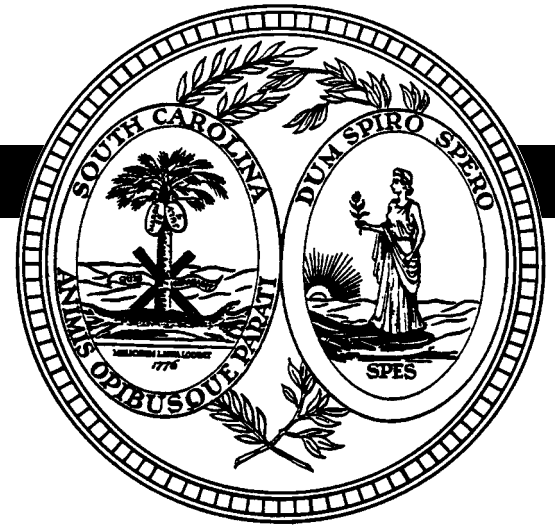


STATE OF SOUTH CAROLINA

# EXECUTIVE BUDGET

FISCAL YEAR 2007-2008



**MARK SANFORD**  
GOVERNOR

# **Executive Budget**

## **Fiscal Year 2007-08**



**January 3, 2007**

*Submitted by*

**Mark Sanford**  
**Governor**  
**State of South Carolina**

*to the*

**117<sup>th</sup> General Assembly of South Carolina,**  
**First Session**



# State of South Carolina

## Office of the Governor

MARK SANFORD  
GOVERNOR

PO Box 12267  
COLUMBIA, SC 29211

January 3, 2007

To the Citizens of South Carolina and the Members of the South Carolina General Assembly:

It is my pleasure and honor to present to you this administration's FY 2007-08 Executive Budget. Before going into some of the points included in the document, I would like to express my thanks to all of the review and results team members – many of whom were volunteers – who gave time, talents and focus to this effort.

As with our three prior budgets, our primary objective for the FY 2007-08 Executive Budget is to present to the General Assembly a balanced state budget that, without raising taxes, provides essential services to the citizens of South Carolina in the priority areas of education, health care and social services, economic development, public safety, and natural resources.

This objective is essentially the same for the General Assembly. Where we differ from the Legislature is that beyond this initial objective, our budget actually seeks a greater level of fiscal discipline than the Legislature's current fiscal discipline model which seems to merely want to "avoid tax increases to pay for government services." Rather, our budget holds FY 2007-08 spending growth to roughly the state's *population plus inflation* growth. We seek such a limit because we believe that spending by the state should not grow faster than the income of the people who are asked to pay for it.

By abiding by a population plus inflation spending limit, as we first proposed last year, revenues exceeding the spending limit will be available to address the state's unfunded liabilities and fund a permanent income tax cut. When we released our first executive budget in FY 2004-05, the state was coming out of an unprecedented period of revenue decline. This decline strained agency budgets – as agencies endured a series of across-the-board mid-year cuts – and led to the state closing its books with a \$155 million unconstitutional operating deficit during FY 2001-02 as well as the depletion of the state's General Reserve Fund (\$153 million) during FY 2001-02 and FY 2002-03.

As the fiscal crisis persisted, \$209 million was diverted from various trust and reserve funds to mitigate the impact of the mid-year cuts. In addition, there was an "embedded" GAAP deficit of \$105 million that resulted from the General Assembly taking a 13<sup>th</sup>

month of revenues for spending in a 12 month fiscal year in 1991, 1993, and 2001. The \$135 million shortfall in the State Health Plan reduced the standard 45-day payout ability down to as low as zero. By the time we presented our initial FY 2004-05 Executive Budget, the state faced financial obligations of three-quarters of a billion dollars.

We worked with the General Assembly in restoring trust and reserve funds last year. Nevertheless, serious challenges remain. Starting next year, the new accounting standards issued by the Government Accounting Standards Board will require all states to account for unfunded liabilities, and the State Health Plan has a \$9.2 billion unfunded liability in regard to its Other Post-Employment Benefits (OPEB). Amortizing this amount will require an additional \$535 million for the next fiscal year, and each year thereafter. While an incomplete step, after funding the operational needs of agencies, we propose dedicating \$439 million to establishing a trust fund to begin addressing the state's OPEB unfunded liability. The establishment of this fund, in conjunction with legislatively mandated adjustments to eligibility requirements and better health care expense management through plan design changes, should provide some relief for this looming fiscal crisis.

In addition to OPEB, a FY 2004-05 audit pointed to a sizable deficit within the Tuition Prepayment Program, with funds to be exhausted by 2017. Within our budget, we eliminate the Tuition Prepayment Program's current \$41 million deficit. While we seek to cover this deficit, we are fully aware that higher education tuition is rising too rapidly and must be reined-in for South Carolinians to continue to take advantage of affordable advanced learning opportunities. That is why we again seek tuition caps, and that is why we continue to discuss plans which restrain spending – as opposed to merely raising additional revenue such as tuition to meet budgets. In the end, our higher education plan is simple. We seek a quality, state-supported higher education system, yet one that is both affordable to the student and to the taxpayer.

The \$480 million used to either fully or partially cover the above cited unfunded liabilities represents 48 percent of the \$998 million in "new" funds available for allocation in our executive budget. This percentage of available funds – because of other fund revenue transfers into the OPEB trust fund – far exceeds the 37 percent of "new" funds we set aside last year to repay trust and reserve funds. When discounting the \$194 million impact of the other fund revenue transfers, revenue available for FY 2007-08 falls to \$804 million. Of this amount, we dedicate \$286 million (or 36 percent) to establishing the OPEB trust fund and eliminating the Tuition Prepayment Program deficit.

Beyond establishing an OPEB trust fund and covering the Tuition Prepayment Program deficit, dollars in excess of the spending limit should be returned to the state's taxpayers in the form of a small business and corporate tax cut and/or a personal income tax reduction. This action turn will foster a more competitive economy that will attract both jobs and investment to the state. As a result of the spending limit, this budget proposes permanently returning \$98 million in recurring funds back to businesses and/or individuals. In addition to this, we are proposing to raise the Cigarette Tax to

comparable levels of neighboring states, with the \$107 million in additional taxes generated by this increase offset by a permanent reduction in business and/or individual tax rates. Therefore, in total, we are proposing a \$205 million permanent small business and corporation tax cut and/or a personal income tax reduction with the FY 2007-08 Executive Budget. This reduction is important because we believe that South Carolinians deserve to share in the state's economic successes that they helped create.

As fellow conservatives, many Republicans in the House have pledged an allegiance to the idea of government spending caps – beyond the existing weak constitutional language – and returning such surplus revenues to the private sector to stimulate economic growth. Declaring such an allegiance to fiscal responsibility is, of course, the very essence of being a Republican. The late Milton Friedman, the great Nobel Prize winning economist and guide to many within the Republican Party, often spoke of this: “The preservation of freedom is the protective reason for limiting and decentralizing governmental power. But there is also a constructive reason. The great advances of civilization, whether in architecture or painting, in science or in literature, in industry or agriculture, have never come from centralized government.” Yet, as noted above, the reality is that “conservatives” within this state – whether affiliated with the Democrat or the Republican parties – speak somewhat of limiting taxes but little of limiting government growth. Such an unbridled position on government spending is certainly outside of the Milton Friedman concept of limited government. This FY 2007-08 Executive Budget strives to live within that concept.

Last year, we vetoed H. 4810, the FY 2006-07 General Appropriations Act, in its entirety due to excessive spending. Not including the Contingency Reserve Fund (CRF), Education Improvement Act (EIA), Lottery or Federal/Other Funds, last year's budget contained over \$1 billion in new recurring and non-recurring revenue.

Correlating to this increased revenue, the Appropriations Act spent \$689 million – or roughly 12 percent – more than the \$5.8 billion in recurring and supplemental spending realized during FY 2005-06. (When including the CRF spending increased \$861 million – or nearly 15 percent – above FY 2005-06 levels.) A 12-15 percent increase in state government spending – rates which exceed the state's personal income growth by nearly three times – is simply not sustainable given past historical trends and, accordingly, is not good stewardship of the taxpayers' money.

We are also again calling for the General Assembly to enact restructuring legislation that would increase accountability to the taxpayers and reduce duplicative government. Fractured government with limited accountability provides little benefit to the people we are supposed to serve. According to *Governing* magazine's *2006 Fact Book*, South Carolina government operates with a ratio of 234 state employees per 10,000 residents, 34 percent higher than the U.S. average of 174 state employees per 10,000 in population. The costs associated with this unusually high ratio of state employees take dollars away from direct benefits for the citizens served by South Carolina government and demands more in the way of funding from taxpayers. In addition, we are proposing for a third year giving agency heads the flexibility to target pay raises to recruit and

retain quality employees in high-need areas. Building on that proposal, we have also proposed funding a \$56 million merit pay program for teachers in South Carolina. This proposal, which will create a direct link between pay increases and student achievement, will allow school districts to reward the many great teachers who are succeeding and excelling in the classroom.

We also propose fully funding the Base Student Cost (BSC), increasing the BSC to \$2,476 for FY 2007-08, which brings total funding per student in South Carolina to an average of \$10,566. In addition, we propose fully funding the Education and Economic Development Act, which we hope will help us improve the abysmal drop-out rate in high school.

In total, we believe this budget corrects past fiscal management decisions, while setting the stage for more modest and predictable growth into the future. We also accomplish making major investments in education, health care, law enforcement, and quality of life within the confines of limited spending by setting budget priorities. We present this budget, the result of hundreds of man hours by citizens from around the state, and urge you to join us in creating a more affordable and accountable government to the taxpayers.

I look forward to working with the General Assembly on ways we can make such initiatives work for the taxpayers of South Carolina.

Mark Sanford

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# **Executive Summary**



## FY 2007-08 Executive Budget Summary

### Mission Statement

The mission and objectives of this executive budget are similar to the ideas that have been laid out in our three previous executive budgets. Our primary objective is to present to the General Assembly a balanced state budget that does not raise taxes while at the same time funds essential services for the citizens of South Carolina in the priority areas of education, health care and social services, economic development, public safety, and natural resources.

Beyond this, our budget seeks to limit the growth of FY 2007-08 government spending. By abiding by a government spending limit as we first proposed last year, revenues exceeding the spending limit will be available to properly address the unfunded liability needs of the state. In addition to this, funds should be returned to the state's taxpayers in the form of a tax cut, which in turn will foster a more competitive economy that will attract both jobs and investment to the state.

### Administration Goals

To achieve the above objectives, the administration first established nine major budget goals for the FY 2007-08 Executive Budget. Adhering to these goals, we then prioritized and funded the state's critical needs, while retaining the fiscal discipline demanded by both the citizens of the state and those organizations – such as the national bond rating companies – which analyze the state's financial performance. Our nine goals for the FY 2007-08 Executive Budget are as follows:

1. **Limit the annual growth of recurring general fund spending by not exceeding population growth plus the rate of inflation** – Throughout last year's legislative session, beginning with our submission of the FY 2006-07 Executive Budget, we advocated a budget that used a spending limitation of *population plus inflation over last year's recurring base*, for a very simple reason – state government spending should not grow faster than the income of the people who are asked to pay for it.

While current state law does provide for a spending limitation, we feel that it is far too liberal in its approach and allows government to grow at unsustainable levels. Under the current limit, state spending could grow by \$4.2 billion over FY 2006-07 levels. As such, revenues (i.e., taxes, fees) could be increased dramatically to support the current limit. In contrast, our recurring – and, for that matter, non-recurring (exempting Capital Reserve Fund and the Contingency Reserve Fund) – general fund spending plan limits growth to \$399 million during FY 2007-08.

According to the estimate provided to us by the state's Board of Economic Advisors, population plus inflation growth for the FY 2007-08 is projected at 5.503 percent. Exempting a handful of constitutional and statutory items,

this figure increases to 6.53 percent. Therefore, our commitment is to hold the line on state government spending to no more than an increase of \$399 million (or 6.53 percent) above the FY 2007-08 recurring base of \$6,108 million. While our limiting method for FY 2007-08, we will certainly entertain all such similar population plus inflation efforts from the General Assembly.

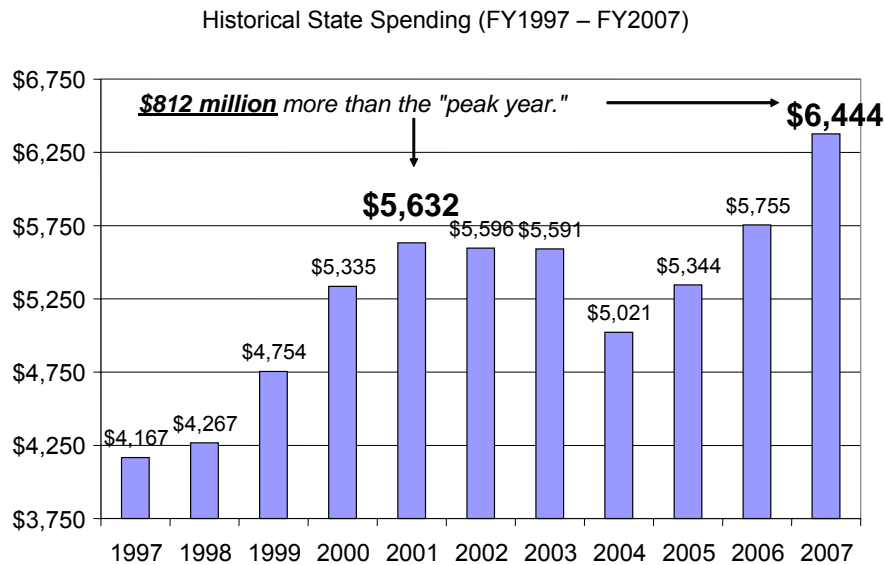
Regardless of which method is ultimately chosen, it is important to not compare apples-to-oranges when viewing our 6.53 percent growth rate versus potential legislative efforts at a spending limit. Prior efforts from the Legislature have typically limited government spending over recurring and non-recurring spending from the prior year. During FY 2006-07, this amount totaled \$6,444 million (or perhaps higher considering we have deducted tax savings plans, contingency reserve funding, and trust/reserve payments to achieve the \$6,444 million figure). By this standard, our spending plan of \$6,507 million (\$6,108 million + \$399 million) will be roughly 0.97 percent – not the 6.53 percent reflected above – over last year’s level.

While some will disagree with us for basing our spending limit on growth above the prior year’s recurring base, we feel that adding non-recurring spending to the denominator is equivalent to adding this amount to that base. Such an action increases the state’s annualization risks.

Further, from the shown differential in percentage increases associated with the two different denominator methods (recurring and recurring plus non-recurring), it is obvious that presenting growth above recurring plus non-recurring allows for a far greater increase in government spending while at the same time appearing fiscally conscientious.

We do not think government spending should grow faster than the growth of people’s pocketbooks and wallets, and with last year’s Appropriations Act it grew by more than twice as fast. This happened before at the earlier part of this decade, and it had unfortunate consequences. When the growth stopped, not surprisingly, the state had to make painful midyear budget cuts.

The argument we heard from Legislators last year was that “growing government 12-15 percent simply put us back to where we were before the midyear budget cuts in FY 2000-01.” That is simply not true as the following chart illustrates.



We have more than caught up from the lean times of four years ago, and the question we need to ask is whether it is a good idea to set ourselves up for the same fall again. The Appropriations Act was almost \$812 million above the previous budget high-water mark that people talk of “getting back to,” and the total state budget has moved consistently upward from \$15 billion to \$20 billion as a result of more money from the federal government and state government shifting to fees when revenues flattened in the early 2000’s.

