



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

August 29, 2016

Dear Director,

Our first responsibility is – as it always has been – to the citizens of South Carolina. Taxpayers expect state agencies to budget responsibly and efficiently – in a way that delivers high quality services and prepares for the unexpected – just as families and businesses do.

While recent years have produced unprecedented surpluses, South Carolina must prepare for leaner times. Last week, the S.C. Board of Economic Advisors announced revenue growth, while still strong, is not projected to be as high as the past few years. As The State newspaper reported, “Lawmakers still face the same budget gaps they did a year ago, and will now have to attempt to fill them with fewer new dollars.”

Therefore, as we begin the process of planning the FY 2017-18 Executive Budget, I am requesting each budget submission include a General Fund Reduction Analysis that identifies where you would be able to reduce or eliminate spending in the event that your agency faced a 3% General Fund budget reduction.

Taking the time to identify these areas in your agency's budget now, instead of being forced to make tough decisions amid economic downturn or crisis down the road, will ensure your team is better prepared to meet the needs of the citizens it serves regardless of what challenges arise.

Working together over the last five years, we have been able to deliver results for the people of South Carolina. But even as we continue to celebrate, we owe it to taxpayers to budget smart – keeping spending under control, reserves high and debt low – with an eye to the future.

My Very Best,

A handwritten signature in cursive script that reads "Nikki".

Nikki R. Haley

MEMORANDUM

TO: Agency Heads and Chief Financial Officers
FROM: Brenda Hart
DATE: August 29, 2016
RE: General Fund Reduction Analysis for FY 2017-18

This memorandum serves as a supplement to the Budget Guidelines for FY 2017-18 that were released to your agency on July 25, 2016. Please find attached a letter from Governor Haley explaining the need for this additional budget information and a new budget request form (Form E) containing the format in which you must submit the information. This information must be submitted by every agency to the Executive Budget Office at the same time as your normal budget plan, Friday, September 30, 2016.

The Governor's Office is requesting that you conduct a General Fund Reduction Analysis whereby you identify areas in your budget that you would reduce or eliminate if you received a 3% General Fund budget reduction from your FY 2016-17 budget. A spreadsheet identifying the General Fund reduction amount by agency is attached. One-time expenditures from the FY 2016-17 budget will not be considered savings for the purpose of this analysis. In completing this form, please identify as many funding areas as you deem necessary, and provide the corresponding information for each applicable column. Agencies are expected to identify savings with the smallest possible impacts on services to South Carolina's citizens.

Understanding this is a new process, and recognizing that your staff may need assistance, you are encouraged to work with your Executive Budget Office analyst when completing this request.

If you have any questions, please contact your Executive Budget Office analyst or me at 803-734-2280.



Agency	Agency Title	FY 2016-17 Recurring General Fund Appropriations	3% General Fund Reduction
A010	The Senate	13,903,930	417,117
A050	House of Representatives	21,938,408	658,152
A150	Legislative Council	3,816,277	114,488
A170	Legislative Services Agency	5,775,780	173,273
A200	Legislative Audit Council	1,811,181	54,335
B040	Judicial Department	47,766,954	1,433,008
C050	Admin Law Court	2,459,617	73,788
D050	Governor's Office	1,976,092	59,282
D100	SLED	44,979,679	1,349,390
D200	Governor's Office -Mansion and Grounds	312,771	9,383
D250	Office of Inspector General	634,455	19,033
D500	Department of Administration	57,793,690	1,733,810
E040	Lieutenant Governor's Office	17,591,229	527,736
E080	Secretary of State's Office	1,064,500	31,935
E120	Comptroller General	2,274,180	68,225
E160	State Treasurer's Office	1,766,114	52,983
E200	Attorney General's Office	10,360,403	310,812
E210	Prosecution Coordination Commission	27,081,704	812,451
E230	Commission on Indigent Defense	29,693,710	890,811
E240	Adjutant General	7,475,879	224,276
E280	Election Commission	5,742,078	172,262
E500	Revenue & Fiscal Affairs	4,753,568	142,607
E550	State Fiscal Accountability Authority	1,555,525	46,665
F270	SFAA - State Auditor's	3,493,210	104,796
F500	Public Employee Benefits Authority	7,495,020	224,850
H030	Commission on Higher Education	35,755,215	1,072,656
H060	Higher Education Tuition and Grants	26,250,199	787,505
H090	The Citadel	10,058,294	301,748
H120	Clemson University	77,291,817	2,318,754
H150	University of Charleston	24,101,091	723,032
H170	Coastal Carolina University	11,791,478	353,744
H180	Francis Marion University	14,516,433	435,492
H210	Lander University	7,389,072	221,672
H240	SC State University	13,225,021	396,750
H270	University of South Carolina	122,515,574	3,675,467
H290	USC - Aiken Campus	7,732,805	231,984
H340	USC - Upstate	10,692,157	320,764
H360	USC - Beaufort Campus	3,431,306	102,939
H370	USC - Lancaster Campus	2,169,835	65,095
H380	USC - Salkehatchie Campus	1,671,689	50,150
H390	USC - Sumter Campus	2,952,539	88,576
H400	USC - Union Campus	799,377	23,981
H470	Winthrop University	15,267,692	458,030
H510	Medical University of SC	63,049,912	1,891,497
H530	Area Health Education Consortium	10,222,208	306,666
H590	State Board for Technical Education	140,515,257	4,215,457

