



# Budget Update

## South Carolina Policy Council

1323 Pendleton St., Columbia, SC 29201 • 803-779-5022 • [scpolicycouncil.com](http://scpolicycouncil.com)

### The November 1<sup>st</sup> Deadline

Section 11-11-20 of the S.C. Code of laws stipulates all state agencies submit their budget requests for fiscal year 2012 – 2013 on or before November 1<sup>st</sup>. Now that the information is in and posted on the Office of State Budget's [website](#), a few questions arise: (1) which agencies submitted their request on time and which agencies are noticeably absent, (2) did the agencies submit their requests correctly per the Governor's instructions, and (3) how are the agencies' anticipated budgets shaping up for the upcoming fiscal year?

#### ***(1) Which agencies submitted their request on time and which agencies are noticeably absent?***

Nine agencies failed to submit their budget proposals on time to the Governor. This includes both the House and the Senate, along with the Attorney General's Office, the Commission on Higher Education, and SLED.

#### ***(2) Did the agencies submit their requests correctly per the Governor's instructions?***

Every agency is required to provide justification for each federal grant they anticipate receiving during fiscal year 2012 – 2013. Unfortunately for South Carolina taxpayers, both the University of South Carolina and College of Charleston did not include all of their federal grants for the Governor's consideration. It appears as though they are capitalizing on a loophole in the S.C. Code of Laws. Both schools quote Section 2-65-100 (3) of the South Carolina Federal and Other Funds Oversight Act, which states that funds from "...non-state funded research grants and contracts" are exempt from the requirement of providing detailed statements of a federal sources of revenue. For this to be accurate, neither school could use state resources when administrating their federal grants, even employees.

#### ***(3) How are agency's anticipated budgets shaping up for the upcoming fiscal year?***

Many agencies asked for massive increases in their operating budget. Below is a list of the top five ranking agencies that asked for the largest increase to the amount appropriated to them by the legislature earlier this year.

1) The Forestry Commission (figure includes one-time non-recurring revenue)	110%
2) The Retirement System Investment Commission	87%
3) The Budget and Control Board's Auditor's Office	50%
4) Clemson University Public Services Activities	47%
5) South Carolina State University Public Services Activities	40%

Here are examples of some eyebrow raising budget requests:

- A \$1.9 million increase in "Marketing and Promotion" funding to increase consumer awareness and product demand for quality SC agricultural commodities at local, national & international levels" by Department of Agriculture. See our recent [report](#) on *The Nerve* for more information on the Department's marketing effectiveness in this area.
- A non-federal funding match in order for SC State PSA to retain federal formula funds. [As we've pointed out recently](#), dependence on a federal government that is now \$14 trillion in debt and running a \$1.3 trillion deficit leads to our own state's loss of autonomy, obligates us to match federal funds, and hinders state authority.
- \$1 million in recurring funds for growing the Forestry Commission's job numbers and "economic impact." Economic development is not a core function of the Forestry Commission and, [as we've shown in the past](#), the "economic impact" of state agencies is questionable at best.

Keep checking back in with [SCPC](#) and [The Nerve](#) for daily budget updates and analysis!