This spending by the Legislature is unsustainable. These times of plenty will not roll on indefinitely. Yet, during this past legislative session, when the state’s economy continued to improve and hundreds of millions of unanticipated new taxpayer dollars poured into state coffers and were certified by the BEA, the commitment of many House Republicans’ to a spending limit pledge went out the window. Faced with the choice of either spending the record-breaking flood of new revenue or remaining true to their pledge to limit state government spending to a reasonable level and return the excess to the taxpayers, many House Republicans decided to ignore their pledge. In the days before the House first considered the budget, a House GOP leader (and one of the House budget conferees) actually said that the House had to spend all of the unexpected new revenues in order to beat the Senate to the punch – in other words, to put House members’ special projects in the best position of prevailing over Senate members’ special projects.

This “race to spend” approach to budgeting continued throughout the FY 2006-07 Appropriation Bill debate as more and more unexpected revenues became available for spending. Each time that the Board of Economic Advisors certified additional new revenues, the House or the Senate (depending on which body was considering the budget at the time the

## FY 2007-08 Executive Budget

certifications were made) ratcheted up the rate of state spending. Absolutely no effort was made to keep state spending tied to the taxpayers' ability to sustain the spending in the future, the "cap" simply became whatever amount of new money that the BEA certified.

**Therefore, in an effort to provide both stability and sustainability to the state's yearly purchases, we propose limiting the growth of recurring general fund spending to 5.503 percent during FY 2007-08, exempting yearly constitutional and statutory funding requirements. This rate is based on recent Bureau of Labor Statistics and U.S. Census Bureau population data. With the excess revenues that exceed the spending limit, and with transfers from several other fund revenue sources, we propose using these recurring and/or non-recurring funding sources to establish a \$439 million Other Post Employee Benefits (OPEB) trust fund to combat the unfunded liabilities associated with the benefits offered retirees under the State Health Plan; to provide \$41 million to eliminate the Tuition Prepayment Program unfunded liability; to accelerate debt repayment by \$21 million; and, to fund a \$205 million business and/or personal income tax cut (with \$107 million provided by a cigarette tax increase). We believe that such uses are consistent with the goal of fiscal discipline demanded by the taxpayers of South Carolina. This is summarized as follows:**

REVENUES	FY 2007-08 BASE	FY 2007-08 EXECUTIVE BUDGET	\$ CHANGE
FY 2007-08 BEA Estimate Gross General Fund Revenue (11/10/06)		\$7,103,000,000	
Less: Tax Relief Trust Fund		(\$521,643,795)	
Plus: Tax Relief Trust Fund Carryforward		<u>\$13,797,464</u>	
Net General Fund Revenue Estimate Revenue Adjustments	\$6,108,004,521	\$6,595,153,669	\$487,149,148
– Use of BEA Certified Surplus Revenue (FY 2006-07)		\$306,929,588	
– Excess Agency Cash (State Ethics Commission)		\$250,000	
– Business License Tax – Reduction from decline in demand due to increase in Cigarette Tax		(\$2,182,000)	
– Taxes and Fees redirected from Economic Impact Zones		\$8,800,000	
– Taxes and Fees redirected from Redevelopment Authorities		\$2,824,632	

## FY 2007-08 Executive Budget

<b>Revenue Increases</b>	<b>\$6,911,775,889</b>	<b>\$803,771,368</b>
<b>Less: Spending Limit</b>	<b>\$6,108,004,521</b>	<b>\$6,506,699,775</b>
<b>Based on 5.503 percent with spending limitation exclusions:</b>		<b>\$398,695,254</b>
▶ FY 2007-08 Capital Reserve Fund proceeds, \$111,821,213		
▶ FY 2007-08 Contingency Reserve Fund proceeds, \$171,541,103		
▶ FY 2007-08 Lottery appropriations, \$270,540,219		
▶ FY 2007-08 EIA appropriations, \$673,000,000		
▶ General Reserve Fund yearly funding requirements, \$19,048,978		
▶ Capital Reserve Fund yearly funding requirements, \$12,699,319		
▶ Local Government Fund, yearly funding requirements, \$30,823,468		
<b>= Difference between revenue increases and spending limitation:</b>		<b>\$405,076,114</b>
+ General Funds available from Medicaid shift to other funds generated by Cigarette tax increase of \$0.30:		<b>\$107,270,000</b>
<b>Total in Excess of Spending Limit</b>		<b>\$512,346,114</b>
 <u>Uses of revenue in excess of spending limitation:</u>		
– Permanent Tax Refund:		(\$205,166,526)
- Elimination of Tuition Prepayment Unfunded Liability:		(\$41,338,714)
– Debt Repayment:		(\$21,175,000)
– Establishment of OPEB Trust Fund:		(\$244,665,874)
<b>Total Uses of Excess of Spending Limit</b>		<b>(\$512,346,114)</b>
 <u>Other Fund Revenue Transfers to OPEB Trust Fund:</u>		
State Health Plan – Excess IBNR Reserves:		(\$136,800,000)
Lapsed Unobligated Competitive Grants Revenue FY2006-07:		(\$34,355,384)
<u>Unemployment Compensation Fund:</u>		(\$23,000,000)
<b>Total Other Fund Transfers to OPEB Trust Fund:</b>		<b>(\$194,155,384)</b>
<b>Total Amount Used To Establish OPEB Trust Fund:</b>		<b>(\$438,821,258)</b>

2. **Fund property tax relief and return a portion of the surplus to taxpayers** – Since 1995, the state has returned billions in property tax relief to the people of South Carolina. Last year, the General Assembly passed legislation which offers even more property tax relief by shifting K-12 Education funding responsibility from owner-occupied homeowners to the general populace in the form of a sales tax increase. While we feel that it is important to highlight the tax shift nature of this bill, we nevertheless agreed with and signed last year’s landmark property tax bill since we feel that the burden of being a homeowner within the state has become too great for some of our fellow citizens.

Yet, as important as the property tax relief actions are, we as a state can provide much more tax relief to our citizens. This is apparent when analyzing what we spend on state government compared with our neighbors the North

and South. Simply put, South Carolina spends significantly more on its state government than its neighbors.

Therefore, after we fund our priority items, fund a \$439 million OPEB trust fund, eliminate the \$41 million Tuition Prepayment Program unfunded liability, and eliminate \$21 million in outstanding debt, there still remains additional funds. We believe those dollars should be returned to the people who provided that revenue.

- a) **Fully Fund Property Tax Relief Trust Fund** – In 1995, the General Assembly passed legislation to provide relief for homeowners through the Trust Fund for Property Tax Relief. Since enacting that broadbased legislation, \$4.5 billion has been returned in the form of property tax relief. **In this budget, we set aside \$522 million for FY 2007-08 in payments back to local governments for property tax relief.**
  
- b) **A Tax Cut for Businesses and/or Individuals** – Since our first executive budget, we have advocated restoring our fiscal house by eliminating the unconstitutional \$155 million deficit, restoring the borrowed funds from trust and reserve funds, and finally eliminating the GAAP deficit created by the General Assembly beginning in 1991. In last year's budget, we finished that nearly \$750 million goal, while funding our priorities at the same time. However, we believe that South Carolinians should share in good economic times, just as they have to pay through the bad economic times.

Recognizing the administration's long-standing position on the current tax rate for small business, the General Assembly rightfully sought to decrease the tax burden on small business during the 2005 legislative session. Effectively, we reduced the income tax rate paid by S-corporations, LLCs, and sole proprietors from seven percent to five percent over a four-year period. When fully implemented, this reduction will put nearly \$124 million each year back into the hands of small-business owners.

While this is a great step in the direction of tax relief, we continue to believe more needs to be done. In looking at South Carolina's tax code, we believe our relatively high income tax rate for individuals stymies economic growth. This belief was shared by our friends in the House of Representatives – who twice passed our proposal to decrease the state's uncompetitive income tax rate for all South Carolinians.

We effectively have the highest income tax rate in the Southeast when applying the rate to the 2005 state per capita income of \$28,212. Our past proposal gave South Carolina an ending top marginal rate of 4.75

percent. This rate would put us just above the current Southeastern average for income tax rates being paid on per capita income. From a competitive standpoint, we would prefer to fall below the Southeastern average, but, at the very least, it is imperative that we bring our rate down. Failure to do so will keep us at a competitive disadvantage.

We once again have an excellent opportunity to provide income tax relief for all South Carolinians. Our proposal ultimately calls for an income tax reduction totaling \$205 million. By holding spending increases to population plus inflation, our budget is able to set aside \$98 million to be returned to taxpayers on an annual basis. Additionally, our budget proposes a cigarette tax increase of 30 cents per pack that would generate \$107 million yearly. We believe these dollars should be used to reduce the income tax burden for our largest taxpaying population – all individuals across South Carolina who work and pay income taxes.

With the excess revenue, we could reduce taxes in a variety of ways: (1) indexation of brackets, (2) lowering of the top marginal rate from 7 to 6.5 percent, (3) lowering of small business and corporate tax rates in a number of ways, and (4) any combination of these. The overarching goal with any tax plan is to have the greatest positive effect on increasing investment and creating jobs throughout the state. Therefore, whether it is higher business licenses, fees or taxes, higher tuition costs, or increased energy costs resulting from expanded demand for oil, **we are proposing to return \$205 million in excess tax revenue to ease the of burden taxpayers around the state.**

- 3. Appropriate funds based on a rational assessment, from the citizen's perspective, of the relative importance of the activities of government** – In an effort to prioritize and then provide for the core needs of the state, we again are utilizing the **Budgeting for Results** process that we established during FY 2005-06. In preparing our budget, in September 2006 we held a series of public budget discussions, open to the public and the press, with directors of 18 state agencies throughout South Carolina to discuss better and more efficient ways to achieve our state's budgetary goals.

In addition to public budget hearings, we worked with legislative staff and "results teams" made up of state employees and private volunteers to compile a list of more than 1,600 activities performed in our state. Using the Budgeting for Results process, we then worked with the results teams to rank all of these activities as they relate to the core outcomes we think government should provide. Instead of "funding" agencies, we "purchased" the activities and outcomes we believed would deliver the greatest results for our citizens.

Through these actions, our proposed budget recommends over **\$92 million in specific general fund savings** to the taxpayers through operational efficiencies, savings realized by our cabinet agencies, and by not purchasing lower-priority activities.

In addition to the new growth projected for FY 2007-08, we are recommending the re-investment of these savings into higher priority activities in the areas of education, health care and social services, economic development, public safety, natural resources and finally constitutional and statewide needs described as follows.

- a) **K12 Education – \$2.3 Billion General Funds / \$3.9 Billion Total Funds** – To provide for the state’s K-12 needs (683,600 students) during FY 2007-08, we propose increasing recurring spending for K-12 education by \$193 million to push our per pupil spending to an estimated \$10,566 per pupil. In this budget, K-12 represents 37 percent of general fund spending. Regardless of the increase, as with all other components of this budget, we believe tax dollars should buy results. In addition to increased funding, we offer several suggestions for receiving better value for those dollars and providing more flexibility at the local level.

A key function of the K-12 educational system is to prepare students for life and work. Unfortunately, for many of our students the quality of the service they receive is far from what will prepare them for life in today’s global economy. When an all-time high of 36 percent of schools are rated below average or unsatisfactory, nearly three-fourths of the state’s 8<sup>th</sup> graders are not proficient in reading or math, state SAT and ACT score rankings remain at the bottom nationally, and graduation rates continue to decline to the point where they are worst in the nation, it is clear that we need to take a targeted approach to education spending that can improve the performance of our students.

To assist with the state’s K-12 education needs during FY 2007-08, we propose increasing recurring general funds for the following activities (for a full list, please see attachment B2):

- **Base Student Cost full funding: \$94 million (also, this is the second year in which our executive budget “fully funds” education pursuant to Proviso 72.1);**
- **Keeping the average teachers salaries at \$300 above the Southeastern Average through the implementation of merit-pay incentives that will reward teachers who get the results that we so desperately need: \$56 million;**



- **Student Health & Fitness Act funding: \$29.9 million;**
- **Annualizing funding for 4K Child Development Pilot Program: \$23.6 million;**
- **Education and Economic Development Act funding to provide our students with the tools they need to choose a career path that will prepare them for today's competitive world: \$17.3 million;**
- **Providing South Carolina's 390 below average and unsatisfactory schools the flexibility to pursue innovative programs that will help them overcome the obstacles that have limited their success; and,**
- **Expanding public school choice options for students by providing start-up costs for Public Choice Innovation Schools through the South Carolina Public Charter School District: \$1.0 million;**
- ***Nonrecurring funds to provide safe, reliable transportation for the more than 683,600 public school students; complete the final phase of residential hall construction at the Governor's School for the Arts and Humanities; updating the School for the Deaf and the Blind to provide a secure learning environment; and modernizing the Wil Lou Gray facility to offer at-risk students the individualized attention they need: \$63.6 million.***

b) **Higher Education and Cultural Resources – \$786 Million General Funds / \$3.8 Billion Total Funds.** During FY 2007-08, the Higher Education and Cultural Resources goal area will increase significantly in spite of the fact that as recent as 2004, South Carolina had the second highest amount of higher education expenditures as a percent of total expenditures among Southeastern states. Only Kentucky, at 19.1 percent dedicated a higher level of their state budget to higher education.

By comparison to the entire nation, only six states dedicate a greater percentage of their budget to higher education than South Carolina: Iowa (26.3 percent), Nebraska (21.9 percent), Oklahoma (20 percent), New Mexico (19.8 percent), Kentucky (19.1 percent), and Kansas (17.3 percent). In fact, South Carolina exceeds that national average of 10.5 percent, by nearly seven full percentage points.

Expenditures to Higher Education compose the 2<sup>nd</sup> highest amount of total funding in the FY 2007-08 Executive Budget, compared to 3<sup>rd</sup> in the FY 2005-06 Executive Budget. Total funds to Higher Education and cultural resources will increase from 18.6 percent to 18.8 percent

of the budget and its total funds are up by \$170 million in next year's budget – largely because of another year of double-digit tuition increases. That being said, we do propose a decrease to their general funds.

Despite the reduction in proposed general funding, we are ensuring the accessibility and affordability of our higher education system by increasing the total funding to the states major scholarship programs:

- **LIFE Scholarships by \$8,285,186** for total funding of \$149,649,015;
- **Palmetto Fellows Scholarships by \$3,276,006** for total funding of \$21,106,764; and
- **Needs-Based Grants by \$2,479,027** for total funding of \$13,725,120.

According to the Southern Regional Education Board, South Carolina's tuition costs have increased by \$5,500 from 1994 to 2004 even after adjusting for inflation. Over that same period, state tuition increased \$1,300 higher than the national average and \$1,800 (\$180 a year) higher than the Southern Regional average over that same time period.

Tuition and fees at four-year institutions in South Carolina increased an average of 11.1 percent this year. In contrast, the technical college sector, which has a governing board with authority to set a range in which tuition and fees must fall, had an average fee increase of 4.3 percent this year. We believe the governance structure of the technical schools contributes to their lower tuition increases, and we will continue to seek legislation to reform how our colleges and universities are governed. We will also propose a proviso that would limit tuition and fee increases to the prior years Higher Education Price Index (HEPI).

- c) **Health Care and Protections of Children and Adults – \$1.5 Billion General Funds / \$8.4 Billion Total Funds.** South Carolina is currently ranked 46th in the nation in the health status of its citizens, up. We're 14th in smoking, at 22.5 percent of the population, which is an improvement from 25 percent two years ago but still above the national average. Other concerns remain: we're tied for 11th in adult obesity, 2<sup>nd</sup> in diabetes, and the age of Type II diabetes is creeping downward into the adolescent range. Also, 17.7 percent of our population lacks health insurance and the percentage of children vaccinated has slipped to just under the national average after years of being better than average.

