



Budget Analysis

South Carolina Policy Council

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The 2011 State Budget • *Seven Things That Make Us Cringe*

The Legislature has sent the state budget to the governor's desk. As expected, it's wasteful, irresponsible, and displays a poor sense of priorities. There are scores of examples to choose from. Here are seven.

(1) Budget “cuts” quietly turned into budget increases – big ones

Total education spending is up by at least \$279 mil. despite falling enrollment.

The Dept. of Health & Human Services got a budget increase of almost \$200 million. In addition, lawmakers added \$231 million in one-time spending for Medicaid.

(2) Despite the rhetoric, there are no tax cuts

What's being billed as a “tax cut” – \$100 million directed to the Unemployment Trust Fund – is actually a bailout for businesses that abused the state's Unemployment Insurance system.

(3) Little to nothing done about non-essential spending and waste

ETV had its budget “cut,” but lawmakers used budgeting tricks to keep its funding at the same level.

No change in targeted tax incentives for the film industry – even though these incentives generate a net loss in revenue equal to \$0.81 on every dollar invested.

(4) Budget-bloating absurdities

The House *gave itself a budget increase* of \$2 mil.

Economic development councils (some of which have legislators on their boards) got \$5 mil.

(5) Sheer bad budgeting

So-called Maybank money – an anticipated revenue boost from stepped up enforcement – allowed lawmakers to pad budgets at DHHS, Education, Agriculture, and the Election Commission.

Lawmakers raided reserve funds to avoid making cuts, too. In one proviso alone, the use of reserve funds for core government functions went from \$148 million to \$255 million.

(6) Reforms out the window

A proviso that banned taxpayer-funded lobbying was deleted, as was a proviso barring state agencies from exceeding their appropriations (DHHS, for example, was permitted to run a \$225 mil. deficit for fiscal year 2011).

(7) Two steps back for transparency

State law [requires](#) the governor to write the budget and both chambers' budget committees to consider her budget in open session. Once again, that law was ignored.

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