

From: Baker, Josh
To: Mayer, Doug <DougMayer@gov.sc.gov>
CC: Godfrey, Rob <RobGodfrey@gov.sc.gov>
Soura, Christian <ChristianSoura@gov.sc.gov>
Date: 6/23/2013 4:32:34 PM
Subject: RE: Executive Budget and Transportation

There are four parts to this deal – one that relates to the transfer of roads that is similar to last year's turn back initiative, and three that relate to funding.

Turnback

- Previously, the department was limited in its ability to transfer roads – generally these transfers were swaps that didn't change the net size of our massive state highway system. This bill makes it much easier to do one-way transfers to other governments, businesses and individuals.
- This is important because some of the unfunded highway needs you hear so much talk about are the direct result of our over-large highway system – including dirt roads, roads in residential neighborhoods, and others that don't belong in a state highway system. Managing the size of the system helps our dollars go farther.

State Infrastructure Bank

- This obligates DOT to, in perpetuity, to transfer \$50 million in 'non-tax' (i.e., bondable) revenues to the State Transportation Infrastructure Bank for what is being billed as a 10X bond package - \$500 million in projects in the near future. This was similar to the Governor's proposal, but she put forth a 'pay as you go' system, instead of proposing bonds to front-load work and use the revenue stream for debt service.
- Current debt service of the bank is under \$20 million, so this will be a significant increase compared to the Bank's current operations.
- We have voiced concern about the need to comply with Act 114 prioritization and not fund politically motivated pet projects.
- The bill restricts the use of the funds to keep 526 and approved Florence projects off the list.

Vehicle Sales Tax

- Originally a Harrell bill, the sales tax diversion is taking one-half of the vehicle sales, use, and casual excise taxes and diverting them to the Non-Federal Aid State Highway Fund.
- This represents \$41 million annually to existing roads and bridges.

Non-recurring Revenue

- If, after all of the surplus appropriations in the budget have been fully funded, then any remaining surpluses from this year's budget may be directed to roads, up to \$50 million. This is excess revenue collected in FY 2012-13 that must be diverted to roads and bridges currently on the State Transportation Improvement Plan (STIP).
- We are not totaling these dollars because none of this revenue technically exists yet.

From: Mayer, Doug
Sent: Sunday, June 23, 2013 3:47 PM
To: Baker, Josh; Godfrey, Rob
Cc: Soura, Christian
Subject: RE: Executive Budget and Transportation

Any word on this?

From: Mayer, Doug
Sent: Sunday, June 23, 2013 2:32 PM
To: Baker, Josh; Godfrey, Rob
Cc: Soura, Christian

Subject: RE: Executive Budget and Transportation

Thanks Josh. I need a breakdown of the bill we are actually signing. From what I understand there are three part to this deal that should be highlighted. The bonding, the Harrell tax transfer, and the 50 million for bridges this year, correct?

I need bullet points on all three points.

Thanks.

From: Baker, Josh
Sent: Sunday, June 23, 2013 12:42 PM
To: Godfrey, Rob
Cc: Soura, Christian; Mayer, Doug
Subject: Executive Budget and Transportation

Here is a write-up to supplement the signing statement that Christian sent you earlier. Let us know if there are facts/figures that you would like on hand, so we can get DOT working on them soon.

Best,
Josh

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