To assist with the state's health needs during FY 2007-08, we propose increasing recurring general funds for the following activities (for a full list, please see attachment B2):

- **Increases at the Department of Health and Human Services (DHHS) which provide core health care benefits for the poor, elderly, and persons with disabilities: \$50 million in new general fund recurring dollars and \$10 million in tobacco deallocation dollars;**
- **Improvement of our frontline, direct client services provided through the Department of Social Services. We have had complaints about residents being abused at some of our long-term care facilities (especially those associated within the Department of Disabilities and Special Needs [DDSN]): \$15.8 million in increased;**
- **Annualizing Community Training Homes, Waiver, Family Support, Adult Supported Employment which was provided to the Department of Disabilities and Special Needs last year through Supplemental Sources: \$7.5 million;**
- **Continuing our focus on chronic disease prevention: \$4 million in recurring funding for the Prevention Partnership Grants program and \$2 million for Chronic Disease Prevention at the Department of Health and Environmental Control (DHEC);**
- **Annualizing Inpatient Care at the Department of Mental Health and for Nursing Home Care for South Carolina's veterans: \$5 million;**
- **Mental Health Nursing and Clinical Staff Recruitment and Retention through additional dollars provided to the Department of Mental Health: \$1.0 million;**
- **Helping healthy mothers have healthy children by providing an additional \$500,000 for Mothers and Infant Children programs and an additional \$1 million for vaccine purchases for uninsured children and adolescents through additional dollars provided to the Department of Health and Environmental Control;**
- **Chemical Dependency Community Based Prevention and Treatment Services through additional dollars provided to the Department of Alcohol and Other Drug Abuse Services (DAODAS): \$325,000;**

- **Stockpiling of vaccines for pandemic influenza and other public health emergencies through additional dollars provided to the Department of Health and Environmental Control: \$200,000 (plus \$1 million in non-recurring funds); and**
- ***Nonrecurring funds to renovate, improve and/or maintain facilities at the Department of Mental Health and the Department of Health and Environmental Control; to provide child support enforcement at the Department of Social Services; and, to implement safety improvements at Commission for the Blind facilities: \$28 million.***

d) **Economic Development – \$90 Million General Funds / \$1.5 Billion Total Funds** – Economic Development is a primary role for government in South Carolina. Yet, there is often a lack of understanding about how government should pursue this role and about how to track economic successes. As a case in point, we often hear about the successes of the 1990's when referring to state development efforts. However, 36 percent of the jobs announced by Commerce in the 1990's have moved elsewhere or never materialized. This administration early on realized that such "successes" were in fact unacceptable and looked for ways in which the agency could change the way it does business.

Our efforts are paying off. Whether it is record job creation, or jobs paying on average 39 percent higher than the state average per capita income, the agency's efforts are bearing fruit. Nevertheless, we have a long ways to go.

Specifically, to assist with the state's economic development needs during FY 2007-08, we propose increasing recurring general funds for the following activities (for a full list, please see attachment B2):

- **Park and tourism marketing/media through additional dollars provided to the Department of Parks Recreation and Tourism (PRT): \$13.4 million;**
- **Closing Fund to attract quality companies provided to the Department of Commerce: \$7 million;**
- **Research and development at Clemson University's International Center for Auto Research (ICAR): \$1.5 million;**
- **Agricultural marketing and promotions associated with the South Carolina Quality Program through**

**additional dollars provided to the Department of Agriculture: \$400,000;**

- **Venture Capital Program activities, as well as the state's CDBG match, through additional dollars provided to the Department of Commerce: \$348,000;**
- **Insurance actuaries for solvency monitoring and form and state review, as well as catastrophe modeling through additional dollars provided to the Department of Insurance: \$304,000; and**
- ***Nonrecurring funds to initiate the Myrtle Beach airport expansion, first-time funding of a Rural Broadband Fund which will allow the state to be competitive in the global marketplace, partial funding of the Ports Access Road, and, continued payment for harbor dredging: \$115 million.***

- e) **Public Safety – \$600 Million General Funds / \$1.1 Billion Total Funds** – Public safety continues to be a major concern for the citizens of South Carolina. The state was recently ranked as having the fifth highest crime rate in the nation as reflected by data compiled by the Federal Bureau of Investigation (FBI). While one should not singularly focus on a crime rate without regard to many other factors (such as population density, education levels, etc.) there nevertheless continues to be a pervasive crime problem within the state as evidenced by our sizable prisoner incarceration rate of 539 prisoners per 100,000 population – 10.9 percent higher than the national average.

South Carolina is also threatened by natural and technological hazards. The threat posed by these hazards can be both immediate (e.g., hazardous chemical spills, hurricanes, tornadoes) and long-term (e.g., droughts, chronic chemical releases). These hazards have the potential to disrupt day-to-day activities, cause extensive property damage and create mass casualties. Historically, the greatest risk was perceived to be from natural hazards (e.g., hurricanes, tornadoes, severe storms, floods, earthquakes). For instance, South Carolina has averaged 11 tornadoes each year since 1950, resulting in 47 fatalities and 1,057 injuries. Lately, however, the continued expansion of chemical usage is raising the risk posed by technological hazards (e.g., hazardous chemical releases/spills) in South Carolina such as the one experienced in Graniteville several years ago.

Finally, South Carolinians face numerous individualized hazards such as traffic collisions and hunting and boating accidents. In fact, South Carolina highways were recently cited as the second most deadly roads

in the nation with an average of three people dying on South Carolina roads each day.

Faced with such conditions and risks, it becomes apparent that an improvement for the safety of people and property is fundamental not only to the quality of life in South Carolina, but also to the vibrancy of its economy.

Specifically, to assist with the state's public safety needs during FY 2007-08, we propose increasing recurring general funds for the following activities (for a full list, please see attachment B2):

- **100 new Highway Patrol officers to provide greater highway traffic enforcement and to further reduce the response times to collisions: \$5.3 million (within the last three executive budgets, we have added 300 new HP officers);**
- **Annualization of operational funds for correctional facilities around the state: \$4.3 million;**
- **Increased intensive probation and parole supervision of juveniles: \$1.8 million;**
- **Upgrades of mental health services for adult offenders at the Department of Corrections: \$1.5 million;**
- **Twenty-five new State Transport Police (STP) officers to provide greater size, weight and other commercial motor vehicle enforcement to better preserve the state's road system: \$1.4 million (within the last three executive budgets, we have added 70 new HP officers);**
- **New State Law Enforcement Division (SLED) officers to combat the narcotic and vice crime throughout South Carolina: \$688,000;**
- **Greater retention of correctional officers through increased incentive pay: \$640,000;**
- **New forensic laboratory staff at SLED to improve turnaround times on forensic cases: \$511,000;**
- **Second year funding of Jessie's Law: \$500,000;**
- **Five new Bureau of Public Safety officers to provide greater protection and security coverage for the buildings which make up the state house complex: \$241,000;**
- **a "CJIS" sex offender registry system to better track potential offenders between states: \$200,000;**

- **Girls transition home operation funding at the Department of Juvenile Justice (DJJ): \$164,000; and**
  - ***Nonrecurring funds to renovate and/or construct new juvenile and adult penal facilities at the Department of Corrections and the Department of Juvenile Justice; purchase equipment and vehicles for law enforcement; upgrade and construct weigh stations in order to better maintain the state's road system; and, make renovations at the criminal justice academy: \$47 million.***
- f) **Natural Resources – \$88.5 Million General Funds / \$322.5 Million Total Funds** – Quality of life is inexorably linked to the quality of an area's natural resources. No where is this more evident than in South Carolina, where we are blessed with both valuable and vulnerable expanses of timberland, shoreline and foothills teeming with wildlife. Preserving our lakes and our trees, our beaches and our marshland is paramount not only for us today, but for our children and our children's children for years to come.

Our natural resources provide both an immediate economic boon and a lasting benefit to the citizens of South Carolina, and, thus, the state's role in protecting our natural resources is five-fold: to market the socioeconomic value of South Carolina's natural resources; to produce statewide outcome-driven policies aimed at ecological sustainability; to minimize the negative effects related to industrialization and population growth; to regulate and enforce quality standards; to provide programs aimed at individual-level citizen stewardship and education; and to prevent and respond to irresponsible human behavior resulting in natural resource destruction.

In this spirit of both immediate economic benefit and long-term conservation and to provide for the state's natural resource needs during FY 2007-08, we propose increasing recurring general funds for the following activities (for a full list, please see attachment B2):

- **Improved water quality by providing additional dollars to the Hydrology Division of the Department of Natural Resources as well as increases to the Department of Health and Environmental Control: \$1.4 million;**
- **Funding of Contaminated Hazardous Waste Site Cleanup through additional dollars provided to the Department of Health and Environmental Control: \$500,000; and**

- ***Nonrecurring funds to the Conservation Land Bank in an effort to protect important tracts of timberland for future generation; provide for renovations/asbestos abatement at state park facilities; and, to protect the state's marine ecosystem: \$22 million.***

**g) Central State Government and Other Governmental Services-\$664 Million General Funds / \$1 Billion Total Funds –** To provide for constitutional/statewide needs during FY 2007-08, our executive budget funds \$31.7 million in constitutional items (e.g. Capital Reserve Fund; General Reserve Fund) and \$119.6 million in statewide/statutory items (e.g., Local Government Fund, an employee pay raise, and, the state employee health plan). Pay plan funding represents a \$52.3 million increase over last year's pay level to allow state agencies to address critical needs and provide incentives to their best employees – which would roughly be the equivalent of a three percent across the board pay raise.

Further, we propose a \$37.5 million increase in funding for the state employee health plan marking the second consecutive year that we have sought to cover the premium increases of non-tobacco use employees. For five years prior to FY 2005-06, employees saw increases in their health insurance premiums.

- 4. Decrease the size of state government by consolidating agencies, boards and commissions, and strengthening the cabinet form of government –** This administration has been committed to continuing the legacy of Governor Carroll Campbell by further restructuring state government to increase accountability and reduce duplication and waste. Our state government today is still largely fractured and duplicative, taking dollars that would otherwise go to the citizens of our state. Many agencies are run by boards and commissions comprised of well-intended people who give of their time, typically for little to no pay. While we are grateful to any citizen who is willing to give of their time to serve the people of this state, these are also people with families and jobs that keep them away from the daily operations of state government. We believe that the cabinet form of government significantly increases accountability, as we have seen with the cabinet agencies created during Governor Campbell's time in office.

In addition to a need for a Department of Administration, we also believe that changes are needed at the South Carolina Department of Transportation. Currently, that agency lacks the level of accountability found in other states. Forty-seven governors appoint the director of the Department of Transportation or appoint all Highway Commission members (South Carolina, Georgia, and Mississippi are the only states that do not). In South



Carolina, the governor can only appoint the chairman of the Commission, who can only vote in the case of a tie. The other commissioners (whose appointments are not subject to a full Senate vote) choose the director of the agency. Of the forty-seven states that do it different than we do, forty-one have a governor who appoints the Director of the Department of Transportation (i.e., cabinet agency) while six allow the governor to appoint the entire commission.

These restructuring proposals, when taken in total, will allow us to eliminate or merge duplicative state offices, departments, agencies, board or commissions. In doing this, the state will realize **restructuring savings of \$19 million during FY 2007-08.**

5. **Honor the promises and obligations of prior years** – When we released our first executive budget in FY 2004-05, the state was coming out of an unprecedented period of revenue decline. This decline strained agency budgets – as agencies endured a series of across-the-board mid-year cuts – and led to the state closing its books with a \$155 million unconstitutional operating deficit during FY 2001-02 as well as the depletion of the state’s General Reserve Fund (\$153 million) during FY 2001-02 and FY 2002-03.

As the fiscal crisis persisted, \$209 million was diverted from various trust and reserve funds to mitigate the impact of the mid-year cuts. In addition, there was an “embedded” GAAP deficit of \$105 million that resulted from the General Assembly taking a 13<sup>th</sup> month of revenues for spending in a 12 month fiscal year in 1991, 1993, and 2001. The \$135 million shortfall in the State Health Plan reduced the standard 45-day payout ability down to as low as zero. By the time we presented our initial FY 2004-05 Executive Budget, the state faced financial obligations of three-quarters of a billion dollars.

We worked with the General Assembly in restoring the diverted and shortfall funds last year. Nevertheless, serious fiscal challenges remain. As described within the February 2006 Actuarial Valuation Study of the state’s other post-employee benefits, starting next year, the new accounting standards issued by the Government Accounting Standards Board will require all states to account for unfunded liabilities, and the State Health Plan has a \$9.2 billion unfunded liability in regard to health insurance coverage for state retirees. Amortizing this amount will require an additional \$535 million for the next fiscal year, and each year thereafter. Further, a FY 2004-05 audit noted a sizable unfunded liability within the Tuition Prepayment Program, with funds to be exhausted by 2017.

**After funding the operational needs of agencies, we propose dedicating \$439 million to establishing a trust fund to combat the unfunded liability associated with state retiree benefits. Further, we seek to cover the \$41 million deficit associated with the Tuition**

**Prepayment Program.** Therefore, in total we seek to set aside \$480 million (or 48 percent) of the \$998 million in “new” funds available to us at the time we prepare our executive budget to either cover or partially cover unfunded liabilities. This percentage of available funds – because of other fund revenue transfers into the OPEB trust fund – far exceeds the 37 percent of “new” funds we set aside last year to repay trust and reserve funds. When discounting the \$194 million impact of the other fund revenue transfers, revenue available for FY 2007-08 falls to \$804 million. Of this amount, we dedicate \$286 million (or 36 percent) to establishing the OPEB trust fund and eliminating the Tuition Prepayment Program deficit.

6. **Reduce reliance on one-time funding for recurring costs** – The FY 2006-07 Appropriations Act passed by the General Assembly utilized \$128 million in one-time monies for recurring needs (“annualizations”) – creating a significant hole to be filled in the upcoming budget year. While much lower than prior years, yearly annualizations remain too high. **In the FY 2007-08 Executive Budget, we propose using \$73 million in one-time monies to fund recurring needs. If adopted, this would be the lowest annualizations level in well over a decade.**
  
7. **Reduce our recent growth in debt** – From 1997 to 2005, South Carolina’s *state* tax supported debt increased 142 percent, from \$1.16 billion to around \$2.81 billion, making South Carolina’s debt expansion the 14<sup>th</sup> fastest growth rate in the nation. For the same time period, statewide tax supported debt per capita and tax supported debt as a percent of personal income, both of which measure taxpayer debt burden, increased 114 percent and 56 percent, respectively. At \$661, South Carolina’s debt per capita ranked 31<sup>st</sup> in the nation, but grew at the 15<sup>th</sup> fastest rate among the 50 states. Likewise, at 2.5 percent, the state’s debt to personal income ratio ranked 26<sup>th</sup> in the nation, but grew at the 16<sup>th</sup> fastest rate among all states. This is in contrast to states such as Wyoming, Colorado, South Dakota, Nebraska and Arizona which carry no state debt whatsoever.

From 1997 to 2005, South Carolina’s *local* tax supported debt increased 121 percent, from \$2.4 billion to around \$5.2 billion. Local government borrowing includes obligations of counties, municipalities, special purpose districts, and public school systems. Statewide, local tax supported debt per capita increased 100 percent during the period, from \$625 to \$1,248. Local debt per capita exceeded \$1,000 in thirteen South Carolina counties, five of which have local debt per capita exceeding \$2,000 and one of which has local debt per capita exceeding \$3,000. Statewide, local debt as a percent of personal income increased 47 percent during the period from 3.1 to 4.6 percent. On a combined state and local basis, the average South Carolinian is responsible for about \$1,909 in debt.

