State Budgets 2012: South Carolina

By
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Tuesday, March 1, 2011 at 09:59 AM

South Carolina

To see more state budget news and information, visit State Budgets 2012[2].

Budget Background:

- Fiscal Year Begins: July
- Frequency of Legislative Cycle: Annual
- Frequency of Budget Cycle: Biennial

Learn more from the National Association of State Budget Officers[3]

Budget News and Information: 2012

2/21/12: House Budget-Writing Committee to Debate Raises

South Carolina legislators writing the state budget are expected to debate teacher salaries and raises for other public employees. Democrats want to give public employees their first raise in four years, following years of furloughs that reduced take-home pay.

Read More: The State[4]

3/1/2012: Bill Advances to Give the Public a Detailed Report of State Tax Expenditures

A bill requiring South Carolina taxpayers to receive a detailed receipt of how their state taxes are spent has advanced in the Senate. The measure requires the Department of Revenue to post on tax forms and include in confirmation emails charts detailing how revenue from sales taxes, income taxes and fees is spent. That includes what percentage of state spending goes toward each budget category. Explanations must accompany the charts.
3/7/2012: Governor Opposes House Budget Committee Plan
Governor Nikki Haley strongly criticized the House budget-writing committee for not including her proposal to cut $140 million worth of taxes in their spending plan for the coming year. Republican leaders countered that their much larger tax overhaul is on its way.


3/16/2012: South Carolina House Approves 2012-2013 Budget Plan
The South Carolina House unanimously approved a $6.5 billion state spending plan that gives most employees a 2 percent raise, boosts state law enforcement, and provides health coverage to up to 80,000 additional children. It also sends an estimated $25 million from an impending nationwide mortgage settlement to the Commerce Department to help lure companies to the state, and covers the full $180 million state match toward deepening the Charleston harbor.


3/22/2012: House Committee Approves Legislation Making Gold and Silver Legal Tender
The South Carolina House Judiciary Committee has tentatively approved a bill allowing residents to use gold and silver coins as currency if a business agrees to take them.

Read More: The Times and Democrat [8]

3/28/2012: House Committee Approves Cut in State Income Tax
The legislation passed by the House Ways and Means Committee would provide a $78 million tax cut by consolidating lower tax brackets for people who make $2,800 or more in taxable income (after tax deductions and credits).

Read More: The State [9]

4/1/2012: Time Running Out to Lower State Sales Tax Rate
House Republican leaders are running out of time in the legislative session to move a plan that would eliminate upwards of 40 small tax deductions to offset the cost of lowering the state's sales tax to 5.5 percent from the current rate of 6 percent.

Read More: The Charlotte Observer [10]

4/11/2012: State Treasurer, House Speaker Oppose Restructuring State Budget and Control Board
Curtis Loftis, South Carolina's State Treasurer, and House Speaker Bobby Harrell released a joint statement opposing Senate legislation that would disburse the functions of the State Budget and Control Board in addition to creating a cabinet-level Department of Administration. The Senate legislation is a priority for Governor Nikki Haley who campaigned on removing the board because she believes it consolidates too much power into hybrid commission that has legislative and executive functions.
The Sumter Item

4/17/2012: State Treasurer Says $48 Million Saved by Refinancing Public Debt

South Carolina State Treasurer Curtis Loftis announced his office has refinanced $508 million worth of public debt, saving taxpayers about $48 million. Loftis said his office took advantage of low interest rates during its normal review of the state's debt portfolio, and the savings can be invested in other worthwhile projects without raising taxes.

Read More: Aiken Standard

4/27/2012: State House Approves Bill Changing State Sales Taxes

The House voted 63-39 to approve legislation that would remove nearly two dozen sales tax exemptions that would apply the additional revenue to a cut in the overall state sales tax. Before floor changes were made to the bill to add more exemptions, the state's current sales tax of 6 percent would have been reduced to 5.98 percent.

Read More: CBS News

5/4/2012: Senate Committee Approves Bipartisan Overhaul of State Pension System

Several new changes were added to reign in costs for the state's $14 billion unfunded, long-term pension liability. Current employees would only see modest changes with the exception of a phase-out of a retention program for public school teachers that allows them to effectively retire early, and then stay on the job for additional years to accrue full pension benefits.

