500						26,500				26,500				26,500			
1329	Claims Service			117,088						117,088	1.00			117,088				117,088			
1330	Administration			217,087						217,087	1.00			217,087				217,087			
1331	Contracted Services			200,000						200,000				200,000				200,000			
	Total			1,454,496						1,454,496	5.00			1,104,255				1,104,255			
R16 Second Injury Func																					
1332	Claims Administration			774,105						774,105	10.00			774,105				774,105			
1333	Legal			337,781						337,781	4.00			337,781				337,781			
1334	Recoveries			114,571						114,571	1.00			114,571				114,571			
1335	Administration			503,945						503,945	8.00			503,945				503,945			
	Total			1,730,402						1,730,402	23.00			1,730,402				1,730,402			
R20 Department of Insurance																					
1336	Solvency Monitoring		290,085							2,207,130	16.75			290,085					2,207,130		
1337	Licensing		246,393							871,365	14.00			246,393					890,385		
1338	Taxation		155,424							155,424	2.00			155,424					155,424		
1339	Consumer Services			61,000						332,653	12.00			271,653				61,000	332,653		
1340	For and Rate review									599,504	9.25			599,504				599,504	599,504		
1341	Pass through funds			2,412,500						2,412,500				2,412,500				2,412,500	2,412,500		
1342	Capital Formation			909,283						1,233,071	7.00			323,788				2,551,000	2,551,000		
1344	Executive Services			421,081						421,081	5.00			421,081				1,421,783	1,421,783		
1345	Legal and Investigations			530,117						530,117	7.00			530,117				530,117	530,117		
1346	Administration			567,379						667,379	21.00			667,379				996,000	1,663,379		
	FY 05-06 Health Insurance & Pay Plan Allocator									142,157								142,157			
	Travel Savings									(13,669)				(13,669)				(13,669)			
	Total		3,547,581							9,475,381	94.00			3,633,912				6,684,800	11,314,712		
R23 Bd of Financial Institutions																					
1347	Bank Examining			1,951,426						1,951,426	25.00			1,951,426				1,951,426	1,951,426		
1348	Consumer Finance			1,152,412						1,152,412	17.00			1,243,663				1,243,663	1,243,663		
	Total			3,103,838						3,103,838	42.00							3,195,089	3,195,089		
R28 Dept of Consumer Affairs																					
1349	Consumer Services			42,018						504,582	12.00			412,564				40,000	452,564		
1350	Legal Division		88,704							1,066,723	17.00			88,704				818,019	936,723		
1351	Advocacy Division									296,351	3.00			296,351				60,000	356,351		
1352	Public Information			10,000						141,646	4.00			131,646				17,500	148,148		
1353	Administration			330,463						989,947	11.00			584,464				336,231	920,715		

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding							FY 2006-07 Governor's Purchase Plan										
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
	FY 05-06 Health Insurance & Pay Plan Allocator	56,491								56,491		56,491	(2,207)					56,491	66,491
	Travel Savings											(2,207)						(2,207)	
	Total	1,570,242	30,000	1,175,500			300,000			3,075,742	47.00	1,568,035	30,000	1,271,750				2,869,785	
R36 Labor, Licensing & Regulator																			
1354	Occupational Safety & Health Program (OSHA)	1,731,864	2,473,830							4,205,694	66.02	1,731,864	2,473,830					4,205,694	
1355	Payment of Wages and Child Labor	335,300								335,300	9.50	335,300						335,300	
1356	Elevator Management and Code Enforcement	72,500								72,500	1.00	72,500						72,500	
1357	Board of Chiropractic Examiners	319,460		135,000						454,460	14.00	319,460		681,400				995,860	
1358	Board of Medical Examiners			1,223,001						1,223,001	19.00			1,223,001				1,223,001	
1359	Board of Nursing			1,570,000						1,570,000	25.00			1,570,000				1,570,000	
1360	Board of Occupational Therapy			100,000						100,000	1.70			100,000				100,000	
1361	Board of Examiners in Opticianry			75,000						75,000	1.25			75,000				75,000	
1362	Board of Examiners in Optometry			85,000						85,000	1.25			85,000				85,000	
1363	Board of Physical Therapy			110,000						110,000	2.10			110,000				110,000	
1365	Board of Podiatry Examiners			7,500						7,500	0.50			7,500				7,500	
Board of Examiners for Licensure of Professional Counselors, Marriage and Family Therapists and Psycho-Educational Specialists																			
1366	Board of Examiners in Psychology			155,000						155,000	2.20			155,000				155,000	
1367	Board of Social Work Examiners			100,000						100,000	1.10			100,000				100,000	
1368	Board of Speech-Language Pathology and Audiology			85,000						85,000	1.75			85,000				85,000	
1370	Board of Veterinary Medical Examiners			110,000						110,000	1.10			110,000				110,000	
1371	Board of Architectural Examiners			275,000						275,000	2.75			275,000				275,000	
1372	Building Codes Council	75,000								75,000	4.00			75,000				75,000	
1373	Contractors' Licensing Board			900,000						900,000	12.42			900,000				900,000	
Board of Registration for Professional Engineers and Land Surveyors																			
1374	Environmental Certification Board			475,000						475,000	7.25			475,000				475,000	
1376	Manufactured Housing Board	75,083		209,738						284,821	7.25			209,738				209,738	
1377	Board of Pyrotechnic Safety			60,000						60,000	1.00			60,000				60,000	
1378	Real Estate Commission			1,150,000						1,150,000	21.00			1,150,000				1,150,000	
1379	Real Estate Appraisers Board			450,000						450,000	6.02			450,000				450,000	
1380	Residential Builders Commission			1,100,000						1,100,000	18.50			1,100,000				1,100,000	
1381	Board of Accountancy			375,000						375,000	5.30			375,000				375,000	
1382	Auctioneers Commission			150,000						150,000	2.15			150,000				150,000	
1383	Board of Barber Examiners			325,000						325,000	4.90			325,000				325,000	
1384	Board of Cosmetology			750,000						750,000	10.90			750,000				750,000	
1385	Board of Dental Hygiene			400,000						400,000	4.40			400,000				400,000	
1386	Board of Registration for Foresters			45,000						45,000	0.65			45,000				45,000	
1387	Board of Funeral Service			175,000						175,000	1.90			175,000				175,000	
1388	Board of Registration for Geologists			65,000						65,000	0.85			65,000				65,000	
1389	Board of Long Term Health Care Administrators			205,000						205,000	2.30			205,000				205,000	
1391	Massage Bodywork Therapy Panel			175,000						175,000	2.05			175,000				175,000	
1392	Perpetual Care Cemetery Board			65,000						65,000	1.15			65,000				65,000	
1393	Board of Pharmacy			780,000						780,000	10.20			780,000				780,000	
1394	Pilotage Commission			5,000						5,000	0.05			5,000				5,000	
1395	State Fire Marshal's Office - Field Services			1,417,620						1,417,620	21.50			1,417,620				1,417,620	
1396	Fire Education			158,176						158,176	2.00			158,176				158,176	
1397	State Fire Marshal's Office - Engineering Section			385,000						385,000	7.50			385,000				385,000	
1398	Fire Training			4,703,476						4,703,476	37.00			4,703,476				4,703,476	
1399	Administration			701,898						701,898	57.00			701,898				701,898	
1614	State Emergency Preparedness			165,000						165,000				165,000				165,000	
	TERI Savings											(45,555)						(45,555)	
	FY 05-06 Health Insurance & Pay Plan Allocator	127,641								127,641		127,641						127,641	
	Travel Savings											(50,180)						(50,180)	
	Total	3,438,746	2,632,006	22,538,979						28,609,631	410.41	2,873,468	2,632,006	24,292,279				29,797,753	
R40 Dept of Motor Vehicles																			
1400	Administration			2,547,879						2,547,879	59.00			2,547,879				2,547,879	
1401	Customer Service Centers			29,831,674						29,831,674	694.00			29,831,674				29,831,674	
1402	Customer Service Delivery / Alternative Media			4,169,044						4,169,044	75.00			4,169,044				4,169,044	
	Customer Service Delivery / Service Centers																		
	Headquarters Support																		
	This is now part of Customer Service Centers listed above																		
1403	Customer Service Delivery / Call Center			1,358,313						1,358,313	50.00			1,358,313				1,358,313	
1405	Customer Service Delivery / Call Center																		

