



Research Memo

South Carolina Policy Council

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Smiling Faces, Federally Dependent Places | *SC's reliance on DC's dollars*

More than a third of our budget depends on a source that's headed for financial ruin. The federal government is now \$14 trillion in debt and running a \$1.3 trillion deficit. That's bad news for South Carolina.

- In 2011, South Carolina lawmakers passed a budget that was **39 percent federal money**. South Carolina raked in a staggering *\$8.61 billion*. In essence, South Carolina lawmakers have given over a full third of the state's government to the discretion and whims of federal bureaucrats.
- South Carolina lawmakers sometimes claim they can't do anything about federal funding. That's not true, and here's an example: State lawmakers voted to take federal money for the James E. Clyburn University Transportation Center in Orangeburg. And when the feds dropped the project, **South Carolina was still on the hook for \$3 million.**
- Some of our state's programs rely so heavily on federal dollars that they're not really state programs at all. For example, 78 percent of our state's budget for domestic violence programs (including emergency shelters) comes from Washington. **So while the legislature spends millions of state dollars on tourism marketing, it's happy to let the feds pay for protecting our citizens from domestic violence.**
- When it comes to artifact museums and artist development, South Carolina makes its own decisions. But when it comes to educating our children and promoting the health and safety of our most vulnerable citizens, Washington calls the shots. **Six out of every ten dollars South Carolina spends on K-12 education, basic social services, environmental services, and health services are federal dollars.**
- A *fifth* of our state's Department of Education comes from Washington, including an estimated \$283 million in No Child Left Behind funding. These dollars aren't free money from Washington – they come with stringent demands. Every year – to take one of thousands of examples – state lawmakers accept federal No Child Left Behind funds, and in doing so they hand **more and more state and local control to Washington bureaucrats.**
- The amount of federal dollars state lawmakers accepted this year alone **could pay the average salaries of 260,000 South Carolinians.** That's more than the total population of Columbia and Charleston combined.

Remember, the states created the federal government – not the other way around. It's time our state lawmakers started acting like it.

(Stay tuned for more on how federal dependency happens in South Carolina.)