South Carolina's tax supported debt per capita, excluding local debt, ranks 8<sup>th</sup> of the twelve states in the Southeast, but grew during the period at the 4<sup>th</sup> fastest rate – only North Carolina, Arkansas and West Virginia grew faster.

With all bonded indebtedness comes the cost of repayment. The bond costs may seem small, but they ultimately have a tremendous impact on the annual budget. According to the State Treasurer's Office, our annual obligation for debt service has increased from \$142 million in FY 1996-97 to an estimated \$232 million in the coming FY 2007-08, an increase of \$90 million. [In education terms, this \$90 million annual debt service increase equals roughly \$150 per pupil if added to the Base Student Cost.]

In this budget, we propose taking funds from the FY 2006-07 projected surplus using them to pay off some of those outstanding debts. In total, we propose \$21 million dollars to retire outstanding obligations. Although this spending represents a small percentage of the overall debt burden held by the state, as cited above, it is a down payment on a policy we believe is critical to making us more competitive and easing the overall burden to South Carolina's taxpayers. If implemented, our proposal to better manage statewide debt will free up \$1.9 million in recurring monies for FY 2007-08.

We also seek the maintenance of the state's overall debt no more than the present four percent level in the coming years. The state Constitution sets a five percent cap on the annual debt service, but gives the General Assembly authority to lower it to four percent or to increase it to as much as seven percent. Over the past few years, the General Assembly has increased the debt service limit from five percent to six percent in two separate pieces of legislation.

As cited earlier, within our budget **this year we propose the elimination of \$21 million in outstanding debt from non-recurring revenue sources which exceed the aforementioned spending limit. While certainly a small amount when compared to the state's annual debt service of \$232 million, this prepayment adds \$1.9 million in recurring general funds for FY 2007-08.**

- 8. Improve state financial performance through better fiscal management** – As was noted earlier, the state faces a serious unfunded liability associated with its retiree health insurance coverage. As a first step, we feel that it is important to limit the growth of government spending so that any dollars in excess of the limit may be used to address this liability

Further, we feel that it is important to reallocate state resources to address the liability. Currently, the state has excessive balances in its Unemployment Compensation Fund and its State Health Plan. The Unemployment Compensation Fund is currently receiving around \$3 million more per year in

premiums than it annually pays out in claims. As this has been going on for some time, the Unemployment Compensation Fund has grown to around \$27 million. In this budget, we seek to reduce agency premiums to a level which maintain historical payout levels. **Further, we propose removing \$23 million in one-time funds from the Unemployment Compensation Fund to assist with the establishment of an OPEB trust fund.**

Similarly, when we took office, we had as a financial goal to restore the State Health Plan's reserve from its near 0-day payout to the 45-day reserve typical of government and business health plans. This level has been met and indeed over the past several years, the plan's number of days in reserve has actually grown significantly above the 45-day payout to around 85 days. This excess is equivalent to around \$136.8 million. Therefore, in the same manner in which we propose using the excess from the Unemployment Compensation Fund, **we seek to shift \$136.8 million from the State Health Plan to assist with the establishment of the OPEB trust fund.**

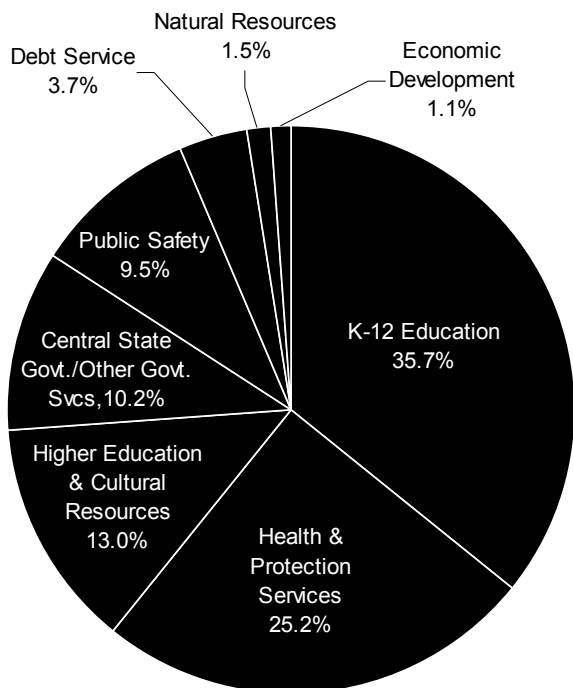
In addition to shifts between the trust funds mentioned above, **we seek to use \$34 million in lapsed unobligated Competitive Grant Program funds to assist with the establishment of the OPEB trust fund.** As a final source of start-up money for the OPEB trust fund, within the FY 2005-06 Appropriations Act, the General Assembly funded the State Ethics Commission \$318,000 from "Maybank" sources to establish an electronic filing system. As this system was eventually set up through a contract with South Carolina Interactive, Inc. at little to no cost to the agency, **we are seeking to recoup a portion (\$250,000) of the remaining funds which exist from the electronic filing system appropriation to assist with the establishment of the OPEB trust fund.** These dollars, like the shifts from the Unemployment Compensation Fund and the State Health Plan, will be combined with the \$245 million available from dollars in excess of the spending limit to establish a \$439 million OPEB trust fund during FY 2007-08.

Finally, over the past several years, we have sought to better manage the state's travel and lodging expenditures. From one of our first directives requiring the double bunking of state employees attending overnight functions to reviewing the impact of privatizing the state's fleet, this has been an administration engaged in curtailing wasteful travel and lodging expenditures. **Continuing with this initiative, within the FY 2007-08 Executive Budget, we are funding the creation of a Central State Travel Division within the Comptroller General's Office. This \$50,000 budget addition will be used to manage and monitor agency travel and will provide \$824,339 in recurring general fund savings during FY 2007-08.**

9. **Continue the process of reforming our retirement system so that we can honor our commitment to our state's retirees** – South Carolina's current retirement system crisis parallels the problems faced by other states as aging baby boomers in the nation's state government work force prompt fears that payouts of defined benefit pension plans – those plans with a guaranteed benefit – will break state budgets. For instance, from FY 1998-99 to FY 2005-06, the retirement system's debt increased from \$178 million to over \$9 billion, an increase of 4,952 percent. In FY 1998-99, it would have taken the state only two years to amortize that debt; today it will take us 30 years to pay off the debt. The constitutional limit is 30 years. This means the system is fiscally unsound. **To alleviate the problems associated with defined benefit plans, we will support legislation during FY 2007-08 which expands the current Optional Retirement Program administered by the South Carolina Retirement System. We believe the plan should be the only state plan extended to new state employees.** This would allow new state employees greater control over their retirement account, so that they have the opportunity to earn larger investment returns from their accounts and at the same time reduce the amount taxpayers will have to spend for future retirement benefits.

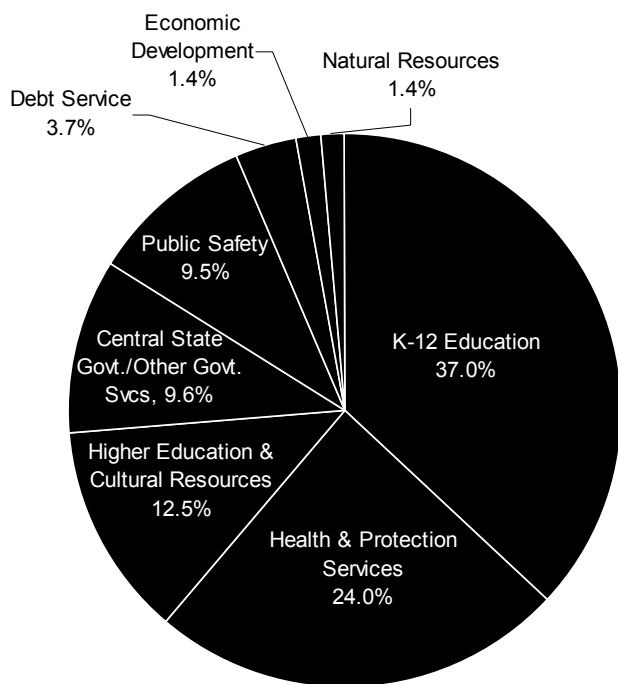
**Summary Comparison of  
Recurring General Fund Appropriations**

**Current Budget – FY 2006-07 Recurring General Fund Appropriations**



Category	Dollars in Millions
- K-12 Education	2,180.4
- Health & Protection Services	1,540.5
- Higher Ed. & Cultural Resources	796.9
- Central State Government /Other Governmental Services	622.8
- Public Safety	578.7
- Debt Service	228.4
- Natural Resources	92.5
- Economic Development	67.8
<b>TOTAL</b>	<b>6,108.0</b>

**Governor's Purchase Plan – FY 2007-08 Recurring General Fund Appropriations**

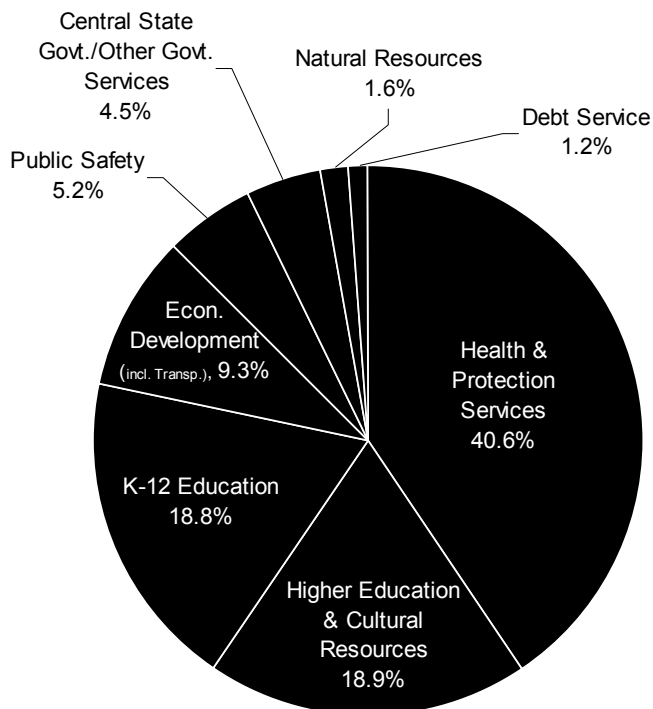


Category	Dollars in Millions
- K-12 Education	2,333.2
- Health & Protection Services	1,516.9
- Higher Ed. & Cultural Resources	785.9
- Central State Government /Other Governmental Services	664.3
- Public Safety	599.6
- Debt Service	230.6
- Economic Development	90.4
- Natural Resources	88.5
<b>TOTAL</b>	<b>6,309.4</b>

*\* Health & Protection Services reflects \$107.3 million general fund reduction due to a shift of the same amount to other fund sources during FY 2007-08. This shift is the result of our proposal to raise the cigarette tax \$.30 per pack during FY 2007-08. The above also does not include \$90 million to be allocated to agencies for the Employee Pay Plan (\$52.5 million) and Employee Health Insurance (\$37.5 million). With the \$197.3 million added to the \$6,309.4 million above, proposed appropriations equal spending limit of \$6,506.7 million.*

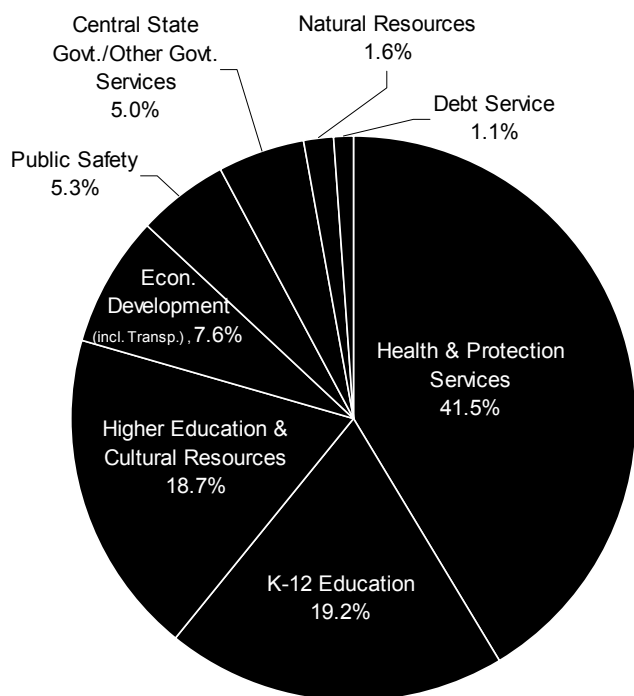
**Summary Comparison of  
Total Fund Appropriations**

**Current Budget – FY 2006-07 Total Fund Appropriations**



<u>Category</u>	<u>Dollars in Millions</u>
- Health & Protection Services	7,960.4
- Higher Ed. & Cultural Resources	3,714.9
- K-12 Education	3,676.7
- Economic Development (Including Transportation)	1,827.0
- Public Safety	1,017.8
- Central State Government /Other Governmental Services	872.6
- Natural Resources	307.3
- Debt Service	228.4
<b>TOTAL</b>	<b>19,605.1</b>

**Governor's Purchase Plan – FY 2007-08 Total Fund Appropriations**



<u>Category</u>	<u>Dollars in Millions</u>
- Health & Protection Services	8,367.7
- K-12 Education	3,865.6
- Higher Ed. & Cultural Resources	3,768.2
- Economic Development (Including Transportation)	1,535.5
- Public Safety	1,059.3
- Central State Government /Other Governmental Services	1,001.0
- Natural Resources	322.5
- Debt Service	230.6
<b>TOTAL</b>	<b>20,150.4</b>

*\* The above does not include \$90 million to be allocated to agencies for the Employee Pay Plan (\$52.5 million) and Employee Health Insurance (\$37.5 million). With the \$90 million added to the above of \$20,150.4 million, proposed appropriations for FY 2007-08 total \$20,240.4 million. Finally, Central State Government includes \$100 million for the Port Access Road which is funded from the Contingency Reserve Fund during FY 2007-08. We view this as an economic development item.*

**\$21.4 Billion**

Includes all funding such as the General Fund, Other & Federal Funds, Capital Reserve Fund, Surplus, Contingency Reserve Fund, EIA, Lottery, other Revenue Adjustments

Higher Priorities

**\$126.3 Million**

(\$91.9 million in General Fund cost savings; \$34.4 million in Lottery cost savings)

Lower Priorities

**Examples of what our plan buys:**

\$8.37 billion	Health care and protection for nearly a million children and adults.
\$3.87 billion	K-12 education for over 683,500 students.
\$3.76 billion	Higher education for over 175,000 students and cultural resources.
\$1.54 billion	Economic development - Including 66,252 miles of roadways (Transportation).
\$1.06 billion	Public safety, including 295 new officers.
\$938 million	Central state government/other governmental services.
\$522 million	Property tax relief fund.
\$439 million	Establishment of OPEB trust fund.
\$323 million	Protection of our natural resources.
\$231 million	Debt service for General Obligation Bonds.
\$98 million	Permanent tax cut (with general fund shift associated with cigarette tax increase, tax cut increases to \$205 million).
\$90 million	Increased resources for state employee pay and benefits.
\$63 million	Constitutional/statutory funding requirements.
\$41 million	Elimination of Tuition Prepayment Program liability.
\$21 million	<u>Accelerated debt repayment.</u>
<b>\$21.4 billion</b>	<b>TOTAL</b>

**Examples of what our plan does not buy:**

\$36.3 million	Activities that have been determined by the Budget Results Teams to either have spending inefficiencies or that are low priorities for the goal area.
\$19.8 million	Surplus build-up in funding for endowed chairs and other lottery activities.
\$19.0 million	Duplicative administrative costs that can be saved from restructuring.
\$14.6 million	Additional lottery ads and retailer commissions above the national average.
\$10.5 million	Employees being hired or rehired at the prevailing TERI salary when a TERI employee retires from a position following their 5 year extended employment cycle.
\$10.2 million	Less cooperation and collaboration at the state's higher education institutions.
\$5.7 million	Non-competitively awarded pass-through funds.
\$4.8 million	Annual lease and debt payments associated with matured and prepaid bonds.
\$3.1 million	Unemployment compensation premiums above historical payout levels.
\$2.3 million	Pharmacy reimbursements above the <u>Southeastern average.</u>
<b>\$126.3 million</b>	<b>TOTAL</b>



**Additional Information**

More details of agency activities can be found at the Office of State Budget's (OSB) website at <http://www.budget.sc.gov/OSB-agency-activity.phtm>. Further specific highlights of the Governor's Purchasing Plan for each goal area can be found later in this document starting with Improving K-12 Student Performance on page 132. The Governor's complete Purchasing Plan by goal area can be found in Appendix B-3; the complete Purchasing Plan by agency can be found in Appendix B-4; and the complete Savings Proposals can be found in Appendix C.

# **Continuing and Strengthening the Budgeting for Results Process**

## **Continuing and Strengthening the Budgeting for Results Process**

**Results matter...or at least they should. Especially when it comes to tax dollars and public expenditures. Increasingly, taxpayers are demanding results and performance in return for their hard earned dollars.**

– **Geoffrey F. Segal, Reason Foundation (2004)**

**Most managers have no idea what their products and services really cost. At best, conventional cost accounting is marginally relevant to decisions about operations and management. At worst, it distorts reality and causes dysfunctional decisions.**

– **Kehoe *et al*, *Activity-based Management in Government* (1995)**

This is our third executive budget emphasizing outcomes or results. As in the past, we are using an “activity-based” approach whereby we require agencies to break state government programs and processes down into literally hundreds of separate and distinct activities. We then establish key goals for the state to accomplish in major functional areas of government, such as education, public safety, and economic development. Next, we carefully select sound and verifiable indicators of success from reliable sources to measure both short- and long-term progress. Finally, we identify strategies that are considered “best practices,” or scientific evidence and documentation to bring about real, proven, significant, and lasting results.

Hence, this intensive activity-based budget method provides decision makers – our administration, legislators, public officials and administrators – with valuable and important information and data. Of note, it should also be pointed out that these detailed cost data are significant in that they give decision makers the opportunity to make optimal choices about how to allocate limited resources. Moreover, activity-based data permits decision makers to streamline, re-engineer, and innovate state agency operations and processes to produce the maximum results at the best cost.

Further, without activity-based data, it is difficult or near impossible to answer such questions as follows:

- Is this state governmental service or activity of good value?  
Is it both cost-efficient and cost-effective?

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**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

- Are the costs associated with this activity competitive? In other words, can this activity be provided cheaper by competing service providers (public or private)?
- More importantly, is this activity even desirable or needed by the public?

Additionally, at this juncture, it is equally important to comment that many experts in public finance believe that the cardinal aim of activity-based budgeting is accountability. Performance information and data used in budgeting holds public officials, especially program managers, accountable for service quality, cost-efficiency, and program effectiveness. The focus of activity-based budgeting is, once again, on results, not simply inputs. For this reason, governors, legislators, service or program recipients, and the public generally can determine accountability with a degree of certainty with the use of activity-based methods, where this is not possible utilizing traditional or line-item approaches. This ability to assess performance and hold public managers and administrators accountable serves as a powerful incentive to ratchet up quality or positive service results.

As pointed out in previous budgets, it should be recognized that our administration's executive budget is a vast departure from the traditional state budgeting practices of the past – ones which, unfortunately, continue today to be used, in the main, by the state's Legislature. As such, budget or financial analysis utilized in the legislative spending process – the making of appropriations – is unavoidably limited or incomplete.

By the standards of today's financial practices, traditional governmental budget processes are by and large considered to be archaic, marginal, and avoid careful analysis and decision making as relates to the preceding year's "appropriation's base." Their focus is on "new monies" alone, that is, on those funds that result from revenue growth over the previous year. Generally, this new money represents only 5-10 percent of the state's total General Fund Revenues.

This incremental approach allows obviously for only a narrow, minor discretionary review of state spending. Thus, public policy is made in incremental or successive steps, resting on decisions made in prior years. Unfortunately, incrementalism does little more than *control* spending and *preserve* the status quo of the bureaucracy. Worse still, past spending decisions simply are unexamined. These "automatic" determinations – without consideration of the twin critical aims of 1) establishing cost-savings and 2) the effective formulation and discernment of productive results – prove to be counterproductive and often simply wasteful.

<b>Traditional Budgeting vs. Budgeting for Results</b>	
<b>Incremental or Traditional Budgeting</b>	<b>Results-based Budgeting</b>
Focus is on the allocation of "new monies" only (5-10 percent of budget total)	Focus is on nearly all monies or the entire budget amount (excepting certain obligations such as debt service, reserve fund requirements, etc.)
Concentration is on inputs (what you buy), e.g., "objects of expenditure"	Concentration is on outputs (what results are expected)
Narrow or marginal decision making	Comprehensive or enterprise-wide decision making
Subjective based	Objective based
Preserving the status quo	Determining new, creative approaches to problems and needs
Agency or bureaucracy driven	Outcome driven
Promotes restraints, restrictions, and red-tape	Encourages flexibility and ingenuity
Control orientation	Planning and management orientation
Emphasizes compliance and preserving legality	Emphasizes performance and innovation
Stresses audit trails and conformity	Stresses program evaluation and improvement
Involves agency heads, elected officials and advocacy groups	Involves everyone wanting to participate, especially those wearing a "citizen's hat"
Encourages and perpetuates single agency programs	Encourages intra- and inter-agency cooperation among programs and activities

Our administration utilizes what experts have described as a pioneering, state-of-the-art budget process that examines the entire budget – virtually every activity, and its associated funding, performed by government. Again, this is done ultimately in the context of a set of pre-established goals or results, ones that are determined by our administration to be of major significance to the citizenry. Called "Budgeting for Results" (BFR), it is a process that includes input or direct participation from ordinary citizens and subject-matter experts, designated as Result Teams, who develop purchase strategies to achieve the pre-set goals. Using these so-called "purchase strategies," the Result Teams then prioritize all state governmental activities, looking where possible for cost-savings, consolidations, and process improvements. The Result Teams then relay this information – indicators, strategies, priorities and innovations – to the governor. This extensive information then becomes a blueprint for our FY 2007-08 Executive Budget.

**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

Definition of Terms
<b>Goal Areas</b> – Seven broad result or priority areas that the governor believes South Carolinians most want from their state government.
<b>Indicators</b> – Key measures or indices that provide the best evidence to the citizen that a statewide goal area is being achieved.
<b>Strategies</b> – Proven or promising approaches, influences or factors for achieving goals or results.
<b>Activities</b> – Individual or discrete actions taken by state government to accomplish goals and objectives. For the citizen, “What is the state doing, for whom, and does this accomplish something that is both valuable and needed?” “Precisely, why are we doing it?” “And at what cost?”

We feel confident that our budgeting approach is detailed, transparent, and rational. Overall, its focus is aimed toward bringing about positive consequences, again, both for the short- and long-term. In effect, the purpose of BFR and our executive budget for FY 2007-08 is: *To build and present a coherent, comprehensive spending plan for South Carolina based on clearly articulated statewide goals, effective strategies, creative and insightful thinking. To focus on the “keeps,” not the cuts. To underscore “results” in order to ensure that citizens – not agencies, special interest groups, or lobbyists – get their full money’s worth from state government.*

We adopted the Budgeting for Results process because of its logical and ingenious approach to public budgeting and fiscal decision making. It is a process, in a modified form, which has been adopted by several states (Iowa, Michigan, etc.) including a number of local governments (Los Angeles, Dallas, etc.). BFR was originally based on Washington State’s budget process model which was established in the fall of 2002. Of note, this budget process – as utilized in Washington State – has been recently recognized as a finalist for Harvard University’s prestigious Innovation in American Government Award.

As we remarked last year, the BFR process examines the entirety of government and nearly all statewide funding. Our priorities are clear. The executive budget for FY 2007-08 demonstrates how we will live within our means and invest in what matters by honing in on core goals and directing the whole of state government and its funding structure toward meeting those goals. It is our roadmap to a lean and results-producing government to serve South Carolina’s needs.

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**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

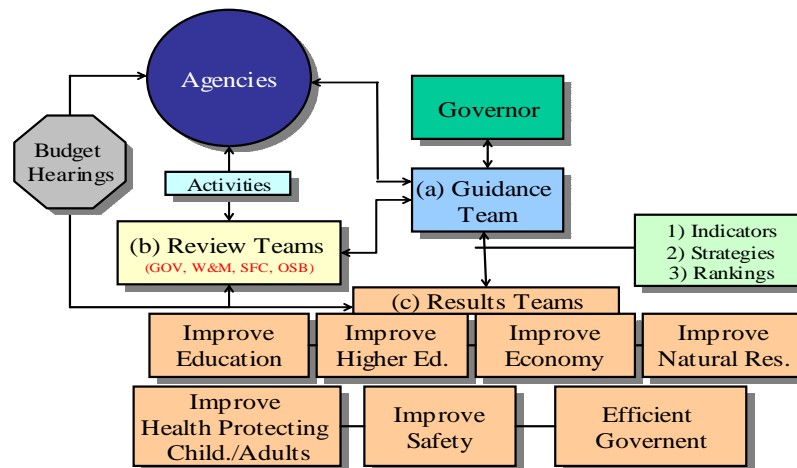
**The Budgeting for Results Organizational Structure**

**A popular government without popular information or the means of acquiring it, is but a prologue to a farce or a tragedy or perhaps both.**

– **James Madison, *The Writings of James Madison 103* (1910)**

The principal structural components of BFR are units or “teams.” These organizational units consisted of (a) a Guidance Team, (b) a Review Team, and (c) seven Results Teams.

**Budgeting for Results Structure**



1. **The Guidance Team (GT)** predominantly planned, supported, and monitored the BFR process. The Guidance Team consisted of our administration’s chief of staff and budget director as well as senior staff of the Office of State Budget. The GT also actively worked to energize the BFR process and met to coordinate and maintain the efforts of the seven Results Teams.
2. **The Review Team (TRT)** was designed to review and assess each agency’s detailed activities before the activities were submitted to the Results Teams. The TRT further ensured that the activities were properly defined or explained and formatted. Also, they placed activities into the appropriate, logical goal areas. Staffing consisted of personnel from the Office of State

**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

Budget, the House Ways and Means Committee, the Senate Finance Committee, and the Governor's Office. It should be acknowledged that each of these staff members possessed extensive knowledge of the agency budgets within the various goal areas.

3. **The Results Teams (RTs)** were integral to the entire BFR process – in terms of sheer work and productivity. They were made up of groups of typically five to seven persons who possessed some expertise in relevant subject matter, but were asked to think like citizens, setting aside any agency or advocacy bias. Their chief roles and responsibilities were to identify those indicators that would best show progress toward their respective goal areas. Based on these indicators, the RTs also established key purchase strategies on how to best achieve each goal area. Most important, the RTs were then responsible for ranking and prioritizing agency or governmental activities that best met some aspect of their particular goal area. Finally, the RTs each prepared a *final* purchase plan detailing those activities to be funded to achieve their respective goal. These were subsequently submitted to the Governor's Office for consideration for inclusion in the budget.

<b>Executive Budget Process Schedule (FY 2007-08)</b>	
July 1, 2006	Finalized Goal Areas
August 10, 2006	Result Teams Appointed and Orientation Completed
August 18, 2006	Developed and Refined Activity Inventory
August 25, 2006	Budget Requests Submitted and Completed
August 31, 2006	Result Teams Developed Indicators and Strategies and Result Teams Developed Initial Plans
September 18-29, 2006	Budget Hearings Conducted
October 6, 2006	Result Teams Final Purchase Plan and Report to Governor
November 9, 2006	BEA Preliminary Revenue Estimate
December 15, 2006	Developed and Completed Governor's Executive Budget for FY 2007-08
January 3, 2007	Submitted Governor's Executive Budget to the General Assembly

**The Budgeting for Results Process**

The BFR process consists basically of six steps: 1) setting major goal or result areas, 2) reviewing and finalizing agency activity inventories, 3) developing or fine-tuning chief indicators of progress and key strategies for achieving results, 4) holding public budget hearings for select result or goal areas, 5) sorting and prioritizing agency or governmental activities and identifying savings, and 6) distributing resources among goal areas, i.e., the finalization of the purchase plans by result areas.

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**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**



While each step in the BFR process is of importance and consequence, one point should be stressed, that is, the singular importance of indicators cannot be underestimated. Indicators are of course the “yardsticks” or measures by which progress toward goal areas can be assessed. This is integral to any performance-based budgeting system, especially activity-based budgets. Significant also in the context of the BFR process is that strategies or approaches for achieving goals or results are intertwined with and dependent upon the indicator of progress in that they are the guideposts for prioritizing agency activities. Hence, the right indicator combined with the right strategy will yield a composite of prioritized governmental activities that are goal-oriented and are expected to achieve concrete results.

**Step #1 – Setting major goal or result areas.** The first step was to set major goal or result areas that we felt were needed to be achieved – improved upon – in the state in the short- and/or long-term. Based on previous years experience with BFR, we ultimately came to the conclusion that seven statewide goals would represent where the citizens of South Carolina wanted to focus in terms of results and progress made. Incidentally, these seven goal areas roughly coincide to the focus areas of the subcommittees of the House Ways and Means Committee and the Senate Finance Committee.

The following seven wide-ranging goals or results areas were identified:

1. Improve the conditions for our economic growth
2. Improve the health and protections of our children and adults
3. Improve the safety of our people and property
4. Improve the quality of our natural resources
5. Improve our K-12 student performance
6. Improve our higher education system and cultural resources
7. Improve central state government support and other governmental services

**Step #2 – Developing agency activity inventories.** The next step was to develop an all-inclusive inventory of the activities that state government in South Carolina provides. For each activity, three main elements were required – a description of the activity, its expected outcome, and its cost.

To acquire this activity information and data, working in conjunction with the State Budget Office, we requested, as in previous years, that each agency breakdown their budgets into discrete and definitive activities. Each agency was instructed to provide a description of each and every activity they provided to serve directly or indirectly the citizens of South Carolina. An activity was defined as something an organization does to accomplish its goals and objectives and which consumes resources and produces a product, a service or outcome. Most importantly, an activity should describe in a citizen-oriented way the following: what is done; for whom; why; at what cost; and what is to be expected or accomplished.

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## CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS

Agency activities were submitted by state agencies to the Office of State Budget, where they were then entered into an existing database. Most activities presented were reflective of previous years' submittals, excepting enhancements and those activities which were new. Next, the Review Team examined the activities to evaluate the quality of the activity descriptions and outcome measures. Those activities requiring more work or improvement were sent back to agencies for appropriate corrections and improvements. Once this was completed, the Office of State Budget sorted the activities to correspond to the seven goal areas, or verified that assortments from previous arrangements were correct. For example, those activities – regardless of agency or department – that appeared to fall within the goal area of K-12 improvement were placed there; those activities that related to the improvement of health were directed there, and so forth.

Thus, the final product of this second step was the formation of a comprehensive inventory of activities, numbering over 1,600 separate and distinct activities that comprised the entirety of what state government does, for whom, why, at what cost, and for what effects or outcomes.

Unlike previous budget activity submittals over the past three years, agencies were additionally asked to conduct what was essentially a self-evaluation. The purpose of this self-assessment was to identify any cost-savings, at any activity level. Agencies were specifically asked to identify savings equivalent to two percent of their total budget.

This cost-savings self-assessment by the agency itself was based on several rationales, two of which are supremely important in our administration's aim to be a responsible financial steward of public monies. First, agencies should be held accountable to identify savings as simply a matter of good management practices. Businesses, for example, are constantly seeking ways to cut costs and generally reinvest these costs into production improvements or pass the savings along to customers. Our administration feels that public agencies, in this respect, should have the same aim and responsibility as a business. In a nutshell, that is, public sector entities should identify cost-savings, make these savings available for reallocation where priority or core public services are most needed and, whenever possible, return any remaining savings to the taxpayer. Second, public agencies, departments, or units understand best their operations and activities. Managers and other agency personnel – unlike those outside a specific agency operation or activity – are capable of seeing where productivity might be increased without additional resources and at a savings. This, in both public and private vernacular, is called process improvement and, in other cases, sheer cost-cutting measures.

This year, our challenge to agencies of the state – at all levels – is therefore to look inward, carefully and comprehensively to be more productive and achieve cost-savings when and wherever possible.

**Step #3 – Developing chief indicators of progress and key strategies for achieving results.** Again, seven Results Teams were put together consisting of experts and knowledgeable citizen participants, by varying degrees, versed in the subject matter of each goal area. Each RT was headed by a team leader from the Governor’s Office. The Office of State Budget provided financial subject matter and research expertise for each RT.

Step 3 first required each RT to identify chief *indicators* of progress based on verifiable and well-documented statistical sources (the U.S. Census Bureau, the U.S. Labor Department, USC’s South Carolina Indicators Project, etc.). These were representative, according to experts and specialists in the subject matter, as the best and most comprehensive indicators for a goal area.

After the identification of indicators, each RT then collectively identified *strategies* which they felt – based on scientific data and information and literature – demonstrated empirically broad and comprehensive achievement within a state goal area.

These indicators and, more importantly, their link to strategies, via a grid ranking table (illustrated below), would be later utilized by the RTs as the basis or mechanism to review, analyze, and ultimately prioritize and rank activities which advanced the state toward the preset statewide goals.

**Coordinate Ranking Chart**

	<u>Strategy 1</u>	<u>Strategy 2</u>	<u>Strategy 3</u>	<u>Strategy 4</u>
<u>Indicator 1</u>	<u>x</u>	<u>x</u>		<u>x</u>
<u>Indicator 2</u>		<u>x</u>	<u>x</u>	
<u>Indicator 3</u>	<u>x</u>	<u>x</u>	<u>x</u>	
<u>Indicator 4</u>	<u>x</u>			
<u>Indicator 5</u>	<u>x</u>			
<b><u># of Indicators Impacted</u></b>	<b><u>4</u></b>	<b><u>3</u></b>	<b><u>2</u></b>	<b><u>1</u></b>

This year each Results Team re-evaluated the efforts of teams last year in identifying indicators for each major goal. The indicators are key to the BFR effort and will allow the state – particularly our administration, the General Assembly, state agencies, and the public at-large – the opportunity to gauge the progress of accomplishing statewide policy goals, more specifically the seven goals designated in this FY 2007-08 Executive Budget. Also, these indicators will allow our administration, the General Assembly, and the public to determine if the strategies we have identified in achieving the statewide goals are effective, especially for both short-term and, more importantly, *long-term* evaluative purposes.

While RTs were identifying indicators and strategies, a new resource became available – a Web-based indicators system developed by the Institute for Public Service and Policy Research of the University of South Carolina. The *South Carolina Indicators Project*

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**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

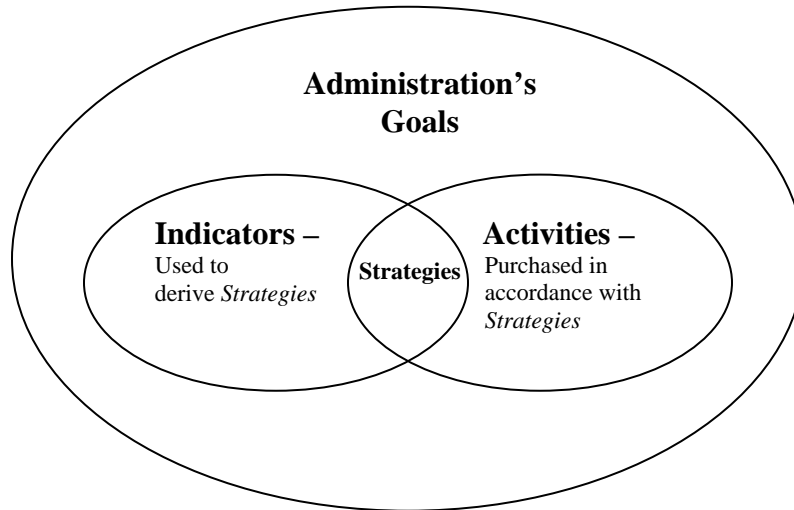
(SCI) was unveiled in September 2005. The site names 91 indicators across eight major areas of public policy, including the economy, education, the environment, public safety, health, social policy, culture and recreation, and government administration. Primarily, these indicators measure the relative status and position of South Carolina's performance and provide useful trend analyses. SCI represents the first major comprehensive effort to measure South Carolina's performance across all policy areas and, as such, will continue to serve as an invaluable resource for our administration, the General Assembly, and the public.

Additionally, it should be emphasized once again that BFR is a budgeting approach that places emphasis on logic, order, and proven cause and effect relationships. Utilizing the highest degree of objectivity and data analysis, this approach involves not only the setting of broad goals, but also dividing these further into specific objectives, and then identifying indicators or measurements, and strategies by which verifiable progress can be reasonably assessed over time.

Further, in Step 3, the BFR approach creates a strategic framework for RTs analysis and decision making. This framework comprises the following:

- Requires the consideration of the results citizens expect from government;
- Articulates those strategies that are most effective in achieving those results;
- Puts front and center those indicators which will best measure progress;
- And as relates to Step 4 (below), initiates an estimation or anticipation of prioritized spending to select or prioritize (buy) the activities that are most critical to implementing strategies and achieving (measuring) success;
- Helps keep the focus on contribution to priority results – lets RTs escape agency "silos" and consider instead statewide strategies;
- Makes performance information more relevant to budget choices;
- Helps frame the question, "Are we sure we're buying things at the best possible price?"; and
- Helps us describe the activities and results the *entire* budget will buy.

**Diagram of Interrelationships of Goals, Indicators, Activities and Strategies**



**Step #4 – Holding public budget hearings for each result area.** This step involved the opportunity for the governor, the governor’s policy staff, appropriate RT members, and other interested parties – including the general public – to meet with agency heads and personnel to discuss governmental activities particular to a goal area. This year there were three meetings held corresponding to the major goal area pertaining to education, public safety, and economic development.

The hearings typically lasted two to three hours and can be accurately depicted as interactive, providing a forum for conversation rather than formal presentations by agencies. A total of 17 agencies participated in the budget hearings, beginning on September 18, 2006, in Columbia, with discussions about the goal to “improve the conditions for our economic growth,” and concluding September 29, 2006, with the goal “to improve the safety of our people and property.” Generally, the discussions centered on how agency governmental activities were contributing to the results or goals set by our administration. Agencies were queried about their most beneficial, highest priority activities, as well as those that were marginal or less productive.

<b>Executive Budget Hearings by Goal Areas with Appropriate Agency Participants for FY 2007-08</b>	
<b>Goal Areas</b>	<b>Primary Agencies</b>
<i>Improve our K-12 student performance</i>	Department of Education, First Steps, ETV, Ed. Oversight Committee
<i>Improve the conditions for our economic growth</i>	Commerce, Dept. of Insurance, PRT, Labor, Licensing, and Regulation, Department of Transportation
<i>Improve the safety of our people and property</i>	Corrections, Juvenile Justice, SLED, Public Safety, PPP, Department of Motor Vehicles, DNR, Criminal Justice Academy

**Step #5 – Sorting and prioritizing agency or governmental activities and identifying savings.** This step basically involved the RTs prioritizing or ranking – “purchasing,” so to speak – governmental activities. The product or deliverable here was the development of a preliminary purchase plan of prioritized activities – an initial budget for each goal area.

Early on, the Office of State Budget had sorted activities by the designated goal areas (Step 2 – the developing of agency activity inventories). During the interim steps above, OSB had then sorted activities by strategies which were developed by the RTs in Step 3 (i.e., the developing of chief indicators of progress and key strategies for achieving results). At this point, each RT was now charged with reviewing the activities, heretofore not seen by the RTs, and deciding which *linked most closely* to their respective goal area, indicators and strategies. Eventually, these activities would be ranked by each team member (assigning an equivalent numerical value) based upon which goal area strategy it fell under. Obviously, some activities would appear unrelated or non-important to the goal area or especially to the major purchase strategies. They would be abolished, placed on a wish list, or sent to a more appropriate goal area or RT.

With this process completed, each RT, in effect, had ranked or prioritized its share or portion of the 1,600 activities to complete a goal-specific preliminary purchase plan, one which was – by all accounts among RT participants – perceived as both thorough and complete. The RTs also reviewed all costs associated with the activities regardless of the funding source (i.e., state General Fund, federal and “other” monies). Most importantly, perhaps, this step was an opportunity for RT members to challenge their previous assumptions and rationales for prioritization and to look for creative and innovative ways to do things differently and, hopefully, better. Central questions at this stage were, “As a citizen of South Carolina, are these activities the most efficient and effective ways to achieve the designated goal area(s)?” “Does this budget plainly make sense...can it *be easily understood* that it produces the results South Carolinians want and at the right

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**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

price?” Equally important, other questions that required answers, to the extent possible, included:

- Can these activities (those ranked, at a minimum, as “important”) realistically be measured in terms of performance or outcomes, and how?
- For those activities *not* purchased, what are likely to be the consequences?
- Can those activities that obviously appear to be duplicative, in and across agency structures, be eliminated or merged? If so, where can the cost savings be targeted in terms of other activities?
- What activities appear to be antiquated, no longer relevant to today’s citizenry? Can or should they be salvaged, or should they simply be abolished freeing up funds for more important, underfunded activities?
- What activities appear to be excessively funded, especially those ranked on the lower end of the prioritization list?
- In the final analysis, is this purchase plan for education, health, etc., the best possible budget – given the circumstances – for purposes of advancing the quality of life for all South Carolinians? Generally speaking, what more needs to be done in the future to make South Carolina great?

**Step #6 – Distributing resources among goal areas, i.e., finalizing the purchase plans by result areas.** The heart or quintessence of Step 6 was the methodical and careful review by our administration of the preliminary purchase plans submitted by the RTs and the finalization of a completed purchase plan reflecting our philosophy and policies. Ultimately, this final purchase plan took the form and substance of the FY 2007-08 Executive Budget.

It is noteworthy that the review of the RTs rankings or preliminary purchase plans and our administration’s finalization of priorities was not, by any means, an easy task. As was the case for the FY 2006-07 budget, many governmental activities were of nearly equal importance relative to purchase strategies and statewide goals. Further, we clearly stated that even though one activity was ranked below another activity, it was not correct to assume that the activity to be of lesser value or importance than those prioritized above it. We did point out, however, that activities ranked in the upper 15 to 20 percent of a goal area were clearly of the greatest significance and that those at or near the bottom of the rung were, based on our estimation and analysis, perhaps not as valuable or central to selected strategies within identified goal areas.

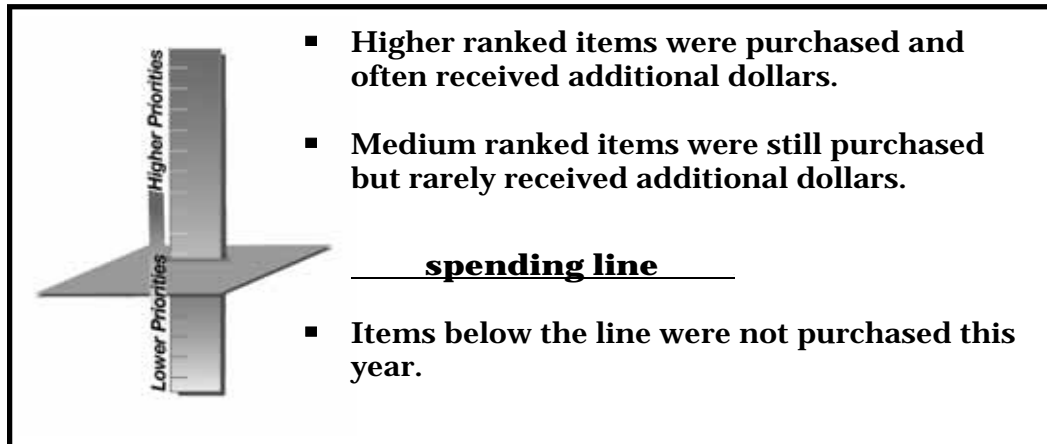
Further, during Step 6, the distribution of resources – available funds and FTEs were spread, based on historical spending patterns and our preferences, across the seven goal areas. This was done, of course, only after constitutional and statutorily mandated

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**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

expenditures were met (e.g., debt service, aid to subdivisions, and property tax relief). After this spread among the goal areas, we then began using the information and data from the RT preliminary purchase plans, along with other research and materials *to purchase*, so to speak, activities of the highest priority until the funds allocated to the specific goal areas were exhausted. The result was that those governmental activities that were of the greatest importance, or moderately so, to respective goal areas were funded. Those activities that fell below the “spending line” were not funded.

### The “Spending Line”



Finally, some concluding observations about Step 6. As based on zero-based budgeting precepts and accepted activity-based procedures, we evaluated new activities on equal grounds as old or existing activities. The evaluation of a governmental activity was based again on indicators and their linkage to purchase strategies as related to the achievement of statewide goals. In other words, purchasing was done on the basis of anticipated outcomes rather than historical precedent. Additionally, once all ranking and the spending, i.e., “purchasing,” of resources were completed, we revisited the entire purchase plan to ensure that all cost-efficiencies were maximized. It should be noted, as well, that this year, as in the past, we emphasized a greater delineation between cost savings recommendations and below-the-line items.

As was the case last year, during this process, there were some activities that fell below the purchase line that gave us pause. However, given the priority ranking, the question that we had to ask ourselves was what activity above the purchasing line we would not purchase so that we could switch it with an activity below the line. This process, while difficult and tedious at times, helped us to prioritize our spending in a world of limited resources and, equally important, based on our spending cap. The resulting budget recommendations represent this new focus on maximizing results for the citizens of South Carolina.



## A Change in Budgeting Models and Mind-Set

**The man who is striving to solve a problem defined by existing knowledge and technique is not just looking. He knows what he wants to achieve, and he designs his instruments and directs his thoughts accordingly.**

**Rather than being an interpreter, the scientist who embraces a new paradigm is like the man wearing inverted lenses.**

– **Thomas Kuhn, *The Structure of Scientific Revolutions* (1962)**

The Budgeting for Results process has proven to be successful and has been well-received by progressive-thinking legislators, the media, and the public. We believe that the process is innovative and pragmatic as a public budgeting mechanism.

This year's BFR effort was for us, as we stated last year, "a shift in paradigms." The outdated, traditional budgeting approaches of concentrating on apportioning new monies only, the concentrating on inputs alone, and the continuing bureaucracy-driven emphasis simply on self-preservation is no longer tenable in today's world.