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
1406	Customer Service Delivery / Product Development and Partnerships	280,517		1,663,606						1,944,123	14.00	280,517		3,811,627				4,092,144			
1407	Compliance - Driver Records	928,788		3,552,078						4,480,866	76.00	928,788		1,552,040				2,480,828			
1408	Compliance - Driver Improvement and Medical Review	473,251		43,413						516,664	13.00	473,251		43,413				516,664			
1410	Compliance - Dealer Licensing, Regulation, and Enforcement	663,443		154,325						817,768	23.00	663,443		154,325				817,768			
1411	Motor Carrier Services - State Highway Fuel Tax Funding	6,689		919,572						926,261	6.00	6,689		899,388				906,077			
1412	Compliance - Highway Safety Statistical Data Entry	6,203		184,133						190,336	14.00	6,203		184,133				190,336			
1615	Motor Carrier Services - Regulation	31,621	1,712,221	1,986,475						3,730,317	41.00	31,621	638,474	1,986,475				2,656,570			
1616	Motor Carrier Services - Commercial Driver's License Regulation	226,931		601,940						828,871	12.00	226,931		601,940				828,871			
1617	Compliance - Financial Responsibility	516,596		4,656,983						5,173,579	43.00	516,596		4,656,983				5,173,579			
1618	Compliance - Document Review and Fraud	319,791		315,662						635,453	14.00	319,791		315,662				635,453			
---	Fund the Department of Motor Vehicle from fee and fine revenue											(11,149,579)		11,149,579							
	FY 05-06 Health Insurance & Pay Plan Allocator	547,993								547,993		547,993						547,993			
	Total	11,149,579	1,712,221	51,985,097						64,846,897	1,134.00		638,474	65,265,593				65,904,067	230.00		
R44 Department of Revenue																					
1413	Collections	5,783,707		1,295,400						7,079,107	145.00	5,783,707		1,295,400				7,079,107			
1414	Compliance	9,192,026		2,692,720						11,884,746	152.00	9,192,026		2,842,720				12,034,746			
	FY 04-05 Appropriation was for nonrecurring technology expenses associated with enforced collections											(3,000,000)						(3,000,000)			
1414	Processing	4,241,385		949,960						5,191,345	124.00	4,241,385		949,960				5,191,345			
1416	Taxpayer Assistance	3,470,224		777,240						4,247,464	74.00	3,470,224		777,240				4,247,464			
1417	Legal	1,542,322		345,440						1,887,762	21.00	1,542,322		695,440				2,237,762			
1418	Property	1,542,322		345,440						1,887,762	28.00	1,542,322		345,440				1,887,762			
1419	Regulatory	771,161		172,720						943,881	21.00	771,161		172,720				943,881			
1420	Technology Services	8,940,448		3,954,480						12,894,928	39.00	8,940,448		3,954,480				12,894,928			
1421	Administrative Support	3,855,804		863,600						4,719,404	64.50	3,855,804		863,600				4,719,404			
---	Prepayment of Bonds											(990,561)						(990,561)			
	TERI Savings	1,369,283								1,369,283		(550,727)						(550,727)			
	FY 05-06 Health Insurance & Pay Plan Allocator											1,369,283						1,369,283			
	Travel Savings											(58,586)						(58,586)			
	Total	40,708,682		11,397,000						52,105,682	666.50		36,108,808	11,897,000				48,005,808			
R52 State Ethics Commission																					
1422	Lobbying Activities	23,896								23,896	0.70	23,896						23,896			
1423	Campaign Finance	36,242							318,000	354,242	1.20	36,242						36,242			
1424	Financial Disclosure	36,242								36,242	1.20	36,242						36,242			
1425	Enforcement	101,328								101,328	3.20	101,328						101,328			
1426	Administration	159,148		100,000						259,148	3.70	159,148		225,512				384,660			
	FY 05-06 Health Insurance & Pay Plan Allocator											15,968						15,968			
	Travel Savings											(461)						(461)			
	Total	372,824		100,000					318,000	790,824	10.00		372,363	225,512				597,875			
R60 Employment Security Commission																					
1427	Administration		10,316,031							12,048,235	159.32		9,239,016	2,321,636				11,560,652			
1428	Employment Services		13,875,221							18,082,822	356.76		16,660,626	11,536,629				28,197,255			
1430	Labor Market Information Department		1,142,919							1,142,919	22.32		1,142,919					1,142,919			
1431	Unemployment Insurance (UI)		41,106,705							42,862,632	552.59		37,557,489	2,108,398				39,665,887			
1432	SC Occupational Information		130,724							803,357	5.00	130,724		19,315				464,773	4.00		
	Total		130,724		66,584,442					74,939,965	1,095.99		130,724	64,619,365	16,281,397			81,031,486	4.00		
S60 Procurement Review Panel																					
1435	Administration		22,989							22,989	0.15										
1436	Hearings		87,960							90,960	1.85										
	FY 05-06 Health Insurance & Pay Plan Allocator									3,840											
	Total		114,789							117,789	2.00										
U12 Dept of Transportation																					
1437	General Administration			49,364,638						49,364,638	273.00			36,863,228				36,863,228			
1438	Engineering Operations			30,891,483						30,891,483	408.50			10,657,366				10,657,366			

FY 2006-07 Governor's Purchase Plan

		FY 2005-06 Agency Funding										FY 2006-07 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Proviso	Maybank Funding Proviso	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs		
1439	Engineering - Preliminary Design, Planning and Rights of Way Acquisition			45,237,082						45,237,082	594.87			45,237,082				45,237,082			
1440	Engineering - Construction			555,039,200					100,000	555,139,200	516.00			717,998,299				717,998,299			
1441	Maintenance			379,898,908						379,898,908	3,607.59			332,785,631				332,785,631			
1442	Acquisition of maintenance equipment			10,000,000						10,000,000				10,000,000				10,000,000			
1443	Safety Programs			66,000,000						66,000,000				66,000,000				66,000,000			
1444	Keep S.C. Beautiful			233,048						233,048				233,048				233,048			
1445	Mass Transit			2,580,402					1,300,000	3,880,402	16.00			3,719,904				3,719,904			
1446	Toll Operations			3,666,240						3,666,240	4.00			9,550,000				9,550,000			
1447	Capital Facilities - Land and Buildings			6,900,000						6,900,000				7,000,000				7,000,000			
1448	Allocation to Municipalities - Restricted			7,000,000						7,000,000				2,000,000				2,000,000			
1449	Allocation to Counties - Restricted			2,000,000						2,000,000											
1451	Mass Transit Allocation to Other Entities			100,990						100,990											
1452	Mass Transit Allocation to Other Entities - Restricted			20,925,532						20,925,532				20,925,532				20,925,532			
1619	Statewide Secondary Resurfacing			22,600,000						22,600,000				22,600,000				22,600,000			
	TERI Savings													(3,229,476)				(3,229,476)			
	Total	100,990		1,202,336,532					1,400,000	1,203,837,522	5,416.96	100,990		1,282,310,057				1,282,411,047			
U15 Infrastructure Bank Board																					
	Provide financial assistance for construction of major transportation projects			110,000,000						110,000,000				62,000,000				62,000,000			
1453	Administration			372,200						372,200	1.00			389,700				389,700			
	Total			110,372,200						110,372,200	1.00			62,389,700				62,389,700			
U20 County Transportation Fund																					
1455	County Administration			22,000,000						22,000,000				32,500,000				32,500,000			
1456	Allocation Municipal - Restricted			5,000,000						5,000,000				5,000,000				5,000,000			
1457	Allocation County - Restricted			52,500,000						52,500,000				52,500,000				52,500,000			
1458	Allocation Other Entities - Restricted			500,000						500,000				500,000				500,000			
	Total			80,000,000						80,000,000				90,500,000				90,500,000			
V04 Debt Service																					
1459	Debt Service			228,393,608			12,000,000			240,393,608				228,393,608				228,393,608			
	Total	228,393,608					12,000,000			240,393,608				228,393,608				228,393,608			
X12 Aid to Subdivisions - Comptroller General																					
1460	Pay Supplements			2,636,399						2,636,399				2,636,399				2,636,399			
	FY 05-06 Health Insurance & Pay Plan Allocator			95,525						95,525				95,525				95,525			
	Total	2,731,924								2,731,924				2,731,924				2,731,924			
X22 Aid to Subdivisions - Treasurer																					
1461	Aid to Subdivisions			241,865,309						241,865,309				241,865,309				241,865,309			
	Veterans Affairs Pass-Through Transferred from OEPF to Aid to Subdivisions			329,978						329,978				329,978				329,978			
59	OEPF to Aid to Subdivisions			13,200						13,200				13,200				13,200			
	FY 05-06 Health Insurance & Pay Plan Allocator																				
	Total	242,208,487								242,208,487				242,208,487				242,208,487			
Y14 Ports Authority																					
1470	Harbor Dredging						2,400,000			2,400,000							2,400,000	2,400,000			
	Total						2,400,000			2,400,000							2,400,000	2,400,000			
---	License Plate Charges																157,810	157,810			
	Total																157,810	157,810			
	Grand Total	5,617,181,458	6,164,006,979	5,347,529,610	625,948,389	289,000,000	94,828,160	64,148,191	30,184,555	18,232,827,342	69,637.09	5,827,413,295	6,444,867,436	5,733,954,109	652,342,646	265,105,841	102,325,596	19,026,006,922	1,032,000		