Read More: CBS News

5/9/2012: State Analysts Predict an Additional $292 Million in Revenue

The state Board of Economic Advisors recently estimated that improving economic conditions would yield an additional $292 million in one-time revenue for the FY 2012-13 budget. The state's unemployment rate has steadily dropped from 10.5 percent when the fiscal year began last July to 8.9 percent in March — down from a high of 12 percent in late 2009.

Read More: CBS News

5/22/2012: Lawmakers Expected to Divert Home Foreclosure Funds

State lawmakers are currently divided about the best way to use the $31 million South Carolina received under the landmark settlement agreement between the federal government and states over bank foreclosure practices. The Republican controlled legislature is at odds with Democrats over how much of the funds should be diverted to business development funds, effected homeowners, and amounts to be sent to the General Fund.

Read More: WTMA

5/24/2012: Senate Passes FY 2012-2013 Budget Plan
The South Carolina Senate approved a $6.6 billion budget by a vote of 27-10 that gives a pay raise to teachers, state law enforcement, and state workers. The Senate budget also set aside $105 million for the state's rainy day fund. The budget now goes to the House for consideration.

**6/8/2012: Regular Session Ends Without A Budget, Special Session Looms**

The Legislature adjourned on June 7th without passing a budget and leaving efforts to reform the state's pension plan up in the air. Lawmakers are expected to return for a special session to resolve differences between and House and Senate-passed budget proposals on June 19th. House Speaker Bobby Harrell commented that measures to pass personal income tax cuts, removing sales tax exemptions, and strengthening the state's open record's laws are shelved for this year.

**6/18/2012: Budget Deal Tied to Fate of Small Business Tax Credit**

Representative Brian White, the Chairman of the House Ways and Means Committee, recently said no action will progress on finishing a budget deal until an agreement can be made on a key priority of House Republicans - permanently cutting taxes for small business owners. The House plan would reduce the tax rate from 5 percent to 3 percent on the profits that small business owners make, which is estimated to have a $60 million revenue impact. The Senate plan would phase in a gradual reduction of the rate over four years with a smaller overall cut of only $15 million.

**6/27/2012: Lawmakers Reach a Budget Accord, Additional Time Needed to Keep State Running Through New Fiscal Year**

State lawmakers reached a compromise and passed a budget plan that will give state workers a 3 percent pay raise and provided a $60 million tax cut for small businesses that will gradually reduce their tax rate from 5 to 3 percent. Governor Haley has indicated she will use her 5-day review period under her line-item veto authority. Legislators will also need to pass a temporary funding resolution to keep the government running during the review period by the Governor as the new fiscal year begins on July 1st.

**7/6/2012: Governor Haley Issues 81 Line-Item Vetoes in State Budget Plan**

Governor Nikki Haley plans to hold a press conference today to outline her 81 line-item vetoes in the state’s FY 2012-2013 budget. The Governor's objections to the legislature's budget plan largely revolve around how the state's share of the mortgage fraud settlement money is used and her opposition to several earmarks for special projects. Approximately $10 million of the state's $28 million portion of the mortgage fraud settlement funds were directed towards the Department of Commerce’s “closing fund” - which the department uses to build infrastructure as an inducement to lure companies to the state. Haley noted that the Commerce Department fund and another state program already have significant funding reserves and that directing mortgage settlement funds to these accounts was inappropriate.
7/7/2012: State Legislative Leaders to Call Lawmakers Back for Veto Overrides

House Speaker Bobby Harrell and Senate President Pro Tem John Courson announced they were calling lawmakers back on July 17-18 to consider overriding the vetoes issued by Governor Haley in the state's FY 2012-2013 budget. Speaker Harrell stated he intended to wait till mid September before calling legislators back, but he believes the vetoes issued by Governor Haley to eliminate funding for the state Arts Commission and the university system Sea Grant Consortium would put staff jobs at risk and he was concerned about a lack of pay raises for public school teachers. Governor Haley stated that supporting the arts was an individual's choice rather than a state function and that the state's colleges did not need a separate entity to pursue research grants.

Read More: Sumter Item [22]

7/18/2012: Legislature Overrides Several of Haley's Vetoes

State lawmakers voted to override many high-profile vetoes issued by Governor Haley and opted to restore funding to keep the Arts Commission and Sea Grant Consortium open through the next fiscal year. In addition to restoring line-items for the two agencies, lawmakers included $10 million in pay raises for public school teachers and directed $10 million from the state's foreclosure settlement with large banks towards a fund to lure businesses to South Carolina. The legislature sustained many of the Governor's vetoes on earmark projects, which garnered her praise, "They took a lot of pork and irresponsible spending out."

