



South Carolina House of Representatives

# Legislative Update

James H. "Jay" Lucas, Speaker of the House

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# HOUSE WEEK IN REVIEW

The House of Representatives amended and gave second reading approval to H.3701, the General Appropriation Bill, and H.3702, the joint resolution making appropriations from the Capital Reserve Fund, which together comprise the proposed **FISCAL YEAR 2015-2016 STATE GOVERNMENT BUDGET**. The budget proposed for the upcoming fiscal year includes \$6.9 billion in recurring general fund revenue, \$127.8 million in Capital Reserve Funds, \$19.3 million in certified surplus revenue, and \$323 million in Education Lottery Funds.

\$50 million in motor vehicle sales tax revenues is transferred from the general fund to the South Carolina Transportation Infrastructure Bank to be utilized to leverage approximately \$500 million in bonds to finance bridge replacement, resurfacing and rehabilitation projects, and expansion and improvements to existing mainline interstates.

For K-12 public education, \$94 million is used for a \$100 per pupil increase for the base student cost to arrive at an estimated \$2,220.

\$5 million is provided for an expansion of reading coach initiatives. \$1.5 million is included for summer reading camp expansion.

\$1.4 million is included for First Steps to School Readiness early childhood education local partnerships.

\$29.3 million in Education Lottery funds is devoted to K-12 technology initiatives and \$2.1 million in Education Improvement Act funding is included for technology. \$4 million in EIA funding is included for professional development.

\$14.5 million in nonrecurring funds and \$6 million in excess unclaimed lottery prize money is provided for instructional materials.

\$2.9 million is provided virtual education operations.

\$11.9 million in Education Improvement Act funding is provided for South Carolina's Public Charter School District.

A program is created to provide incentives for recruiting and retaining classroom teachers in rural and underserved school districts that are experiencing excessive yearly turnover.

\$1 million in Education Improvement Act funding is appropriated for arts education grants and programs.

\$17 million is provided from the Capital Reserve Fund for purchasing or leasing new school buses. School buses are also afforded \$6 million in excess unclaimed lottery prize money and \$4 million in excess lottery proceeds. \$9 million is devoted bus shops.

Full funding is provided for the LIFE, HOPE, and Palmetto Fellows higher education scholarship programs.

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The budget defunds the Commission on Higher Education in response to concerns that the commission is playing an advocacy role rather than adopting a posture of regulatory oversight with respect to the state's institutions of higher learning. Funding is eliminated for CHE personnel and commission operations while all money tied to scholarship programs administered by the commission is transferred to the State Treasurer's Office.

The budget legislation includes a provision that transfers oversight and control of South Carolina State University to an interim governing authority in order to address the school's financial disarray and academic accreditation issues and ensure the continuing viability of the institution. The legislation removes the members of S.C. State's Board of Trustees and provides for an Interim Board of Trustees composed of the designees of the five members of the State Fiscal Accountability Authority: the Governor, Treasurer, Comptroller General, Chairman of the Senate Finance Committee, and Chairman of the House Ways and Means Committee. The Interim Board is authorized to remove the university's current president and employ an interim president on an at-will basis. \$4 million in nonrecurring funds is allocated for SC State's vendor debt.

The State Board for Technical and Comprehensive Education is afforded \$5 million in recurring funds for its workforce scholarships and grants program. \$5 million in nonrecurring revenue is devoted to worker training through the Ready SC Program at the state's technical colleges. \$5 million from the Capital Reserve Fund is provided for Workforce Pathways instructional materials. \$500,000 in nonrecurring funds is included for Pathways to Workplace infrastructure development. \$2 million in recurring funds and \$2 million in nonrecurring revenue is provided for manufacturing, healthcare, and Science, Technology, Engineering, and Math (STEM) training.

\$20 million from the Capital Reserve Fund is provided for an Aeronautical Training Center.

The Department of Commerce is afforded appropriations of \$500,000 for Regional Education Centers, \$250,000 for the Office of Innovation, \$200,000 in nonrecurring revenue for the SC Council on Economic Competitiveness, and \$750,000 in nonrecurring revenue for the Military Base Task Force.

At the Department of Social Services, \$2 million is devoted to child and adult protective services recruitment and \$3.7 million is provided for child and adult protective services pay increases. The budget provides for 120 additional case works to reduce sizeable caseloads. The 10% case worker salary increase provided in the budget combined with last year's 10% increase, allows for a 20% salary increase as a means of stemming the high turnover rate at the agency.

\$34.9 million is included to cover the increased costs of operating the state's health insurance plan with no increases in the premiums paid by employees and no reductions in coverage.

Provisions are included to commission a comprehensive state employee salary study.

\$68 million in Tobacco Master Settlement Agreement funding is devoted to maintenance of effort in the Medicaid program. \$11 million in recurring funds is included to address projected increases in enrollment.

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The budget legislation furthers the Healthy Outcomes Initiative that has been implemented as an alternative to an expansion in eligibility for the state's Medicaid Program as allowed by the federal "Patient Protection and Affordable Care Act" of 2010. Funding is continued for such accountability and quality improvement programs as: meeting the needs of chronically ill uninsured patients through home visits and care in other settings outside the emergency room; 100% cost reimbursement for rural hospitals; a Primary Care Safety Net utilizing such resources as Federally Qualified Health Centers and free clinics; and efforts to enhance provider capacity in rural and underserved areas. A pilot program is expanded into a statewide obesity education initiative.