Executive Budget Savings Plan

Improve our Higher Education System and Cultural Resources				
Activity Number	Agency Name	Activity Name	Rationale	Savings Amount
SAVINGS PROPOSALS				
421	Francis Marion University	Omega Project	Eliminate pass through expenditure used solely to fund the Palmetto Project's voter initiative in the Pee Dee region. This is not a part of the University's core educational mission.	(56,147)
537	USC-Salkehatchie	Leadership Center	Give local school districts the choice to fund this program designed for middle and high school students.	(100,460)
531	USC-Salkehatchie	Public Service	Allow this small sum to be more effectively applied to academic programs within the higher education arena.	(2,973)
414	Francis Marion University	Intercollegiate Athletics	Reduce reliance on state appropriations for athletics over a three year period.	(127,359)
293	Commission on Higher Education	Youth Leadership Conference	Focus expenditures on the CHE core mission, and ask the private sector to support this activity.	(50,000)
296	Commission on Higher Education	Professor of the Year	Solicit funding through the private sector or provide a collaborative effort among participating colleges and universities.	(14,850)
285	Commission on Higher Education	Access and Equity	Reduce by 20% through increased scholarship availability.	(142,322)
134	State Treasurer	SC Tuition Prepayment Program	Reform program to be self-supporting over next two years. Only allow new enrollment if the unfunded liability, currently in excess of \$33 million, is addressed. Reduce state appropriations over two years.	(46,522)
649	State Tech Board	Trident Tech-Culinary Arts	Suspend funding for this program, as it was added by the General Assembly without appropriate program review. This is an example of our higher education governance structure's failings.	(775,000)
877	Arts Commission	Community Arts Development	Reduce pass through grants and technical assistance to local art activities by 15%.	(246,833)
374	University of Charleston	Public Service	Allow this small sum to be more effectively applied to academic programs within the higher education arena.	(84,684)
540	USC-Sumter	Public Service	Allow this small sum to be more effectively applied to academic programs within the higher education arena.	(4,528)
491	USC-Aiken	Public Service	Allow this small sum to be more effectively applied to academic programs within the higher education arena.	(57,346)
497	USC-Upstate	Public Service	Allow this small sum to be more effectively applied to academic programs within the higher education arena.	(24,956)
511	USC-Beaufort	Research	Eliminate the cost to the state, as this is an activity that is not a function of a teaching institution, and should not be done with general funds.	(19,623)
411	Francis Marion University	Public Service	Allow this small sum to be more effectively applied to academic programs within the higher education arena.	(18,010)
637	Commission on Higher Education	Construction Trades	Apply funding more efficiently to other programs within higher education. Only eight students were in this program in the past three years.	(124,648)
345	The Citadel	Coeducation Initiative	This program has been in place since 1997. Institution should be closer to its goal now. Recommend reducing funding for those costs which appear to be duplicative of existing, non-coed administration initiatives.	(66,269)
383	University of Charleston	Governor's School Summer Program	Adjust program, due to long standing operation, to no longer require a State appropriation.	(288,017)
	Statewide	OM Maintenance	Reduce Oper. and maintenance by 3.5% in each to encourage collaboration.	(6,556,648)
	Commission on Higher Education	Academic Program Review	Eliminate some programs/majors based on previous CHE recommendations.	(241,282)
	University of South Carolina	Program Restructuring	Consolidate Institute for Archeology and Anthropology with the Division of Archives and History.	(496,812)
	Statewide	Administration	Implement Administration standards for Four Year institutions & Tech Schools during a two-year phase in.	(1,593,316)

Improve the Conditions for Economic Growth					
Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
SAVINGS PROPOSALS					
239	Budget and Control Board	Local Government Infrastructure Grants	Combine with Rural Infrastructure Fund within Department of Commerce - there are eight FTEs in this program that could be reduced to a maximum of four after reviewing the program in further detail. GF dollars are half because of reduction in staff.	(137,771)	General Funds
1215	Department of Agriculture	Consumer Services - Petroleum Inspection & Testing Program	Use \$1.3 million of the gasoline tax pursuant to Code 12-28-2355 that states "for the purpose of providing funds for inspecting, testing, and analyzing petroleum products and for general state purposes, there must be paid to the department a charge of one-fourth cent a gallon ..." For further explanation, please see text.	(664,468)	General Funds
1287	Department of Parks, Recreation and Tourism	Pass Through Funds - Contributions	Eliminate pass through funds. The full amount was used for competitive grants in both FY 2004-05 and FY 2005-06 after the passage of Executive Order 2004-29.	(377,586)	General Funds
1307	Department of Commerce	Agency Pass Through - Competitive Grants, World Trade Park, World Trade Center, SC Tech Alliance, I-95/I-26 Corridor Project	Reduce by \$97,688. The remaining \$500,000 in general funds should be used to create a Grants Program that is housed at Commerce and managed by Commerce. Currently, the \$500,000 is overseen by the B&CB by Proviso.	(97,688)	General Funds
1357	Department of Labor, Licensing and Regulation	Elevator and Amusement Ride Inspection	First half of savings to move off of general funds was realized in FY 2005-06. This is the remainder.	(319,460)	General Funds
1372	Department of Labor, Licensing and Regulation	Building Codes Council	First half of savings to move off of general funds was realized in FY2005-06. This is the remainder.	(75,000)	General Funds
1376	Department of Labor, Licensing and Regulation	Manufactured Housing Board	First half of savings to move off of general funds was realized in FY2005-06. This is the remainder.	(75,083)	General Funds
			Cost Savings Subtotal	(1,747,056)	
MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS					
1284	Department of Parks, Recreation and Tourism	Pass Through Funds - Canadian Day	Eliminate direct pass through funds - the Myrtle Beach Chamber can compete for TMPP dollars.	(45,000)	General Funds
1599	Department of Parks, Recreation and Tourism	Pass Through Funds - US Youth Games	Eliminate direct pass through funds - the Games can compete for TMPP dollars.	(25,000)	General Funds
1286	Department of Parks, Recreation and Tourism	Pass Through Funds - Spoleto Festival	Eliminate direct pass through funds - the festival should compete for TMPP dollars.	(246,000)	General Funds
1604	Department of Parks, Recreation and Tourism	Pass Through Funds - South Eastern Wildlife Expo	Eliminate direct pass through funds - the festival should compete for TMPP dollars.	(175,000)	General Funds
1476	Clemson PSA	Government and Public Affairs Research and Education	Suspend activity. This activity, which reaches outside Clemson PSA's core mission of agriculture, was not ranked as a priority by the results team. For further explanation, please see text.	(214,073)	General Funds
1484	Clemson PSA	Rural Community Leadership Development	Suspend activity. This activity, which reaches outside Clemson PSA's core mission of agriculture, was not ranked as a priority by the results team. For further explanation, please see text.	(365,626)	General Funds
1500	Clemson PSA	Rural Community Public Issues Education	Suspend activity. This activity, which reaches outside Clemson PSA's core mission of agriculture, was not ranked as a priority by the results team. For further explanation, please see text.	(65,770)	General Funds
1513	Clemson PSA	Community and Economic Affairs Research and Education	Suspend activity. This budget year, this activity, which reaches outside Clemson PSA's core mission of agriculture, was not ranked as a priority by the results team. For further explanation, please see text.	(181,121)	General Funds
			Below the Line Savings Subtotal	(1,317,590)	
			TOTAL GOAL AREA SAVINGS	(3,064,646)	

Improve the Health and Protections of Our Children and Adults				
Activity Number	Agency Name	Activity Name	Rationale	Source
SAVINGS PROPOSALS				
905	Department of Health and Human Services	Pharmaceutical Services	Move from the old (AWP - 10 percent) standard to a standard more in line with the southeastern average (AWP -12).	General Funds
1033	Department of Disabilities and Special Needs	Administration	Adjust for administrative savings from restructuring. For further information, see text. (Includes Case Workers)	General Funds
60	Continuum of Care (Governor's Office - OEPP)	Administration	Adjust for administrative savings from restructuring. For further information, see text.	General Funds
1010	Department of Mental Health	Administration	Adjust for administrative savings from restructuring. For further information, see text.	General Funds
949	Department of Health and Environmental Control - Health	Administration	Adjust for administrative savings from restructuring. For further information, see text.	General Funds
949	Department of Health and Environmental Control	Administration	Adjust for administrative savings from consolidating regional offices and reduction in force.	General Funds
1040	Department of Alcohol and Other Drug Abuse Services	Administration	Adjust for administrative savings from restructuring. For further information, see text.	General Funds
----	Departments of Health and Environmental Control & Mental Health	Equipment	Shift from recurring to non-recurring source for equipment purchases.	General Funds
1021	Department of Disabilities and Special Needs	Service Coordination	Provide funding specific to agency needs and mission. Service coordination is typically provided to individuals who are being served through multiple agencies. According to DDSN, the majority of DDSN's clients are only served through that agency. Therefore, service coordination is less of a high priority for this population relative to funding specifically for direct services.	General Funds
74	Governor's Office - OEPP	Advocacy for Women	Enter into a public-private partnership with Columbia College to effectively support the research function of this agency. This partnership was implemented upon the recommendation of an Advisory Committee established by the Governor's Office in 2003 to study creative and more effective ways to develop policies and actions to improve the quality of life of women and families in South Carolina. The Advisory Committee also recommended that the funding for the commission be reduced to reflect the additional support provided by Columbia College.	General Funds
838	Vocational Rehabilitation	Administrative Savings	Merge the Vocational Rehabilitation Department and the Commission for the Blind to realize efficiencies and lower costs without adversely affecting the quality of service provided by both agencies as recommended by a 2002 LAC report. Both agencies agree that they have similar primary missions and that a merger of administrative functions is appropriate. For further explanation, please see text.	General Funds
1133	Commission for the Blind	Administrative Savings	Merge the Vocational Rehabilitation Department and the Commission for the Blind to realize efficiencies and lower costs without adversely affecting the quality of service provided by both agencies as recommended by a 2002 LAC report. Both agencies agree that they have similar primary missions and that a merger of administrative functions is appropriate. For further explanation, please see text.	General Funds
	Department of Mental Health	Collections	Increase Rate of Collections by 10% per LAC Report recommendations. This can be done by verifying income for reduced fee patients, using Setoff Debt and GEAR programs and having community mental health centers utilize the lien process against estates like DMH headquarters does.	General Funds