Agency	Agency Title	FY 2016-17 Recurring General Fund Appropriations	3% General Fund Reduction
H630	Department of Education	2,873,002,961	86,190,088
H670	Educational Television Commission	277,532	8,325
H710	Will Lou Gray Opportunity School	5,939,591	178,187
H730	Department of Vocational Rehabilitation	15,386,236	461,587
H750	School for the Deaf and Blind	14,725,490	441,764
H790	Department of Archives & History	2,552,018	76,560
H870	State Library	12,112,009	363,360
H910	Arts Commission	2,985,799	89,573
H950	State Museum Commission	3,532,145	105,964
H960	Confederate Relic Room & Military Museum Commission	825,772	24,773
J020	Department of Health and Human Services	1,271,015,600	38,130,468
J040	DHEC	119,916,820	3,597,504
J120	Department of Mental Health	216,320,260	6,489,607
J160	Department of Disabilities	231,643,470	6,949,304
J200	Department of Alcohol & Other Drug Abuse Services	8,398,181	251,945
K050	Department of Public Safety	81,489,262	2,444,677
L040	Department of Social Services	148,831,173	4,464,935
L120	John De La Howe School	4,604,217	138,126
L240	Commission for the Blind	3,425,793	102,773
L360	Human Affairs Commission	2,132,540	63,976
L460	Commission on Minority Affairs	998,010	29,940
N040	Department of Corrections	398,045,209	11,941,356
N080	Department of Probation, Parole and Pardons	33,698,377	1,010,951
N120	Department of Juvenile Justice	105,596,555	3,167,896
N200	Law Enforcement Training Council	4,168,792	125,063
P120	Forestry Commission	15,863,846	475,915
P160	Department of Agriculture	7,860,337	235,810
P200	Clemson - PSA	36,511,692	1,095,350
P210	SC State University - PSA	3,408,964	102,268
P240	Department of Natural Resources	24,098,671	722,960
P260	Sea Grant Consortium	651,881	19,556
P280	Department of Parks, Recreation & Tourism	43,188,027	1,295,640
P320	Department of Commerce	35,087,613	1,052,628
P450	Rural Infrastructure Authority	20,511,856	615,355
R080	Worker's Compensation Commission	1,993,752	59,812
R200	Department of Insurance	4,060,266	121,807
R280	Department of Consumer Affairs	1,313,877	39,416
R360	Department of Labor, Licensing and Regulation	1,354,785	40,643
R400	Department of Motor Vehicles	85,000,000	2,550,000
R440	Department of Revenue	48,398,668	1,451,960
R520	State Ethics Commission	904,743	27,142
R600	Department of Employment & Workforce	500,000	15,000
S600	Procurement Review Panel	158,686	4,760
U120	Department of Transportation	50,057,271	1,501,718
U300	Aeronautics Division	2,030,135	60,904

AGENCY NAME:			
AGENCY CODE:		SECTION:	

FORM E – 3% GENERAL FUND REDUCTION

DECISION PACKAGE	
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Agency General Fund Reduction Analysis
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Provide a brief, descriptive title for this request.

AMOUNT	
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What is the General Fund reduction amount (minimum based on the FY 2016-17 recurring appropriations)? This amount should correspond to the decision package's total in PBF.

METHOD OF CALCULATION	
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Describe the method of calculation for determining the reduction in General Funds.

ASSOCIATED FTE REDUCTIONS	
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	
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What programs or activities are supported by the General Funds identified?

AGENCY NAME:

AGENCY CODE:

SECTION:

SUMMARY

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations.