

From: Katherine Veldran <kveldran@gmail.com>
To: Veldran, KatherineKatherineVeldran@gov.sc.gov
Date: 8/17/2016 12:58:43 PM
Subject: Fwd: Agenda Meeting Approvals

----- Forwarded message -----

From: Tim Pearson <tcp Pearson@gmail.com>
Date: Wed, Aug 17, 2016 at 10:38 AM
Subject: Re: Agenda Meeting Approvals
To: Rob Godfrey <robertsgodfrey@gmail.com>
Cc: David Glaccum <david.glaccum@gmail.com>, Katherine Veldran <kveldran@gmail.com>, Swati Patel <sspatel16@hotmail.com>, Austin Smith <austinmsmith@gmail.com>

I think both budget actions are very strong.

My sense is we should put the number of the potential reduction somewhat on the low side (I don't know what that number is, but based on Eckstrom's release and the numbers you present below, 3% seems appropriate to me) so that it won't be easily dismissed as unrealistic and give our opponents the ability to dismiss the action, and the responses we get back, as simply a political ploy. When would the new instructions be ready to go? Ideally, we could send them next week and then release to the press - that way not too much time will have passed from Eckstrom's announcement, which is the perfect thing for us to piggy back on.

The other funds Executive Order is also very solid. What is the timeline? Can we release it sometime after labor day, during a time where there's not much other state news? Also, would be helpful if we can bring in some legislative allies on the front end so that when it goes out, they are prepped to say positive things about it. Some of the conservative guys in the senate have been railing about other funds for years.

On Tue, Aug 16, 2016 at 3:54 PM, Rob Godfrey <robertsgodfrey@gmail.com> wrote:
Shore.

On Tue, Aug 16, 2016 at 3:52 PM, Tim Pearson <tcp Pearson@gmail.com> wrote:
thanks will respond in more detail but Rob, can someone from your shop pull a sampling of the press and editorial coverage of Deal's executive order on convictions?

On Tue, Aug 16, 2016 at 3:50 PM, David Glaccum <david.glaccum@gmail.com> wrote:
Tim - we met with NRH today covering budget and criminal justice items. Below are the items she approved. The two budget items are things we plan to get out sooner rather than later, and the "ban the box" hiring policy is an item we will roll out as part of the larger inmate-to-work things we are doing with DOC. I appreciate your thoughts on these items.

Budget

1. Planning for Future Economic Downturns

Action Item: Issue an addendum to our budget instructions (sent out July 25) asking that each agency submit an additional form describing how the agency would absorb or offset a 3% (or 5%, 7%, etc.) reduction in general funds, highlighting specific programs they would recommend for funding reduction or elimination.

Supporting Information:

- Coming out of the 2008 recession, and the associated budget cuts, South Carolina's General Fund appropriations have rapidly risen:
 - 2008-2009 General Fund (pre-recession): \$6.736 billion
 - 2009-2010 General Fund (post-recession): \$5.714 billion
 - 2011-2012 General Fund (1st year in office): \$5.454 billion
 - 2016-2017 General Fund (most recent budget): \$7.579 billion
- Unfortunately, these times of rapid revenue growth cannot be sustained, and are already showing signs of slowing.
- Yesterday (August 15), the Comptroller General issued a press release highlighting this exact problem, stating "leaner times...appear to be emerging" based on a lower than expected revenue growth resulting in a \$10.3 million "new revenue" shortfall.

2. Other Funds Report

Action Item: Issue an Executive Order or EBO Memorandum directing all our agencies (or all government) to produce an accounting of Other Funds dollars, including statutory/regulatory authority for fee, what the fee is meant to cover, original implementation date and amount, last increase/decrease, and current amount.

Supporting Information:

- Similar to General Funds, Other Funds have substantially increased over the past 5 years.
 - 2011-2012 Other Funds (1st year in office): \$8.011 billion

○ 2016-2017 Other Fund (most recent budget):

\$10.398 billion

- Other funds span many agencies and cover various items, ranging from DMV fees, to court fines, to college tuition, to the gas tax.
- In the past, agencies have been asked to complete an Other Funds “survey” with the most recent being in 2013.
- Fees and fines are often just another form of taxation, and it may be a good time agencies (especially our agencies) review how they collect other funds, for what purposes, and whether the item can be reduced or potentially eliminated.
- Governor Larry Hogan has made this a priority and, over the past two years, has reduced hundreds of fees saving taxpayers hundreds of millions of dollars over the next five years.

Small Criminal Justice Reform

1. Ban the Box Hiring Policy

Action Item: Issue an Executive Order directing our agencies to limit the use of criminal history in making hiring decisions, with exceptions for sensitive governmental positions.

Supporting Information:

- As many as one in three Americans has some form of criminal record (either for an arrest or a conviction).
- In many cases, a criminal record is an obstacle to obtaining employment, and can be used as a reason to dismiss an applicant, especially in situations where multiple applicants have applied for the same position.
- While it is understandable that some criminal convictions should disqualify applicants for certain kinds of jobs, for many jobs the conviction is not relevant to the job sought, and employer may not take into account how recent the conviction or whether there were any extenuating circumstances.
- In 2015, Governor Nathan Deal issued a ban the box executive order for his agencies.

DMG

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David M. Glaccum

(843) 817-1613

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Rob Godfrey
803.807.7144