	Department of Health and Environmental Control	Collections	Increase Rate of Collections by 10% per LAC Report recommendations. This can be done by verifying income for reduced fee patients, implementing a uniform billing and collection policy for health districts, and participating in the Department of Revenue's programs for debt collection in health service programs.	(180,000)	General Funds
			Cost Savings Subtotal	(20,612,408)	
	MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS				
945	Department of Health and Human Services	Special Projects	Allocate money through the normal budget process. No outcome measures are listed for the Special Projects activity, which includes the following from Maybank Money, Proviso 73.9: Healthcare Coordination and Utilization Project and Palmetto Project. This is a combination of general, Maybank and supplemental funds, Healthcare Coordination and Utilization Project was originally supposed to receive federal funds but did not qualify.	(125,000)	General Funds
1017	Department of Disabilities and Special Needs	Special Olympics	Make Special Olympics contributions voluntary. This funding helps provide transportation to Special Olympics events for DDSN clients. While this is a noble purpose, it is not as much of a core function of government as ensuring adequate, basic health care for all South Carolinians. Voluntary private donations are admired and encouraged.	(174,175)	General Funds
596	Area Health Education Consortium	Student Development and Diversity Program	Divert Student Development and Diversity Program funds for more core services. This is a well-intended program, but less of a core government function relative to other health services.	(428,543)	General Funds
1583	Department of Health and Human Services	Regenesis	Direct funding to the Breast Cancer Screening and Early Treatment program, which operates statewide and is eligible for a more favorable federal match rate.	(100,000)	General Funds
1131	Commission for the Blind	Radio Reading Services	This radio program, while worthy, is duplicative of the Talking Book Services program at the State Library, which provides an extensive selection of recorded and large print books and magazines. Braille to persons who are blind or visually-impaired, and postage free home delivery. The Radio Reading Program is also duplicative of other readily available radio and television news outlets that can provide similar information. While we understand this program is valuable to its listeners, we believe this funding is better utilized to support the commission's Prevention of Blindness Program to meet the eye care needs of identified individuals who are among South Carolina's poorest citizens.	(129,990)	General Funds
			Below the Line Savings Subtotal	(957,708)	
			TOTAL GOAL AREA SAVINGS	(21,570,116)	

Improve the Quality of our Natural Resources				
Activity Number	Agency Name	Activity Name	Rationale	Savings Amount
SAVINGS PROPOSALS				
1236	Department of Natural Resources	Agency Consolidation	Adjust for administrative savings from consolidating select DHEC functions, DNR and Forestry into the newly formed Department of Environment and Natural Resources.	(945,177)
1482	Clemson PSA	Horticultural Crops	Defer to golf course industry for funding golf related turfgrass research. The industry cites the value of this service, and may fund continued research accordingly.	(145,200)
1515	Clemson PSA	Pesticide Applicator Licenses	Make pesticide licensure programs self-sufficient, like most licensed professions under LLR. Achieve self-sufficiency of pesticide applicator licensure within two years by providing licenses and renewal online through LLR and extending renewal cycles to the maximum feasible period. This amount represents half of the general funds appropriated for this activity.	(188,013)
1474	Clemson PSA	Master Wildlifer/Master Naturalist	Achieve self-sufficiency for Master Wildlifer/Master Naturalist programs through increased efficiency and restructuring fee schedules - it would cost \$150 per user to accomplish self-sufficiency at present.	(51,668)
1494	Clemson PSA	Environmental Horticulture Education	Achieve self-sufficiency in the Master Gardener program through increased efficiency and restructuring fee schedules - it would cost \$200 per user to accomplish self-sufficiency at present.	(310,555)
1498	Clemson PSA	Sustainable Forestry	Integrate PSA forestry efforts with Clemson academic programs and allow the Forestry Commission to perform any outstanding activities if they are a priority. The Forestry Commission already performs similar activities to the sustainable forestry management and environmental enhancement programs. Under this activity, PSA researches and educates landowners on best management practices and offers Master Tree Farmer and Master Woodland Owner programs.	(1,869,641)
1206	Forestry Commission	Agency Consolidation	Administrative savings from consolidating select DHEC functions, DNR and Forestry into the newly formed Department of Environment and Natural Resources.	(460,511)
1624	Forestry Commission	Wildland Fire Equipment	Move funding for fire fighting equipment (dozers with fire plows, dozer transport trucks, wildland fire engines) from General Fund to Capital Reserve Fund.	(860,839)
			Cost Savings Subtotal	(4,831,604)
MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS				
1230	Department of Natural Resources	Mariculture Aquaculture	Reduce mariculture/aquaculture services to permits, compliance and research that is supportive of viable SC industry. Allow private industry to fund additional research.	(418,816)
1485	Clemson PSA	Recreation and Tourism	Shift funding responsibility for natural resources recreation and tourism education. Continuing education for recreation and tourism professionals should not be funded by Clemson PSA - individuals and private industry would be much more appropriate sources.	(63,473)
1499	Clemson PSA	Nuisance Species	Defer nuisance species abatement activities to the private sector. DNR has already done so by maintaining a referral list for incoming requests.	(83,873)
1479	Clemson PSA	Radio Productions	Reevaluate communications strategy to ensure that Extension efforts are focused on the core agricultural constituency. PSA radio productions like "Your Day" and others are a difficult choice when compared to health care, law enforcement, corrections and other critical state functions.	(83,018)

1480	Clemson PSA	Television, Web, and Print Productions	Prioritize PSA television and print productions and coordinate outreach with the Department of Agriculture. "Making It Grow" and others are a difficult choice when compared to health care, law enforcement, corrections and other critical state functions. This amount represents a reduction by 1/3 - focus remaining funds on delivery of information in support of core mission.	(398,980)	General Funds
1194	Forestry Commission	Enforcement - Timber Theft and Fraud	Consolidate forestry specific law enforcement, dedicated to timber fraud and theft, with DNR law enforcement, as wildlife officers are well positioned to carry out this function.	(328,262)	General Funds
1198	Forestry Commission	Forest Renewal Program Financial Assistance	Discontinue the Forest Management Assistance government subsidy which pays for a portion of replanting the first 100 acres of private lands. Planning services from the Forestry Commission will continue to provide significant assistance in expertise for private landowners.	(200,000)	General Funds
			Below the Line Savings Subtotal	(1,576,422)	
			TOTAL GOAL AREA SAVINGS	(6,408,026)	

