March 31, 2010

The Honorable André Bauer
President of the Senate
State House, First Floor, East Wing
Columbia, South Carolina 29201

Dear Mr. President and Members of the Senate:

I am writing to inform you that I am vetoing and returning without my approval S. 964, R. 145, a bill that would create the Technical College of the Lowcountry 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 Technical College of the Lowcountry has done and continues to do a great job for people from Beaufort, Jasper and even surrounding counties. Despite this affinity for the system at large and the Lowcountry in particular, we are still compelled to veto this legislation because of its ultimate cost to the taxpayers and far-reaching consequences in other areas of the state.

The core mission of education should be education. Over the last few years we have seen any number of campuses started around the state under the auspices of creating jobs and in each instance they have been very costly to the taxpayer – and over time will serve to raise the cost of education to the student as well.

Let me be specific on this; over the past six years we have seen projects started with public money on 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 with this legislation. Last year 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 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.
We can also look at Clemson’s Restoration Institute, whose lifeline is South Carolina taxpayers, has yet to realize the promised private investment necessary to make this project worthwhile. We are concerned that supporting S. 964 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.

Last year, when considering similar legislation, we also questioned if this was the best use of resources for schools given the “current fiscal climate.” This year’s fiscal climate is even worse with over a $450 million shortfall in the state’s budget. This makes it even tougher to justify schools spending money to step 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 that 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 our veto message last year we stated that we would support legislation similar to this 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.

So 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 S. 964, R. 145.

Sincerely,

Mark Sanford