The Department of Health and Human Services is directed to conduct a pilot program on all-inclusive health intervention for wrap-around care to vulnerable mental health patients who frequent the emergency room in hotspots and underserved areas within the state.

\$2.7 million in nonrecurring revenue is included to revamp the state's Medicaid eligibility system. \$5 million from the Capital Reserve Fund is provided for Medicaid Management Information System replacement.

\$2 million in recurring funds is provided for the state's telemedicine network. \$2 million from the Capital Reserve Fund is devoted to statewide telemedicine infrastructure.

\$3.8 million is devoted to an enhanced fee schedule for primary care physicians.

\$4.9 million is appropriated for expanded coverage for Autism Spectrum Disorder. \$7.9 million is devoted to children's mental health.

\$25 million from the Capital Reserve Fund is provided for a new children's hospital at the Medical University of South Carolina.

The Department of Health and Environmental Control receives nonrecurring revenue in the amount of \$500,000 for Criminal Domestic Violence, \$250,000 for the Best Chance/Colon Cancer Prevention Networks, \$100,000 for the National Kidney Foundation, \$100,000 for the J. R. Clark Sickle Cell Foundation, \$100,000 for the Bleeding Disorders Premium Assistance Program, and \$100,000 for Donate Life's Organ Donor Registry.

\$3.98 million in recurring revenue is allocated to DHEC for monitoring at the Pinewood Hazardous Waste Disposal Site. \$3 million in nonrecurring revenue is directed to its water quality initiative and \$50,000 in recurring revenue is provided for water quality testing.

\$6.4 million recurring fund increase is directed to the Department of Mental Health to address budget cuts sustained by the agency during the revenue shortfall of recent years. DMH receives \$3.2 million for forensic inpatient services, \$500,000 for school based services, \$500,000 for the telepsychiatry program, and \$400,000 for community supportive housing. \$2.7 million in nonrecurring revenue is included to continue the process of converting health records to an electronic format that is necessary for meeting federal hospital certification requirements.

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The Department of Disabilities and Special Needs receives \$6.4 million to reduce its waiting lists, \$2 million towards provider maintenance of effort, \$1 million for respite care services, and \$500,000 for nursing care quality. \$1.5 million in nonrecurring funds is included for autism services.

The Prosecution Coordination Commission receives \$1.6 million for circuit solicitor caseload equalization and \$400,000 for the SC Center for Fathers and Families.

\$1 million is provided for defense of indigents per capita.

The Attorney General's Office receives \$269,915 for sex/violent crime prosecutors and \$75,325 for a financial data analyst/forensic accountant.

The State Law Enforcement Division is provided \$520,940 for insurance fraud investigators. \$5 million from the Capital Reserve Fund is provided for a new SLED laboratory facility.

The Department of Public Safety is provided \$2 million in recurring funds and \$2 million from the Capital Reserve Fund for law enforcement vehicles. \$100,000 is included for tasers and \$800,000 from the Capital Reserve Fund is provided for body armor replacement.

The Department of Corrections receives \$4.5 million in recurring funds and \$1.5 million in nonrecurring funds for its mental health remediation plan, \$927,806 for medical staff, \$449,000 for youthful offender/addictions treatment, and \$440,000 in nonrecurring funds for its education improvement plan/vocational equipment.

\$2.6 million is provided to the Department of Probation, Parole, and Pardon Services for 44 new parole agents.

\$299,737 is appropriated to the Department of Natural Resources for 5 new law enforcement officers.

The Department of Vocational Rehabilitation is afforded \$250,000 for School to Work Transition Services and \$290,000 for job-driven vocational training.

The Department of Agriculture is afforded \$500,000 for agribusiness development and \$500,000 from the Capital Reserve Fund to expand "Certified SC" marketing.

\$3.8 million is provided for the Water Quality Revolving Loan Fund at the Rural Infrastructure Authority.

The Forestry Commission receives \$500,000 for 8 additional full-time firefighters and \$500,000 in nonrecurring revenue for firefighting equipment.

The Department of Revenue is afforded \$1.5 million from the Capital Reserve Fund along with \$6.5 million in nonrecurring revenue for implementing an updated tax processing system.

The Department of Parks, Recreation and Tourism receives \$1 million, half in nonrecurring funds, for the Undiscovered SC program to showcase the state's rural

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areas, \$2 million for the destination-specific advertising grant program, \$1 million from the Capital Reserve Fund for renovations at the state's welcome centers, \$1 million, half in nonrecurring funds, for the Sports Development Marketing Program, and \$500,000 for the Parks and Recreation Development Fund. \$250,000 in nonrecurring funds is included for the Medal of Honor Museum.

\$1 million in nonrecurring revenue is provided for Jasper Ocean Terminal Permitting. \$250,000 in nonrecurring revenue is included for Port of Georgetown dredging.

The Lieutenant Governor's Office receives \$529,827 for the vulnerable adult guardian ad litem program and \$750,000 for caregiver services.

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