Improve the Safety of People and Property				
Activity Number	Agency Name	Activity Name	Rationale	Savings Amount
SAVINGS PROPOSALS				
41	Governor's Office - SLED	Administration	Shift funding for SLED's vehicle replacement from current recurring sources to the Capital Reserve Fund. In FY 2004-05, the General Assembly provided SLED with \$3 million in recurring funds for vehicle replacement. Notwithstanding a statewide vehicle operational lease, we would object to funding such non-recurring items from a recurring source. Therefore, we are proposing within this year's budget, to shift the purchase of additional vehicles from recurring to non-recurring funds.	(1,600,000)
---	Departments of Public Safety , Corrections, & Juvenile Justice	Equipment	Shift from recurring to non-recurring source for equipment purchases.	(665,789)
1059, 1060, 1061, 1067	Department of Public Safety	CMV Safety Inspections, CMV Traffic Enforcement, Size and Weight Enforcement, Dyed Fuel Inspections	Shift funding for commercial motor vehicle (CMV) safety inspections, traffic enforcement, size & weight enforcement and dyed fuel inspection performed by the Department of Public Safety's State Transport Police (STP) division from general funds to other funds. Specifically, with increased enforcement associated with improvements/upgrades to the state's weigh station infrastructure (see text), an increase in existing CMV weight and dyed fuel violation fines, and FY 2006-07 TERI savings transferred from the Department of Transportation to the Department of Public Safety, the department should be able to fund their existing STP officers as well as the new officers proposed within the budget.	(2,977,480)
1622	Department of Corrections	Food Services	Provide Capital Reserve Funding of \$4,887,005 for the agency's freezer and food warehouse to save \$500,000 annually. When coupled with the start up of the Dairy operations, the agency will save \$750,000. While we acknowledge a timing differential between the construction of the facility and the realized savings during FY 2006-07, we feel that the savings for FY 2006-07 can be absorbed through excess Canteen Fund and Prison Industries Fund cash on hand.	(500,000)
1622	Department of Corrections	Food Services	Reduce food service expenses at the Department of Corrections. In the 2004-05 Appropriations Act, the General Assembly included a proviso that allowed the Department of Corrections to secure private funding to build three egg-laying houses in order that the department may become self-sufficient with its egg-based needs and therefore save the state funds.	(250,000)
1169	Department of Corrections	Penal Facilities Inspection	Reduce staff and expenses to accommodate Code Section 24-9-20 that will result in savings of \$125,000 annually in general funds.	(125,000)
1160, 1166	Department of Corrections	Recycling Operation, Partnership with Palmetto Pride	Shift funding for the cleanup of the state's roadways by inmates and the Department of Correction's recycling operation to other funds provided by Palmetto Pride - will save \$710,000 annually in general funds.	(710,000)
1179	Department of Probation, Parole and Pardon Services	Core Administration	Reduce administrative costs with the consolidation of the Department of Corrections and the Department of Probation, Parole and Pardon Services.	(518,012)
1190, 1177, 1178,	Department of Juvenile Justice	Parole Board	Combine parole boards at the Department of Juvenile Justice (DJJ) and the Department of Probation, Parole and Pardon Services (DPPP). The parole board at DPPP has seven members and a budget of \$753,347. The DJJ parole board with ten members and a budget of \$721,561, hears far fewer cases per year. Merging the parole boards should save around \$425,000 annually in general funds.	(425,000)

1180	Department of Juvenile Justice	Incarceration Services	Shift juvenile detention costs to the counties. Last year we proposed and the General Assembly adopted a proviso which allows DJJ to charge school districts the cost of providing educational services when their students attend DJJ schools. This only made sense when considering that local school districts were already collecting property tax revenue on the behalf of these students. In a similar fashion, DJJ must currently absorb the actual cost of detention for juvenile offenders from the state's counties. While DJJ is currently allowed to recoup some of these costs by charging \$25.00 for county detention, actual costs of detention run around \$100.00.	(2,737,500)	General Funds
1400	Department of Motor Vehicles	Administration	Fund the Department of Motor Vehicle from fee and fine revenue. Much like our proposal to shift the funding of STP officers from general funds to increased fines and enforcement revenue, we are proposing that DMV eliminate its general fund appropriations during FY 2006-07 and replace this source with its fee and fine revenue. By doing this, DMV will free up \$11,149,579 in general fund dollars in FY 2006-07.	(11,149,579)	General Funds
			Cost Savings Subtotal	(21,658,360)	
MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS					
1051	Department of Public Safety	Highway Patrol Pilot	Suspend activity or fund with other sources. This activity was not ranked as a priority by the results team.	(88,083)	General Funds
1050	Department of Public Safety	Special Operations	Suspend activity or fund with other sources. This activity was not ranked as a priority by the results team.	(129,929)	General Funds
1188	Department of Juvenile Justice	Volunteer Services	Suspend general funds for this activity. This activity, while certainly valuable to the state, should be able to receive adequate funding from the private sector to continue its operations.	(7,655)	General Funds
1085	Department of Public Safety	H.L. Hunley Commission	Reducing law enforcement expenses associated with the H.L. Hunley will result in savings of \$117,287 annually in general funds. We encourage the Hunley Commission to retain the services of local law enforcement or a private security firm to provide for the security of this important state artifact through admission or other revenue associated with the Hunley.	(117,287)	General Funds
			Below the Line Savings Subtotal	(342,954)	
			TOTAL GOAL AREA SAVINGS	(22,001,314)	

Strengthen Government's Ability to Achieve Its Results Efficiently and Effectively				
Activity Number	Agency Name	Activity Name	Rationale	Savings Amount
SAVINGS PROPOSALS				
	All Agencies with TERI employees		The first class of TERI participants will have hit the five-year mark as of this past calendar year. We recommend that the agencies do not hire the majority of these employees back - as many agencies already plan to do - and disburse job duties among remaining employees while also hiring young individuals that will be trained for the long-run.	(23,745,476)
	All Agencies	Travel Reductions	We propose the establishment of a Central Travel Office. This office will be responsible for the purchase of bulk airline travel and mandate that agencies do not exceed the newly establish cap for hotel/motel purchases. This will put us in line with federal government and other state travel guidelines. The savings will be realized within each agency for the purchasing of cheaper airline tickets and the new limitation for reimbursement in lodging.	(726,365)
	Department of Revenue	Compliance and Technology Services	The Department of Revenue is currently in the second year of continuing its efforts to increase enforced collections through additional tax collectors or better known as the \$9 for \$90 program. During the first year of funding the program, the Department of Revenue received \$3 million to purchase one-time infrastructure needs to increase collections. In our executive budget last year, we recommended these dollars be returned to the general fund since the infrastructure capital had already been purchased. However, at the end of the budget process, these additional dollars remained in the Department of Revenues budget. We believe again that it is only fair to recommit these one-time dollars back to the general fund.	(3,000,000)
	Statewide	Prepayment of Bonds	Prepay bonds to save debt service. (Please see text for a further explanation).	(4,565,769)
	Lottery Commission	Retailer Commissions	Reduce retailers' lottery commissions from 7% to the approximate national average of 6%. At 6% retailers will still make an average of over \$16,000 per store - 60% more than the initial projections. Sales predictions for the lottery's first year were \$500 million, which would have produced total statewide commissions to retailers of approximately \$35 million. As the lottery sales are now over \$950 million annually, total commissions are over \$66 million. Put another way, retailers signed up to a program that projected average annual commissions of \$10,000 but have been rewarded with average annual commissions over \$19,000 per retailer. Paying retailers the national average commission will free up an estimated \$8.4 million annually that can be used for education in our state.	(8,405,841)
	State Treasurer's Office	Unclaimed Property Program	Supplement the administrative cost to the Treasurer's office with other funds from the unclaimed property revenue stream. The Unclaimed Property office could implement a 5% fee on claimed property to cover costs. Both Ohio and Texas have implemented such fees.	(190,317)
			Cost Savings Subtotal	(40,633,768)
MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS				

203	Election Commission	HAVA match	Elimination of state matching dollars for the Help America Vote Act. In 2002, Congress passed the Help America Vote Act (HAVA) of 2002. The Act has provided payments to South Carolina for election administration improvements, training, and replacement of punch card machines. In last year's budget, \$700,000 in state money was appropriated to draw down federal dollars in accordance with the HAVA program. The Election Commission however has drawn down all the federal HAVA dollars it can to help improve voting procedures in our state.	(700,000)	General Funds
215	Budget and Control Board	Training and Development Services	Achieve self-sufficiency through reliance on other funds. Several services offered by the Budget and Control Board are supplemented by general fund dollars but provide direct services to agencies. Any of these areas, especially those that have market competition, should price their services to be self-sufficient. If the cost being charged to the agency was more transparent and truly reflected the cost of the service being provided, the agency should be able to make a business decision to use that service or not.	(568,647)	General Funds
216	Budget and Control Board	Temporary Employment Services	Achieve self-sufficiency through reliance on other funds.	(27,147)	General Funds
217	Budget and Control Board	Recruitment Services	Allow appropriate agencies to absorb this function.	(73,015)	General Funds
218	Budget and Control Board	Workforce Planning	Allow appropriate agencies to absorb this function.	(38,713)	General Funds
260	Budget and Control Board	Executive Education Training	Realize self-sufficiency by operating more efficiently, partnering with educational institutions like the Moore Business school, or through charging the full cost to participants.	(390,158)	General Funds
1435, 1436	Procurement Review Panel	Administration and Hearings	Assign these functions to the Administrative Law Judges as proposed in the FY 2004-05 Executive Budget.	(114,789)	General Funds
264	Budget and Control Board	Civil Contingent Fund	Reduce appropriations to the fund as less than \$7,000 was spent from the fund in FY 2003-04, and it currently has a balance of over \$170,000. The Civil Contingency Fund is a reserve fund at the Budget and Control Board that is used to help an agency that runs into an expense for which it had not planned or budgeted.	(161,902)	General Funds
			Below the Line Savings Subtotal	(2,074,371)	
			TOTAL GOAL AREA SAVINGS	(42,708,139)	

Statewide/Constitutional					
Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
SAVINGS PROPOSALS					
	Appellate/Indigent Defense	Merger	Administrative savings resulting from the consolidation of the Offices of Appellate and Indigent Defense that occurred during this past legislative session.	(178,321)	General Funds
			TOTAL GOAL AREA SAVINGS	(178,321)	
			Total Cost Savings	(106,074,889)	General & Other Funds (incl. Lottery)
			Total Below the Line Savings	(7,142,107)	General Funds
			TOTAL FY 2006-07 Executive Budget Savings	(113,216,996)	General & Other Funds (incl. Lottery)