In a sense, BFR was born out of increasing recognition and comprehension as regards South Carolina's socio-economic makeup, status and performance. More exactly, it resulted principally out of the understanding of our administration that conventional budgeting structures and processes were not keeping pace with the times.

In conclusion, we feel assured that the Budgeting for Results process for FY 2007-08 was another excellent step forward in the setting of goals and priorities critical to South Carolina. In light of this, and the willingness among some members of the General Assembly to find ways to improve and enhance budgetary processes and decision making, we propose that a similar proviso be introduced as was initiated by Rep. Dan Cooper two years ago and adopted by the House. As we did last year, we ask the General Assembly to adopt the following proviso in the FY 2007-08 appropriation bill:

***NEW PROVISIO (GP: Joint Committee on Activity-Based Budgeting).*** *There is established the Joint Committee on Activity-Based Budgeting composed of nine members. The nine members shall be appointed as follows: three Senators appointed by the Chairman of the Senate Finance Committee; three members of the House of Representatives appointed by the Chairman of the House Ways and Means Committee; and three members appointed by the Governor. The*

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**CONTINUING AND STRENGTHENING THE BUDGETING FOR RESULTS PROCESS**

*Governor shall appoint the committee chairman. The terms of members shall be coterminous with the term of their appointing authority. Members of the Senate and House of Representatives shall serve ex officio. The committee shall study activity-based budgeting processes and how they may apply to the budget and appropriations processes for the State. Because the intent is to reduce duplication of government services, maximize cost-efficiencies, and still continue to provide excellent customer services, all costs of implementing a new budgeting system must be considered, including technological and human resource applications. Further, the committee will consider those budget processes that incorporate zero-based principles, particularly those which examine the entirety of government and state funding. Such budget processes must additionally emphasize, to the extent possible, the establishment of clearly delineated statewide goals; activity outcomes and results; spending strategies and priorities; and the measurement of performance.*

*The committee may propose, by majority vote, a budget process not inconsistent to matters relating to the discharge of its duties. This proposal shall be reported to the Senate Finance Committee and the House Ways and Means Committee by no later than January 1, 2008.*

*Professional and clerical services for the committee must be made available from the staffs of the General Assembly, the Budget and Control Board, and other state agencies and institutions as needed. The members of the committee are not entitled to receive the per diem, mileage, and subsistence allowed by law for members of boards, committees, and commissions when engaged in the exercise of their duties as members of the committee. All other costs and expenses of the committee must be paid in equal proportion by the Senate, the House of Representatives, and the Office of the Governor, but only after the expenditures have been approved in advance by the President Pro Tempore of the Senate, the Speaker of the House, and the Governor.*

# Revenue

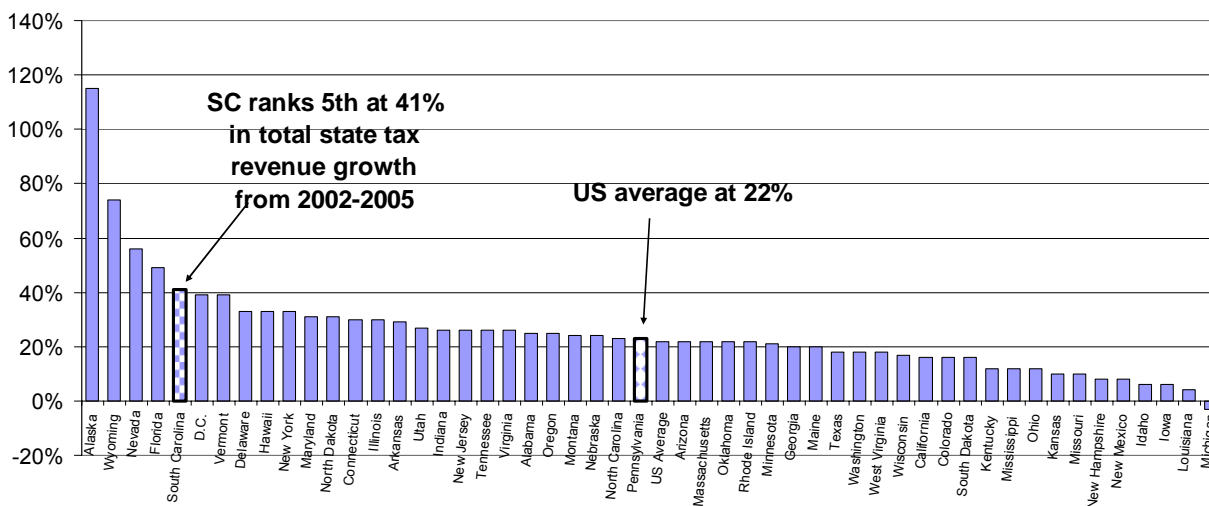
Revenue

Economy Continues to Grow

Strong revenue growth is a sign that an economy is on the rise. Consumers spend more, incomes increase, and businesses flourish – which was clearly the story when the books closed at the end of last fiscal year. In fact, the three primary revenue streams grew overwhelmingly with sales tax revenue up 8.1 percent, individual income tax revenue up 11.3 percent, and corporate income revenue up 33.0 percent. Looking at the big picture, the state closed the fiscal year ending June 30, 2006, with total general fund revenues up \$581 million from the previous year.

Many states across the nation are also benefiting from strong economic times with high revenue growth. South Carolina, however, is outpacing most. According to a recent Cato Institute report, South Carolina revenues have grown by 41 percent over the last three years – ranking us as the 5<sup>th</sup> strongest economy in terms of revenue.

State Tax Revenue Increase (2002-2005)  
from January 2006 Cato Institute Report



As the revenue forecasters of the state, the South Carolina BEA predicted that future revenue will be sound once again. In setting the FY 2007-08 revenue estimate this past November, the BEA estimated general fund revenue to be \$7.103 billion, an over eight percent increase from the previous year. From this estimated number, there will be \$487 million in recurring dollars and \$307 million in non-recurring during this budget cycle – for a total of \$794 million in new money. When adding several other recurring revenue items which total around \$10 million, this amount grows to \$804 million. While this estimate proves that the state economy is growing, we once again urge the

General Assembly to display fiscal conservatism by holding expenditures to a population plus inflation cap.

**Increases to General Fund Revenue**

In our past two budgets, we have believed it was time to take an in-depth look at the benefit of the Job Development Fees that continue to be dedicated for the Redevelopment Authorities (RDA) of Charleston and Myrtle Beach. These monies have been dedicated since 1994 in response to previous base closings from the Base Alignment and Closure Commission. Each year the state is forced to remit back to the RDA's a portion of their individual income tax withholding. The Myrtle Beach RDA has long been defunct, and at the end of this calendar year the Charleston RDA will also become non-operational. These RDA's have done effective jobs of redeveloping the former military bases and bringing other jobs back to these areas. However, these entities have fulfilled their original mission, and we believe it is time the taxpayers stop supplementing a project that is already complete. To this end, we recommend these RDA income tax withholdings remain in the general fund, which will lead to **an increase of \$2,824,632 in general fund revenue next year.**

We also believe it is time to look at the benefits of the Economic Impact Zone investment tax credits that were also created in conjunction with the base closures of Charleston and Myrtle Beach. These tax breaks for new investment have been on the books since the mid-1990's and still exist even though the lost jobs in this part of the state have been made up for. But even more surprising, the incentive package is available in 27 of the 46 counties of the state. Under the current scenario, a company in Richland County will receive a tax break for a capital investment while the same company in Greenville cannot. This type of incentive structure – applying to only half the state – does not make good business sense. Therefore, as this administration continues to strive for policies that will strengthen the economic playing field for the entire state, we recommend repealing the EIZ credit for any future investments and instead use these revenues in a more effective manner within the Department of Commerce. This recommendation will lead to **an increase of \$8.8 million in general fund revenue next year.**

During the late 1990's, the four largest cigarette manufacturers reached an agreement with 46 states to settle state suits to recover costs associated with treating smoking-related illnesses known as the Tobacco Master Settlement Agreement (MSA). South Carolina began securitizing its MSA payments in FY 2000-01. In the past five fiscal years, the tobacco settlement has produced almost \$350 million in revenue – primarily dedicated toward health care purposes. It is estimated that the tobacco settlement will generate **\$10 million in revenue** for FY 2007-08.

As mentioned, we are also proposing to increase the cigarette tax by 30 cents in an effort to provide additional tax relief to businesses and/or individuals across the state. It is estimated that raising the cigarette tax to 37 cents will generate **\$107 million in revenue** for FY 2007-08.

## FY 2007-08 Executive Budget

REVENUES	FY 2007-08 BASE	FY 2007-08 EXECUTIVE BUDGET	\$ CHANGE
FY 2007-08 BEA Estimate		\$7,103,000,000	
Gross General Fund Revenue (11/10/06)			
Less: Tax Relief Trust Fund		(\$521,643,795)	
Plus: Tax Relief Trust Fund Carryforward		<u>\$13,797,464</u>	
Net General Fund Revenue Estimate	\$6,108,004,521	\$6,595,153,669	\$487,149,148
Revenue Adjustments			
– Use of BEA Certified Surplus Revenue (FY 2006-07)		\$306,929,588	
– Excess Agency Cash (State Ethics Commission)		\$250,000	
– Business License Tax – Reduction from decline in demand due to increase in Cigarette Tax		(\$2,182,000)	
– Taxes and Fees redirected from Economic Impact Zones		\$8,800,000	
– Taxes and Fees redirected from Redevelopment Authorities		\$2,824,632	
<b>Revenue Increases</b>		<b>\$6,911,775,889</b>	<b>\$803,771,368</b>
Less: <b>Spending Limit</b>	<b>\$6,108,004,521</b>	<b>\$6,506,699,775</b>	<b>\$398,695,254</b>
<b>Based on 5.503 percent with spending limitation exclusions:</b>			
▶ FY 2007-08 Capital Reserve Fund proceeds, \$111,821,213			
▶ FY 2007-08 Contingency Reserve Fund proceeds, \$171,541,103			
▶ FY 2007-08 Lottery appropriations, \$270,540,219			
▶ FY 2007-08 EIA appropriations, \$673,000,000			
▶ General Reserve Fund yearly funding requirements, \$19,048,978			
▶ Capital Reserve Fund yearly funding requirements, \$12,699,319			
▶ Local Government Fund, yearly funding requirements, \$30,823,468			
<b>= Difference between revenue increases and spending limitation:</b>			<b>\$405,076,114</b>
+ General Funds available from Medicaid shift to other funds generated by Cigarette tax increase of \$0.30:			<u>\$107,270,000</u>
<b>Total in Excess of Spending Limit</b>			<b>\$512,346,114</b>
<u>Uses of revenue in excess of spending limitation:</u>			
– Permanent Tax Refund:			(\$205,166,526)
– Elimination of Tuition Prepayment Unfunded Liability:			(\$41,338,714)
– Debt Repayment:			(\$21,175,000)
– <u>Establishment of OPEB Trust Fund:</u>			<u>(\$244,665,874)</u>
<b>Total Uses of Excess of Spending Limit</b>			<b>(\$512,346,114)</b>

**REVENUE**

## FY 2007-08 Executive Budget

<b><u>Other Fund Revenue Transfers to OPEB Trust Fund:</u></b>	
State Health Plan – Excess IBNR Reserves:	(\$136,800,000)
Lapsed Unobligated Competitive Grants Revenue FY2006-07:	(\$34,355,384)
<u>Unemployment Compensation Fund:</u>	<u>(\$23,000,000)</u>
<b>Total Other Fund Transfers to OPEB Trust Fund:</b>	<b>(\$194,155,384)</b>
<b>Total Amount Used To Establish OPEB Trust Fund:</b>	<b>(\$438,821,258)</b>

### Education Lottery Revenues

We believe it is important that we make every effort to run our lottery as efficient by as possible so maximum dollars can go to educate our children. This has never been more obvious as students are now competing at an international level as well. For this reason, we again propose to change the current retail commission of seven percent to a commission of six percent – which is in line with the national average. A lower commission will generate more lottery revenue to benefit our education system.

Overall lottery revenues continue to remain steady. In fact, last year’s lottery produced a surplus of over \$30 million. The BEA, however, believes the start-up of the North Carolina lottery this past year will have an impact on ticket sales in the future. To this end, the BEA estimated there would be no increase in lottery revenue from the prior year. Coupling this estimate with revenues generated from reducing retailer commissions, we have an estimated \$270,540,219 to appropriate in total lottery funds in FY 2007-08.

LOTTERY REVENUES	FY 2006-07	FY 2007-08
BEA Revenue Estimate	244,000,000	244,000,000
BEA Interest Estimate	4,300,000	3,500,000
Unclaimed Prizes	8,400,000	8,400,000
Prior Year Surplus	30,600,000	
Limit Retailer Commissions to 6% of Sales		8,405,841
<b>Education Lottery Revenue</b>	<b>287,300,000</b>	<b>270,540,219</b>

# **Run a Fiscally Disciplined Government**



## Run a Fiscally Disciplined Government

**Of course, a good many proposals are made by people that have very excellent things that they would like to have the Government do, but they come from people that have no responsibility for providing ways and means by which their proposals can be carried out. I don't think in all my experience, which has been very large with people that come before me in and out of Government with proposals for spending money, I have ever had any proposal from anyone as to what could be done to save any money.**

– **Calvin Coolidge, 30<sup>th</sup> President of the United States**

**Nothing focuses the mind better than the constant sight of a competitor who wants to wipe you off the map.**

– **Wayne Calloway, Former President and CEO of the Pepsi Corporation**

When we presented our executive budget for FY 2004-2005, South Carolina was mired in a \$750 million financial hole. This budget crisis was caused by the Legislature overspending in FY 2001-2004 (\$512 million), accounting errors in 1991, 1993 and 2001 (\$105 million) and by underfunding the State Health Plan (\$135 million). We worked with the General Assembly in restoring the last of the diverted and shortfall funds last year.

The above crisis led to questions about how we spend as a state and how we intend to address such challenges going forward. In June 2004, we signed into law the Fiscal Discipline Act which set us on a path to repay the unconstitutional deficit and the General Reserve Fund over a three-year period. The Act – a joint effort by the executive branch and the Legislature – required us to hold spending growth at three percent annually in an effort to restrain government spending and maintain our AAA Bond Rating.

We believe that the reestablishment of the state's prestigious AAA rating will only occur through continued favorable economic conditions and with a fiscally disciplined government as prescribed by legislation such as the Fiscal Discipline Act. While this legislation was, unfortunately, short-lived, the essence of the Fiscal Discipline Act may be found within the FY 2007-08 Executive Budget's proposal for a government spending limit.