Read More: The Times and Democrat [23]

Budget News and Information: Previous Budget Cycles

5/11/11: South Carolina lawmakers expect to give $5.9 billion spending plan initial approval this week

The South Carolina Senate's lengthy budget bill debate may be coming to an end.

The Senate on Wednesday resumes debate on the $5.9 billion spending plan for the fiscal year that begins July 1.

It's the first time in years debate on the annual appropriations bill has stretched into a third week.

Debate stalled last week as Republican Sen. Lee Bright of Spartanburg worked for hours to make sure the state health plan wouldn't cover abortions after rapes or incest.

Read more: The Associated Press [24]

5/9/11: SC Budget Plan Would Designate $12M For New Buses

The latest budget plan would allow the South Carolina's Education Department to replace decades-old school buses that carry disabled students.

The Senate has designated more than $12 million for new school buses in its $5.8 billion spending
plan for the coming year.

Senators voted to take the money from unclaimed lottery prizes.

Read more: FoxCarolina.com [25]

5/5/11: Spending Plan Debate Resumes

South Carolina senators hope to wrap up unusually long debate on the state's $5.8 billion spending plan.

Thursday's debate will mark the sixth day senators have hashed out details of a proposed budget for the fiscal year that begins July 1. They usually get that work done in half that time.

Read more: WLTX.com [26]

4/29/11: SC lawmakers halt access to brand-name drugs

South Carolina senators chipped away Wednesday at spending on the state's Medicaid program, approving budget measures that will make it tougher for patients with mental illness or HIV/AIDS to get name-brand drugs.

The state's $5.8 billion spending plan for the fiscal year that begins July 1 includes more than $1 billion for Medicaid programs.

Budget writers had approved making sure patients with mental illness or HIV/AIDS could continue getting name-brand drugs if they were stable on them. But a handful of senators said it was a waste of money to allow free access to the more expensive drugs without first trying generics.

Read more: WISTV [27]

4/26/11: South Carolina Senate Begins Debate on $5.8 Billion Spending Plan

South Carolina's Senate began debate Tuesday on a $5.8 billion spending plan patched together with higher cigarette taxes, a crackdown on tax scofflaws and Medicaid reimbursement reductions for doctors and hospitals.

Read more: The State [28]

4/26/11: Budget plan calls for fewer day care inspections

South Carolina's large day care centers will be inspected fewer times under a measure tucked into the state's $5.8 billion proposed budget. Under that proposal, day care operators will see their two-year licenses extended to three through the Department of Social Services. DSS said it will continue to do unannounced inspections twice a year. But others tied to renewing a license will come only every three years.

Read more: The Post and Courier [29]

4/8/11: South Carolina's week of legislative action: Budget-Medicaid Fees

The state will pay 3 percent less for Medicaid patient care under legislation Gov. Nikki Haley signed into law Wednesday. It's part of the state Department of Health and Human Services' plan to deal with a $225 million deficit that had threatened to cut off payments for care of the state's poor, elderly
and disabled. And the new law ends South Carolina’s status as the only in the nation where the Legislature barred the Medicaid agency from cutting provider fees, Haley said as she signed the legislation that goes into effect Friday.

Read more: NECN.com [30]

4/8/11: South Carolina’s week of legislative action: School Choice

Budget advisers say private school choice would cost the state $133 million when fully implemented, not save money as advocates predict, but the information didn’t stop legislators Wednesday from advancing the measure to use tax credits to help parents send their children to private schools. A Senate panel moved the debate to the full Education Committee.

Read more: NECN.com [30]

3/22/11: House passes S.C. budget plan

Advocates for public schools and the arts - as well as state workers - are breathing a sigh of relief after House lawmakers passed an almost $5.4 billion spending plan Tuesday.

Dealing with the aftereffects of the worst recession in recent history, lawmakers hammered out a plan for the state's budget year that starts July 1. The Senate will take up the bill in April.

Read more: Columbia Herald on-line [31]

2/22/11: State could save $125M by reducing doctor rates

South Carolina's Medicaid agency could save $126 million by lowering payments to doctors and putting some patients on less expensive medication - changes legislators hope will keep the agency out of the red next year. The House budget-writing committee approved the changes on Tuesday. South Carolina is the only state in the nation that currently bars its Medicaid agency from lowering doctor rates.

Read more: Lake Wylie Pilot [32]