Executive Lottery Budget

EDUCATION LOTTERY BUDGET

<u>Revenue Estimates</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>Executive Budget FY 2006-07</u>
BEA Revenue Estimate FY 2001-02	80,000,000				
BEA Revenue Estimate	172,000,000	172,000,000	243,000,000	265,000,000	244,000,000
BEA Interest Estimate		1,000,000		6,000,000	4,300,000
BEA FY 2004-05 Interest Earnings Estimate				5,000,000	
DAODAS Remittance				1,000,000	
BEA Unclaimed Prize Estimate	7,000,000	8,000,000	12,000,000	12,000,000	8,400,000
Estimated Carry Forward from Previous Fiscal Year		32,203,683	86,000,000		
Additional Transfer from the Education Lottery Commission		1,800,000			
Limit Retailer Commission to 6% of Sales					8,405,841
Total South Carolina Education Lottery Revenue	259,000,000	215,003,683	341,000,000	289,000,000	265,105,841

APPROPRIATIONS

CHE - Tuition Assistance Two-Year Institutions	34,000,000	34,000,000	39,750,000	43,000,000	43,000,000
CHE - LIFE Scholarships	40,000,000	40,000,000	92,727,949	107,298,090	117,098,904
CHE - HOPE Scholarships	5,787,600	6,500,000	6,183,017	6,673,826	6,673,826
CHE - Palmetto Fellows Scholarships	5,000,000	5,000,000	11,176,712	14,381,991	21,105,571
CHE - Need-Based Grants	3,000,000	3,000,000	10,438,427	11,246,093	14,246,093
CHE - Administration	192,817	-	-	-	-
CHE - National Guard Tuition Repayment Program	1,500,000	1,500,000	1,500,000	1,700,000	1,700,000
CHE - Endowed Chairs	30,000,000	30,000,000	30,000,000	30,000,000	20,000,000
CHE - Higher Education Excellence Enhance. Program	-	3,000,000	3,500,000	4,700,000	4,700,000
Technology: Public 4-Year Univ, 2-Year Inst., & Tech Coll.	21,700,000	12,000,000	14,000,000	3,000,000	3,600,000
Teacher Grants	2,000,000	2,000,000	2,000,000	-	-
Tuition Grants Commission - Tuition Grants	3,000,000	3,000,000	4,000,000	4,000,000	10,157,431
Private Historically Black Colleges	3,000,000	-	-	-	-
South Carolina State Univ. - Research & Technology Grant	3,000,000	3,000,000	-	-	-
South Carolina State University	-	-	5,500,000	2,500,000	2,500,000
SDE - K-5 Reading, Math, Science, & Social Studies Prog	32,915,900	40,000,000	46,500,000	46,500,000	9,924,016
SDE - 6-8 Reading, Math, Science, & Social Studies Prog	-	-	2,000,000	2,000,000	2,000,000
State Library - Aid to County Libraries	1,500,000	1,500,000	3,000,000	-	-
SDE - Education Accountability Act:	-	-	-	-	-
EAA - Homework Centers	1,548,440	1,548,440	6,953,864	-	-

FY 2006-07 Executive Budget

EAA - Teacher/Principal Specialist	14,851,371	11,581,069	26,290,194	-	-
EAA - Principal Specialist	-	2,270,302	2,426,085	-	-
EAA - Pilot Programs	400,000	-	-	-	-
EAA - External Review Teams	1,466,872	1,466,872	1,466,872	-	-
EAA - Retraining Grants	4,637,000	4,637,000	7,460,500	-	-
EAA - Palmetto Gold/Silver Awards	1,000,000	1,000,000	2,000,000	-	-
School Buses	23,000,000	8,000,000	-	-	-
High Schools that Work	-	-	500,000	-	-
Testing	-	-	2,717,662	-	-
Student Identifier	-	-	488,000	-	-
Data Collection	-	-	2,048,925	-	-
Report Cards	-	-	971,793	-	-
Governor's School for the Arts and Humanities	-	-	1,000,000	-	-
ETV Digitalization	18,500,000	-	-	-	-
ETV	-	-	1,400,000	-	-
DAODAS	-	-	1,000,000	-	-
Unclaimed Prizes - DAODAS	1,000,000	-	-	-	-
Unclaimed Prizes - School Buses	6,000,000	-	-	3,000,000	-
Unclaimed Prizes - Textbooks	-	-	4,867,395	-	-
Unclaimed Prizes - Higher Educ. Excellence Enhance.	-	-	1,200,000	-	-
Unclaimed Prizes - SDE - First Steps	-	-	3,000,000	-	-
Unclaimed Prizes - CHE - University Center	-	-	800,000	-	-
Unclaimed Prizes - CHE - Tech. Public 4 & 2 Year Inst.	-	-	-	9,000,000	8,400,000
Unclaimed Prizes - CHE - State Electronic Library	-	-	2,000,000	-	-
Total South Carolina Education Lottery Appropriations	259,000,000	215,003,683	340,867,395	289,000,000	265,105,841
Balance	-	-	132,605	-	-

EIA Budget

EDUCATION IMPROVEMENT ACT

EIA Revenue (Per BEA)

"New" EIA Recurring Revenue	39,483,190
Projected FY 2005-06 EIA Surplus	<u>12,143,088</u>
Total "New" EIA Revenue	\$51,626,278

Adjustments to Appropriated Base

Summer Schools	13,088,933
Summer Schools (Nonrecurring)	12,143,088
Technology	15,947,619
Instructional Materials	17,006,454
Teacher Grant Program	(1,287,044)
Homework Centers	(6,810,000)
Teacher Specialists	(15,087,776)
Principal Specialists	(2,278,799)
Retraining Grants	(5,565,000)
Student Identifier	266,785
Data Collection	499,075
Alternative Technical Assistance	(1,590,000)
Tech. Asst. - Below Avg. Schools	11,390,000
Tech. Asst. - Unsatisfactory Schools	20,800,000
Principal Leaders	(1,275,240)
Assessment / Testing	2,880,000
Teacher Salary Supplement	(7,461,717)
National Board Certification	(1,572,182)
Service Learning Engagement	(20,000)
Teacher Pay (Special Schools)	612,082
DDSN Teacher Pay	<u>(60,000)</u>
Total	\$51,626,278

Balance	\$0
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Capital Reserve Fund Appropriations and Uses of Additional Revenue

CAPITAL RESERVE FUND APPROPRIATIONS & USES OF ADDITIONAL REVENUE

(a) Capital Reserve Fund

<u>Agency</u>	<u>Description/Activity</u>	<u>Amount</u>
	Equipment	
Dept. of Corrections	Vehicle, Radio and Security Equipment.	\$ 1,522,900
Dept. of Public Safety	Vehicles and Other One-Time Expenses for Troopers	\$ 8,358,047
SLED	Vehicles, Radio and Laboratory Equipment	\$ 4,170,000
Adjutant General's Office	EMD Homeland Security Equipment	\$ 203,088
Dept. of Natural Resources	Wildlife Law Enforcement Equipment	\$ 2,250,000
Department of Education	School Transportation	\$ 6,993,546
Forestry Commission	Firefighting Equipment	\$ 860,839
DHEC	Vehicles and Environmental Equipment	\$ 1,222,631
DMH	Vehicles	\$ 48,657
PPP	Sex Offender Monitoring Equipment	\$ 248,186
Dept. of Juvenile Justice	Intensive Probation/Parole Monitoring Equipment	\$ 94,370
Dept. of Juvenile Justice	Fixtures and Equipment associated with Re-Opening of Omega Dorm	\$ 44,166
Dept. of Juvenile Justice	Vehicles	\$ 113,400
Dept. of Commerce	Hydrogen/Fuel Cell Equipment	\$ 81,230
Corrections, DSS, DMV	License Plate Charges	\$ 157,810
Election Commission	2006 General Election Equipment	\$ 3,125,000
USC - Columbia	Palmetto Poison Center Equipment	\$ 200,000
Technical & Comp. Ed.	Center for Accelerated Tech. Training Equipment	\$ 3,000,000
	Physical Infrastructure	
Dept. of Corrections	Facility Maintenance	\$ 7,000,000
Dept. of Corrections	Multi-Purpose Buildings/Inmate Program Services	\$ 600,000
Dept. of Corrections	Freezer and Food Service Warehouse	\$ 4,887,005
Dept. of Juvenile Justice	Construction of Two New Dorms	\$ 4,961,871
Dept. of Natural Resources	Infrastructure Repairs	\$ 1,500,000

