



Fact Sheet

South Carolina Policy Council

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7 for '11:

7 Ways Lawmakers Can Make South Carolina Better – Now

Each year we review the [best and worst ideas taken up during the legislative session](#), focusing on those bills that will either make South Carolina more free and more prosperous or less free and less prosperous. Needless to say, there are usually [far more bad ideas than good ones](#) – especially as regards state spending, health care and economic development. In the spirit of offering some constructive advice to the General Assembly, here are 7 good ideas for reform in 2011.

1. *Tear Down the Wall*. The S.C. General Assembly operates behind a wall of secrecy and power that hinders transparency and accountability. As detailed in our [special report on legislative power](#), tearing down this wall begins with the following three reforms:
 - Recording every vote. The first step toward holding the legislative leadership accountable for their actions is holding legislators accountable for their votes. Yet, the Senate and House voted on the record less than 25 percent of the time in 2009 and 2010. By contrast, 45 other states require a recorded vote on every bill that becomes law. The House unanimously passed roll call voting legislation ([H 3004](#)) in its first week back. The Senate is expected to take up this issue this week – but may settle for a rules change ([S 9](#)) instead of substantive reform. [Read more here](#).
 - Limiting legislative power. As it is the center of power in the state, reform must begin with the S.C. General Assembly. But the Legislature itself is essentially run by four persons: the Speaker of the House, the President Pro Tempore of the Senate, the Chairman of the House Ways & Means Committee, and the Chairman of the Senate Finance Committee. This legislative power monopoly must be broken by implementing reforms that would strengthen the executive and judicial branches. One idea worth considering is opening up the election of the House and Senate appointments to the Budget & Control Board (BCB) to each chamber as a whole. A bill ([S 330](#)) before the Senate Finance Committee would do just that by rescinding the automatic BCB appointment of the chair of the House Ways & Means Committee and the chair of the Senate Finance Committee. Instead, each chamber would elect its own representative to the BCB. [Read more here](#).
 - Shortening session. South Carolina has the longest session in the Southeast (tied for 1st with Tennessee) and the 6th longest (tied with 7 other states) in the country. This translates into more time for lobbyists – 356 representing 488 companies, including 86 taxpayer-funded lobbyists – to influence lawmakers; and few results, both in terms of sound public policy, or even the number of bills

introduced and passed. We recommend capping session at no more than 45 legislative days within a calendar day period of 90 days. [Read more here.](#)

2. *Make Strategic Budget Cuts.* Lawmakers are being forced to cut the state budget in 2011. They have two options: eliminate waste and inefficient programs; or make across-the-board cuts that diminish core services. Instead of playing political games with education, Medicaid and other programs, the Legislature should implement three reforms that will put the state on the road to long-term fiscal stability:
 - Enact an effective and comprehensive spending cap that limits spending to real economic growth and refunds excess tax and fine/fee revenue to taxpayers. [Read more here.](#)
 - Implement a strategic budgeting plan (similar to zero-based budgeting) that begins by reducing all agency budgets by 50 percent and then requires justification of each additional program and activity beyond that threshold. [Read more here.](#)
 - Adopt uniform reporting requirements for both General Fund and Other Funds dollars and conduct a comprehensive review of all fines/fees, with an eye toward eliminating funds that don't sustain core governmental activities. Lawmakers should also pass a moratorium on all new fine/fee increases. [Read more here.](#)
3. *Rescue Our Children from Failing Schools.* It's time to create a student-centered public school system that emphasizes choice, equitable funding and flexibility. These three goals can be achieved by: 1) extending education choice tax credits to parents who demand alternative options; 2) streamlining education dollars to individual schools to meet the unique needs of each child; and 3) increasing funding for public charter schools and public virtual schools. Read more [here](#) and [here](#).
4. *Create a Free Market for Health Care.* While state legislators have limited control over whether the federal health care takeover is [ultimately repealed and/or blocked by the courts](#), they can proactively begin to address the taxation and compliance costs imposed by FedCare mandates. Doing so includes: 1) offsetting the massive tax increases required by FedCare; 2) fostering competition by eliminating coverage mandates and encouraging the purchase of out-of-state insurance plans; and 3) proactively opting-out of optional FedCare policies. [Read more here.](#)
5. *Cut Taxes and Fines/Fees.* Broad based tax cuts will stimulate economic growth, as demonstrated in [Unleashing Capitalism](#). Instead of fundamental tax reform, legislators have pursued a failed strategy of extending billions in economic incentives to select companies. The result? One of the lowest (45th) per capita income levels in the nation, a declining private sector employment base, and anemic economic growth – 1 percent over the last 10 years, compared to gains of 29 percent for Louisiana, 24 percent for Texas and 22 percent for Florida. Legislators should start by cutting the state's highest in the nation manufacturing property tax of 10.5 percent. [Read more here.](#)

6. *Stop Playing Economic Favorites.* The General Assembly should stop playing favorites by giving select industries targeted tax credits and subsidies. Short of eliminating corporate welfare altogether, lawmakers should at least bring transparency and accountability to taxpayer-funded economic development deals. This can be done by: 1) requiring recorded votes on economic development plans; 2) creating standardized application and reporting mechanisms to track and monitor economic development assistance; and 3) holding recipients of state aid accountable for meeting measurable job creation/investment targets. [Read more here](#) and [here](#).

7. *Dismantle the Budget & Control Board.* South Carolina's Budget & Control Board is the linchpin of the Legislature's power monopoly. In addition to making a wide array of state budgetary decisions, the BCB holds power over many functions that in other states belong to a cabinet-level Department of Administration. Moreover, while its own agency budget is relatively small, the BCB controls billions in state funding. Lawmakers should pursue statutory changes (cf. [§ 1-11](#)) aimed at eliminating the Board. In the meantime, the separate members of the BCB could agree not to meet or to meet less often, with the executive branch moving in to fill the gap. [Read more here](#) and [here](#).

To learn more, contact the Research Department of the S.C. Policy Council at 803-779-5022.

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