



State of South Carolina Office of the Governor

MARK SANFORD
GOVERNOR

POST OFFICE BOX 12267
COLUMBIA 29211

June 7, 2010

The Honorable Robert W. Harrell, Jr.
Speaker of the House of Representatives
Post Office Box 11867
Columbia, South Carolina 29211

Dear Mr. Speaker and Members of the House:

I am hereby vetoing and returning without my approval H. 4250, R. 278, a bill that creates the Technical College of the Lowcountry Enterprise Campus Authority and the Horry-Georgetown Technical College Enterprise Campus Authority.

As we have said in the past, we support the technical colleges and their mission to educate students and train them for the workforce, and the two schools this bill applies to have done and continue to do a great job for the people of South Carolina. Nonetheless, we are compelled to veto this legislation because of its ultimate cost to the taxpayers and far-reaching consequences in other areas of the state.

The Technical College System's core mission is education, and we believe one of the keys to making technical education widely available is tied to keeping its cost affordable for working South Carolinians. Recently some campuses within the Technical System's have increased size and cost with no significant increase in the quality of education. Over the last few years we have seen five campuses started around the state which have increased the cost of education for both taxpayers and students.

Some advocates of the Technical College System have justified these projects with the promise that they would eventually be funded with private dollars. Unfortunately this promise has not always been realized and, if past is prologue, it is unlikely that it will be realized with this legislation. Earlier this session, we vetoed a similar piece of legislation, citing the lack of success – and a lack of private funding – of projects such as University of South Carolina's Innovista and Clemson's Restoration Institute. In the case of Innovista, the problem is the buildings that were constructed using public dollars remain largely vacant, and USC lacks the additional private funding needed to complete the project. Innovista has yet to attract enough

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private capital to make the project a worthwhile expenditure of public funds, despite the fact that the promise of private investment was the project's original justification.

Clemson's Restoration Institute has endured a similar experience – it has yet to realize the promised private investment necessary to make this project worthwhile. We are concerned that supporting H. 4250 would put our state in the position of putting more public funds toward research buildings without sufficient ready-to-go private tenants or accompanying private investments. We believe it is time to replace involuntary taxpayer capital with voluntary private capital.

In the past we have questioned whether similar legislation was the best use of resources for schools given the current fiscal climate. This year, with over a \$450 million shortfall in the state's budget, it is even tougher to justify schools spending money outside their core mission of educating the students they serve. Next year's budget scenario will be even more alarming, as nearly \$1 billion in stimulus funding which has been used to fill gaps in the general fund budget dries up – meaning more cuts to higher education could be on the horizon.

In previous veto messages, we have stated that we would support legislation similar to H. 4250 if it contained certain assurances – such as commitments from private investors before construction begins, a cost-benefit analysis before taxpayer dollars are spent, and a dedicated revenue source before a project is started. This bill contains none of these assurances and cannot guarantee that taxpayers' money will not be wasted on projects that the private sector does not support.

Although we applaud the bill's goals, we cannot support this legislation. We would be willing to reconsider our position during better economic times if the assurances outlined above are included.

For the reasons above, I am vetoing and returning without my approval H. 4250, R. 278.

Sincerely,



Mark Sanford