CAPITAL RESERVE FUND APPROPRIATIONS & USES OF ADDITIONAL REVENUE

Dept. of Natural Resources	Timber Conservation Fund	\$ 10,000,000
Dept. of Parks, Rec. & Tour.	Beach Renourishment	\$ 5,000,000
Dept. of Public Safety	Renovation of Main Academy Buildings	\$ 1,000,000
Dept. of Public Safety	One-time costs associated with Weigh Station upgrades/construction (seeking 50 percent match from DOT)	\$ 5,000,000
Ports Authority	Harbor Dredging	\$ 2,400,000
Information Technology Infrastructure		
Dept. of Corrections	Information Technology Upgrades	\$ 489,850
Dept. of Archives and History	Digitization - Archival Services	\$ 217,000
Dept. of Insurance	Electronic Management System	\$ 996,000
Budget & Control Board	Enterprise Project - statewide accounting system	\$ 5,700,000
Dept. of Public Safety	IT upgrades associated with CJA registrar	\$ 580,000
Dept. of Natural Resources	Information Technology Upgrades	\$ 2,800,000
Dept. of Social Services	Automation of child support enforcement system	\$ 16,500,000
Total Expenditures (CRF)		\$ 102,325,596

CAPITAL RESERVE FUND APPROPRIATIONS & USES OF ADDITIONAL REVENUE

(b) FY 2005-06 Certified Surplus

<u>Agency</u>	<u>Description/Activity</u>	<u>Amount</u>
Governors Office - OEPP	Subfund 4893 Legacy Trust Fund	\$ 1,801
Comptroller General's Office	Subfund 4007 Unemployment Compensation	\$ 2,400,000
State Treasurer's Office	Subfund 4070 SC Housing Trust Fund	\$ 6,475,569
	Subfund 4693 Atomic Waste Barrel Fund – Chm Nclr (Barnwell)	\$ 65,231,429
	Subfund 4843 Local Option Sales Tax	\$ 163,568
	Subfund 4955 911 Phone Surcharge	\$ 9,408,399
Budget & Control Board	Subfund 3774 Reserve Accounts	\$ 2,600,000
	Subfund 4161 Insurance Reserve Fund Trust	\$ 50,837,800
	Subfund 4202 State Life & LTD	\$ 4,099,594
DHEC	Subfund 3157 Environmental Protection Fund	\$ 500,000
	Subfund 4545 Waste Tire Grant Trust Fund	\$ 2,450,000
	Subfund 4546 Petroleum Fund	\$ 1,050,000
	Subfund 4984 SUPERB Account	\$ 941,340
Housing Authority	Subfund 4797 SHA Program Fund	\$ 1,617,784
Department of Motor Vehicles	Subfund 3264 Operating Revenue	\$ 4,000,000
Parks, Recreation & Tourism	Subfund 4126 PRT Development Fund	\$ 276,379

CAPITAL RESERVE FUND APPROPRIATIONS & USES OF ADDITIONAL REVENUE

State Accident Fund		
	Subfund 4033 Workers' Comp Fund - Trust	\$ 13,354,722
	Subfund 4168 Escrow Funds	\$ 22,257
Public Service Commission		
	Subfund 3035	\$ 1,900,000
Labor, Licensing & Regulation		
	Subfund 3035 Operating Revenue	\$ 500,000
	Subfund 3135 POLA Revenue	\$ 1,997,509
	Subfund 3173 Education & Research Fund	\$ 124,561
	Subfund 3730 Vacation Time Sharing Recognition	\$ 252,980
	Subfund 4592 Auctioneer Recovery Fund	\$ 136,899
Public Railways Commission		
	Subfund 4813 E. Cooper & Berkeley RR	\$ 2,193,850
	Subfund 4814 Operating & Maintenance	\$ 745,277
State Treasurer's Office		
	Series 2001 (Arts Commission)	\$ 3,360,396
	FY 2006-07 Tax Refund	\$ 99,024,456
Total Expenditures		\$ 275,666,570

CAPITAL RESERVE FUND APPROPRIATIONS & USES OF ADDITIONAL REVENUE

(c) FY 2004-05 Unobligated Surplus

<u>Agency</u>	<u>Description/Activity</u>	<u>Amount</u>
Comptroller General's Office	GAAP Deficit	\$ 104,934,400
State Treasurer's Office		\$ 13,094,604
	Series 1986 (Adjutant General)	1,309,460
	Series 1994 (Harden Street Facility)	2,618,921
	Series 1997 (Columbia Mills)	3,928,381
	Series 1999 (Robert Mills)	5,237,842
Total Expenditures		\$ 118,029,004

(d) FY 2005-06 "Maybank Money"

Funds within the South Carolina Budget and Control Board Grants Program not encumbered and disbursed ending June 30, 2006 shall be remitted to the General Fund for use during FY 2006-07. With these funds exceeding the FY 2006-07 spending limitation, we propose using this source for the FY 2006-07 tax refund. **Estimated tax refund from this revenue source: \$34,050,000.**

(e) FY 2006-07 Sale of Property

We propose using twenty-five percent of the funds generated from the Sale of Property during FY 2006-07 for the tax refund. **Estimated tax refund from this revenue source: \$700,000**

CAPITAL RESERVE FUND APPROPRIATIONS & USES OF ADDITIONAL REVENUE

(f) FY 2006-07 Excess Agency Cash

We propose using excess agency cash during FY 2006-07 for the tax refund. **Estimated tax refund from this revenue source: \$4,000,000**

(g) FY 2006-07 Excess Debt Service, from lapsed

We propose using excess debt service during FY 2006-07 for the tax refund. **Estimated tax refund from this revenue source: \$3,507,254**

(h) FY 2006-07 Redevelopment Authority

We propose using Redevelopment Authority revenue during FY 2006-07 for the tax refund. **Estimated tax refund from this recurring revenue source: \$2,829,578**

(i) FY 2006-07 Economic Impact Zone (Tax Refund)

We propose using Economic Impact Zone revenue during FY 2006-07 for the tax refund. **Estimated tax refund from this recurring revenue source: \$6,578,136**

CAPITAL RESERVE FUND APPROPRIATIONS & USES OF ADDITIONAL REVENUE

FY 2006-07 Economic Impact Zone (State Agencies)

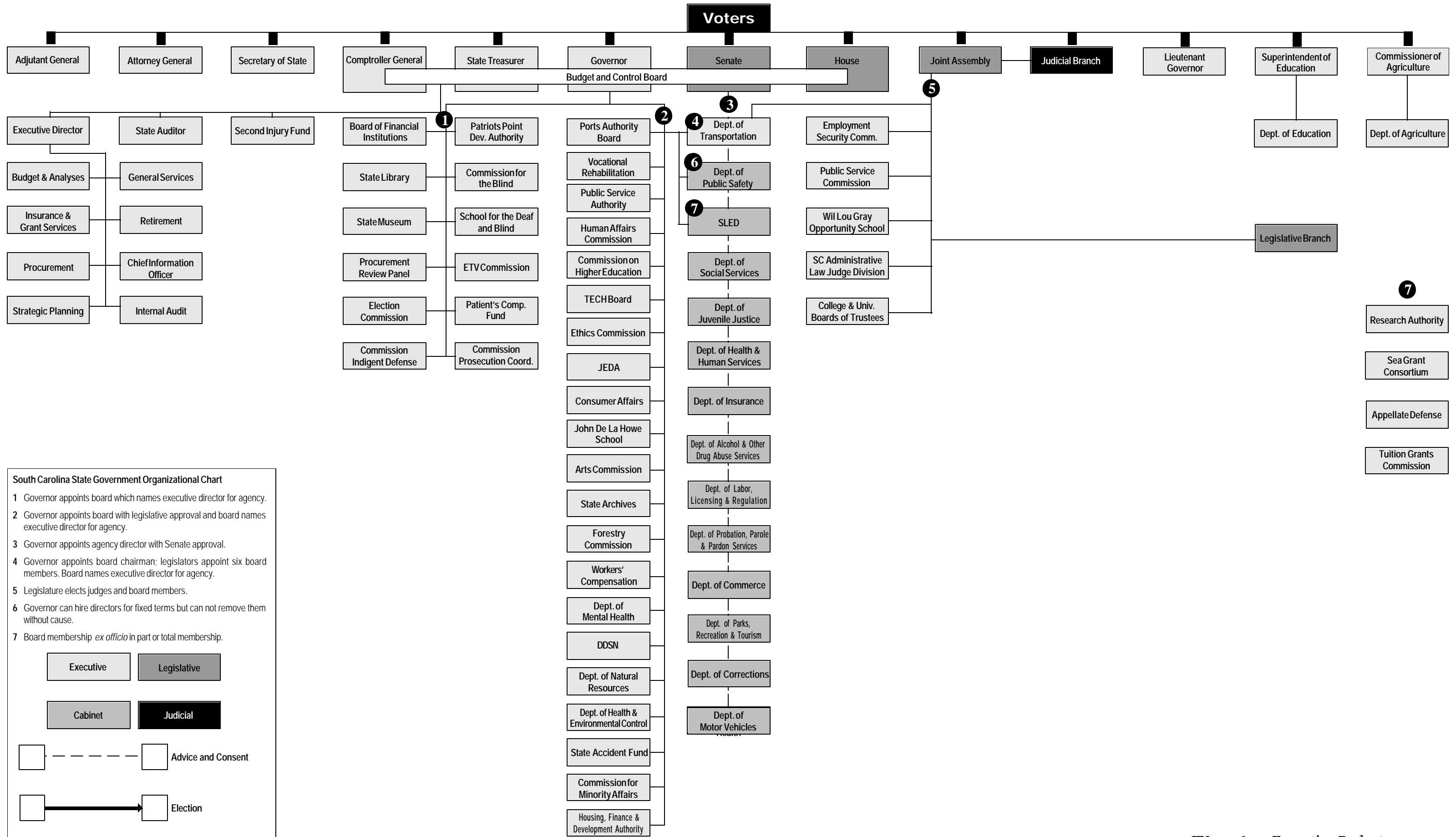
We propose using Economic Impact Zone revenue during FY 2006-07 to fund the general operations of state agencies.
Estimated operational funding from this recurring revenue source: \$2,072,216

(j) FY 2006-07 Tobacco Deallocation

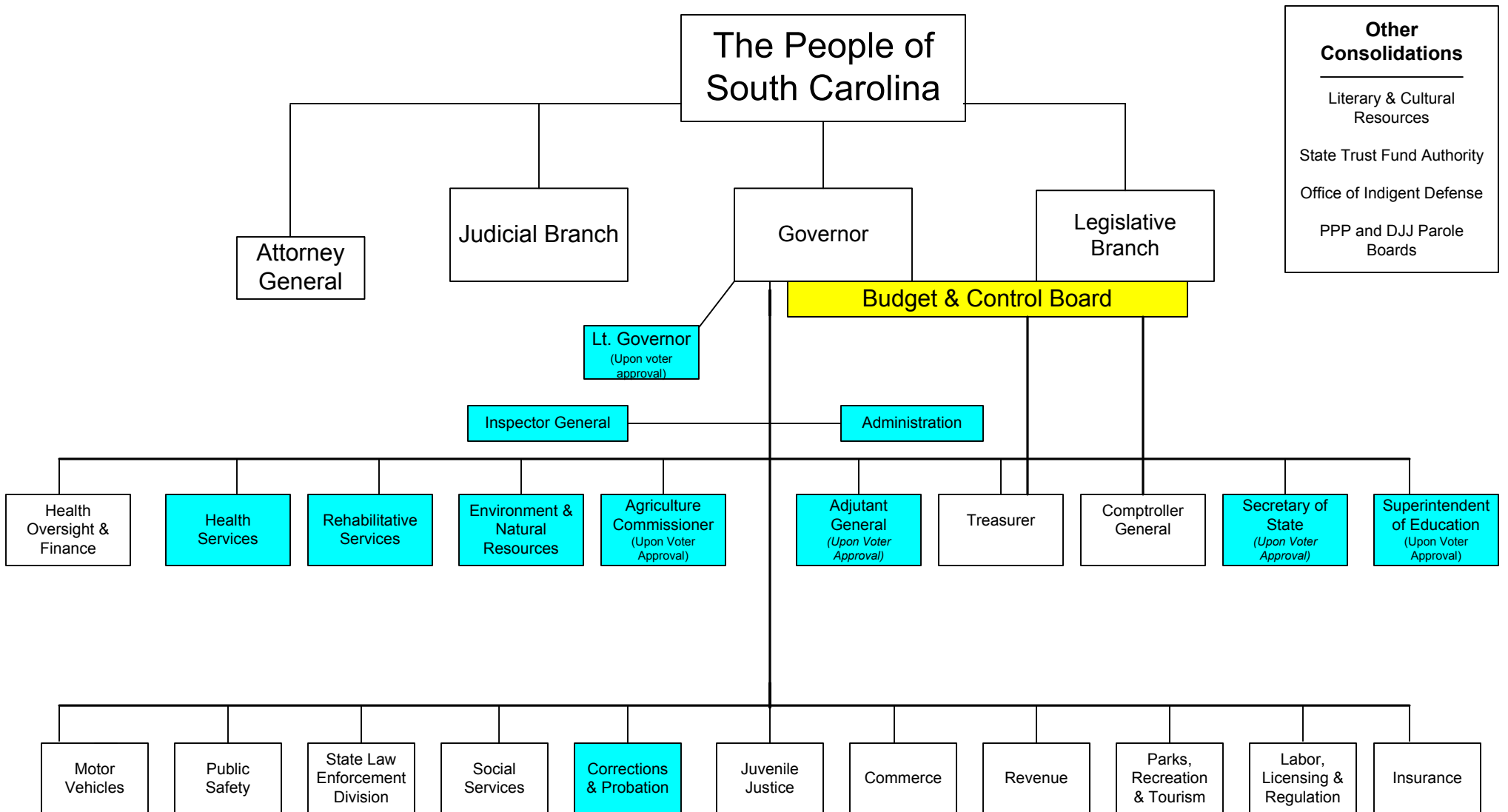
We propose using Tobacco Deallocation revenue during FY 2006-07 to fund the general operations of state agencies. Specifically, we funded Hospital Services at the Department of Health and Human Services with this revenue source.
Estimated operational funding from this non-recurring revenue source: \$8,000,000

Organizational Charts

Current Structure of State Government



Governor Sanford's Proposed Changes to the Structure of South Carolina State Government



Other Consolidations

- Literary & Cultural Resources
- State Trust Fund Authority
- Office of Indigent Defense
- PPP and DJJ Parole Boards



Newly Restructured
Agencies/Offices

Proposed Realignment of Agency Functions for FY 2006-07

Department of Health Oversight and Finance

Rename Department of Health and Human Services to DHOF

Lead agency for Medicaid oversight and finance of Medicaid expenditures.

Department of Environment and Natural Resources

Division of Environmental Protection (formerly environmental programs at DHEC)

Division of Natural Resources (formerly Department of Natural Resources)

Division of Forestry (formerly South Carolina Forestry Commission)

Proposed Savings: \$1,405,688

State Parole Board

DJJ and PPP Parole Boards combined.

Proposed Savings: \$425,000

Department of Health Services

Division of Public Health (formerly health programs at DHEC)

Division of Mental Health (formerly Department of Mental Health)

Continuum of Care for Emotionally Disturbed Children moved from the Governor's Office to DMH.

Division of Disabilities and Special Needs (formerly Department of Disabilities and Special Needs)

Division of Addiction Services (formerly DAODAS)

Proposed Savings: \$15,120,130

Department of Corrections and Probation

Division of Corrections (formerly the Department of Corrections)

Division of Probation, Pardon, and Parole Services (formerly PPP)

Proposed Savings \$518,012

Office of Indigent Defense

Division of Indigent Defense (formerly Office of Indigent Defense)

Division of Appellate Defense (formerly Office of Appellate Defense)

Proposed Savings: \$178,321

Department of Rehabilitative Services

Division of Vocational Rehabilitation (formerly Vocational Rehabilitation Department)

Division for the Blind (formerly Commission for the Blind)

Proposed Savings: \$534,033

State Department of Education

Transfer powers of State Board of Education to Superintendent of Education

ETV

Wil Lou Gray Opportunity School

School for the Deaf and Blind

John de la Howe School

Governor's School for Science and Mathematics

Governor's School for the Arts and Humanities

Proposed Realignment of Agency Functions for FY 2006-07

Department of Commerce

Department of Commerce

Office of Local Government (formerly in the B&CB)

Department of Literary and Cultural Resources

Department of Literary and Cultural Resources Board

Division of Archives and History (formerly the Department of Archives and History)

S.C. Institute of Archeology and Anthropology (formerly at University of South Carolina)

Division of the Arts (formerly the Arts Commission)

State Library

State Museum

Proposed Savings: \$1,039,488

Department of Administration

Director appointed by Governor, advice and consent from the Senate.

Office of General Services (formerly B&CB)

Office of Human Resources (formerly B&CB)

Employee Insurance Program (formerly B&CB)

Energy Office (formerly B&CB)

Division of Procurement Services (formerly B&CB)

Division of Internal Audit and Performance Review (formerly B&CB)

Research and Statistics [excluding Digital Cartography and Precinct Demographics] (formerly B&CB)

One-half of the Executive Director's Office (formerly B&CB)

One-half of the Internal Operations Office (formerly B&CB)

Governor's Office of Executive Policy and Programs [excluding Guardian ad Litem and Continuum of Care and State Ombudsman]

Division of the State Chief Information Officer (formerly B&CB)

Budget and Control Board

Office of State Budget

Board of Economic Advisors

South Carolina Retirement System

Office of State Auditor

Office of Research and Statistics - Digital Cartography, Precinct Demographics

Confederate Relic Room & Museum

½ of Internal Operations

½ of Office of Executive Director

State Trust Fund Authority

State Accident Fund

Insurance Reserve Fund (formerly B&CB)

Per the requirements of Section 1-11-425 of the South Carolina Code of Laws, a total of 375 copies of this public document were printed by the Print Shop of the General Services Division of the Budget and Control Board at a cost of \$3,270.00 or \$8.72 per copy.