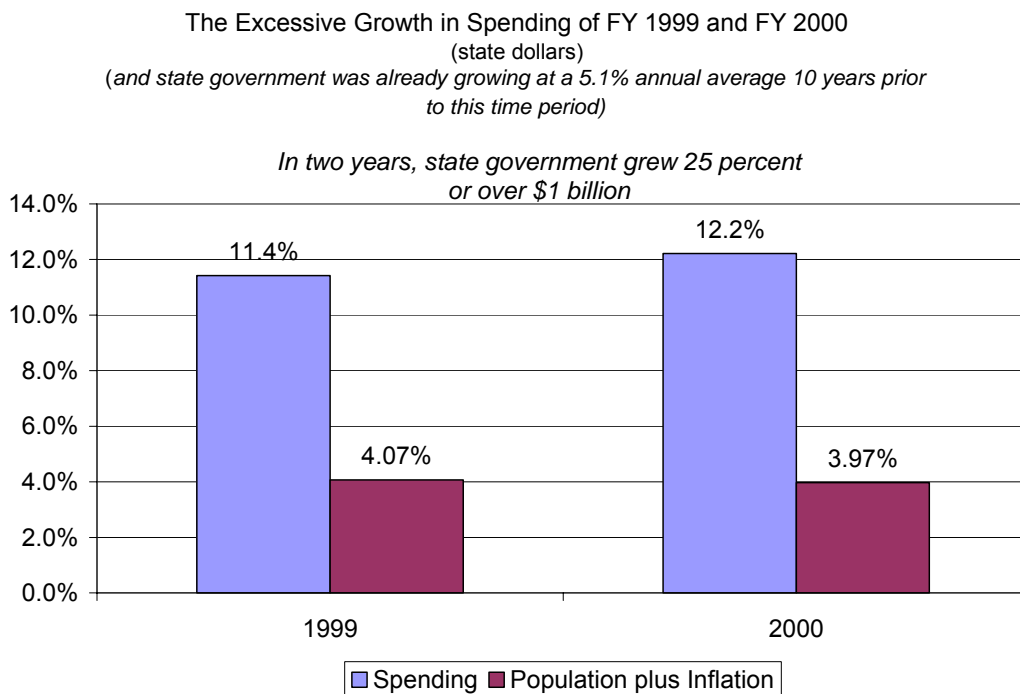
### **Fiscal Discipline Is a Must**

This administration has long advocated that a fiscally responsible state should never operate with a deficit – which is why we felt so compelled to repay the remaining

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depleted trust and reserve funds last year. We commend the General Assembly for making this a priority and fully replenishing this debt last year.

The fact remains, however, that more than \$1 billion in new revenue came into this state last year, and instead of taking a conservative approach, the majority of budget writers decided to spend the bulk of these dollars. Obviously, this type of revenue growth signifies a strong economy, but we believe when economic times are good, government must resist the temptation to spend greater sums of money on new programs that cannot be sustained when times are not so good. Last year the budget grew at over 12 percent – on top of a previous budget that had already grown over nine percent. Unfortunately, South Carolina has already been down this path of fiscal irresponsibility. In two short years (FY 1998-2000), state spending grew by 25 percent.



However, as revenues fell in subsequent years, this extra spending had to be curbed by a series of across-the-board, mid-year cuts totaling \$800 million and the use of trust and reserve funds. Across-the-board cuts hit effective programs the same as marginal ones, and using trust and reserve funds to compensate for agency reductions is akin to robbing Peter to pay Paul. Bottom line, an up-and-down business cycle is a constant in any market-based economy – including South Carolina.

We feel in order to maximize our competitive business environment we must stop South Carolina's out of line spending that has occurred during the past two years. When times of economic prosperity arrive, we ought to limit our spending and allow for a modest, constant, and sustainable rate of growth. Simply spending whatever comes into state coffers is unacceptable and is not fair for the taxpayer who ultimately pays for state government. In last year's budget, we laid out spending priorities in areas that we felt

would lead to a more fiscally sound state. Once again, we believe this is a necessity if we are to responsibly manage our fiscal affairs.

**First**, we propose again to limit increases in the annual budget to population plus inflation. We believe it is fundamentally wrong for government to grow faster than the incomes of South Carolinians and the rate at which people move into our state. Instead, we believe excess tax dollars are better invested in the hands of the private sector so our economy can continue to flourish. Excessive growth in the public arena will not allow this to happen – which is why it is so important to find some means to return revenue over the population plus inflation cap. The estimated revenue in the upcoming year has provided an excellent opportunity to do this. In fact, the estimated \$7.1 billion in the FY 2007-08 budget will allow us to fund government priorities while implementing a permanent reduction in business and/or individual income tax rates. We reduced the income tax rate paid by small businesses two years ago from seven percent to five percent, and when fully implemented, the reduction will annually return \$124 million to the small-business owners of this state. While this was a great step in the direction of tax relief, we continue to believe more needs to be done. Our proposal is two pronged. First, the BEA has estimated \$98 million in recurring dollars above the population plus inflation threshold. Returning \$98 million to South Carolina taxpayers represents only a small sliver of the more than \$800 million in new dollars projected to enter the state next year.

**Second**, we are proposing to increase the cigarette tax by 30 cents to offset an even further reduction in business and/or individual taxes. Coupling this proposal with the excess estimated recurring revenue for FY 2007-08 will provide over \$205 million in business and/or individual income tax relief.

**Third**, we believe the state should combat its unfunded liabilities. Just as we dedicated \$278 million to fully restoring money diverted from trust and reserve funds (\$173 million) and the aforementioned GAAP deficit (\$105 million) last year, this year we propose dedicating \$439 million to establishing a trust fund to combat the state's current retiree health insurance unfunded liability and to eliminate the \$41 million deficit associated with the Tuition Prepayment Program.

**Fourth**, we maintain a commitment to reducing our reliance on annualizations, and in this budget we propose the lowest level of annualizations spending (\$73 million) in over a decade.

**Fifth**, we propose taking funds from the FY 2006-07 projected surplus and using them to pay off some of the state's outstanding debts. In total, we propose \$21 million dollars to retire outstanding obligations.

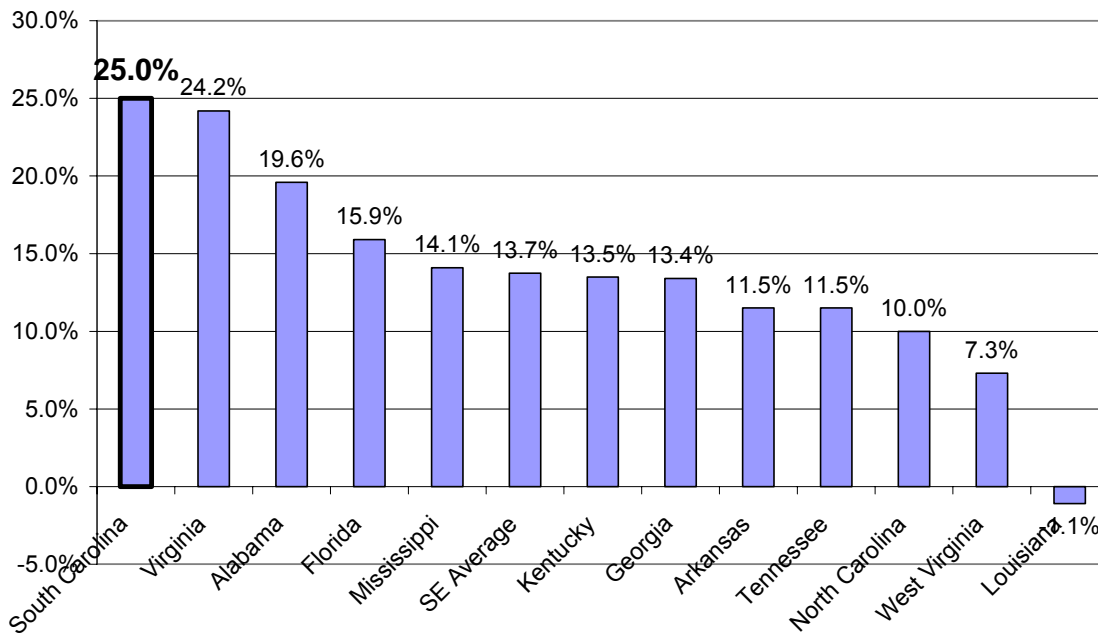
**Finally**, we will support legislation expanding the current Optional Retirement Program administered by the South Carolina Retirement System. We believe the plan should be the only state plan extended to new state employees. Within our last two executive budgets, we identified the immediate need to modify the state's defined-

benefit pension plans due to the fact that, from FY 1998-99 to FY 2005-06, the retirement system's debt increased from \$178 million to over \$9 billion, an increase of 4,952 percent. In FY 1998-99, it would have taken the state only two years to amortize that debt; today it will take us 30 years to pay off the debt. The constitutional limit is 30 years. This means the system is fiscally unsound. Our approach would allow new state employees greater control over their retirement account, so that they have the opportunity to earn larger investment returns from their accounts and at the same time reduce the amount taxpayers will have to spend for future retirement benefits.

**The Taxpayer Empowerment Amendment**

For the past two years, there has been a fundamental problem in the budget process: no accountability for the hard-earned tax dollars that South Carolinians send to Columbia. Instead, government has grown an average of double digits each year. According to the National Association of State Budget Officers, South Carolina spending has grown by 25 percent in just the past two years – ranking us fifth in the nation and first in the entire Southeast.

Southeastern General Fund Spending for the Past Two Years  
(FY06 and FY07)



This sort of growth in government takes vital capital out of the private sector which in turn slows expansion of our economy. This administration believes giving taxpayers of this state tax relief helps improve economic soil conditions. That is why holding the line on spending is so important if we are to truly protect the financial security of the state. Controlled spending today will enhance our ability to grow the economy tomorrow.

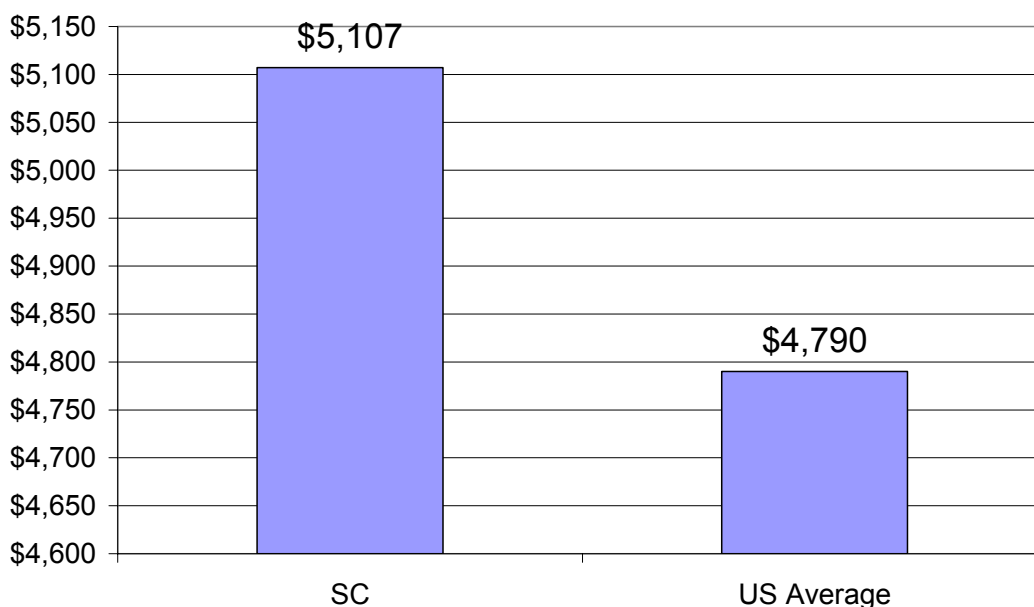
As mentioned, we are once again recommending state spending be limited to population plus inflation in this budget. We also believe if we are to protect the fiscal integrity of South Carolina in the long run, we must institute a lasting and meaningful way to hold budget writers accountable. That is why a population plus inflation spending limit is permanently needed – better known as the Taxpayer Empowerment Amendment.

Outspending our competition. Spending within the means of the state is at the core of the Taxpayer Empowerment Amendment. Last year this administration made it a priority to give back some tax dollars to South Carolinians when over \$1 billion new dollars streamed into Columbia. While there was some tax relief provided, we believed more could have been done.

The Appropriations Act last year contained over \$400 million more in spending than our executive budget, even though our budget addressed the state's core needs in education, health care and social services, economic development, public safety, and natural resources. In fact, while the budget increased spending \$177 per person in South Carolina, our neighboring state of Georgia only increased its spending by only \$109 per person.

Even at a national level, the same story is told. Currently, South Carolinians are paying more for government than our counterparts in other states. Across the nation, the average person can expect to see 13.9 percent of their paycheck being spent on state government. In South Carolina, however, 18.1 percent of the average person's income is being spent on state government. This is particularly troubling when South Carolinians only earn about 83 percent of the national average. In addition, growth in South Carolina's per capita spending has outpaced the national average. In fact, our state spends \$300 per person more than the average state.

Per Capita State Spending

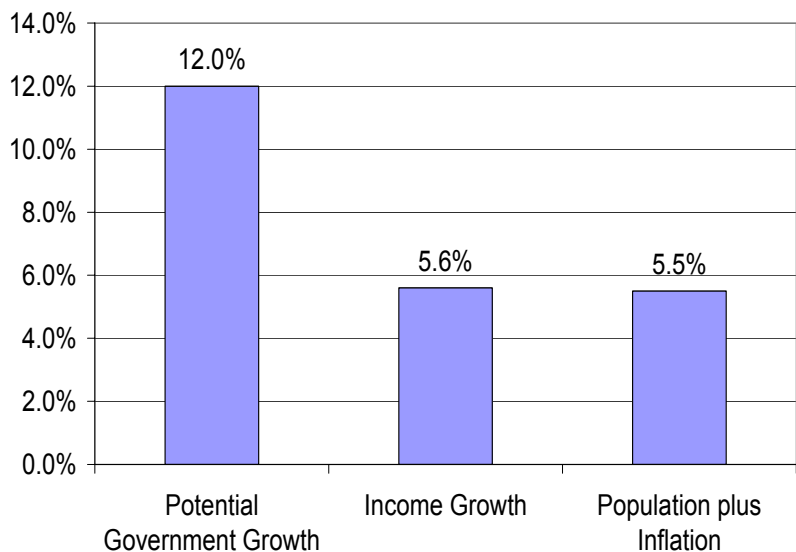


We feel in order to maximize our competitive business environment we must reduce South Carolina's out of line spending on state government – especially as it compares to the national average.

Limiting government growth. In last year's budget, excessive spending continued to be the theme. While the taxpayer's income only grew 5.9 percent and population plus inflation was at 4.8 percent during FY 2006-07, government still grew more than 12 percent. This administration is concerned that the General Assembly will again head down this path of fiscally irresponsibility.

If budget writers decide to grow government at a rate that is not sustainable in the long run and spend essentially all projected revenue coming into the state, government will again outpace the growth in paychecks across all of South Carolina. The amount of projected new revenue opens the door for government to grow a possible 12.0 percent – but this is at a time when paychecks are only increasing 5.6 percent and population plus inflation at 5.5 percent. We have consistently advocated for

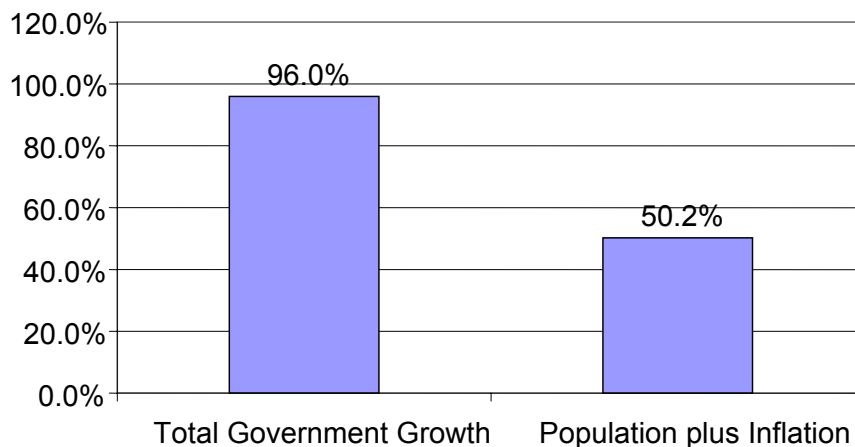
Government Growth if We Spend Everything in FY 07-08



limiting the growth in state government to a rate that reasonably correlates with the people's ability to sustain it over time, and it will be unfair to ask the people of this state to grow government at a rate that is more than double the growth of their paychecks. A population plus inflation spending limit will help keep this from happening.

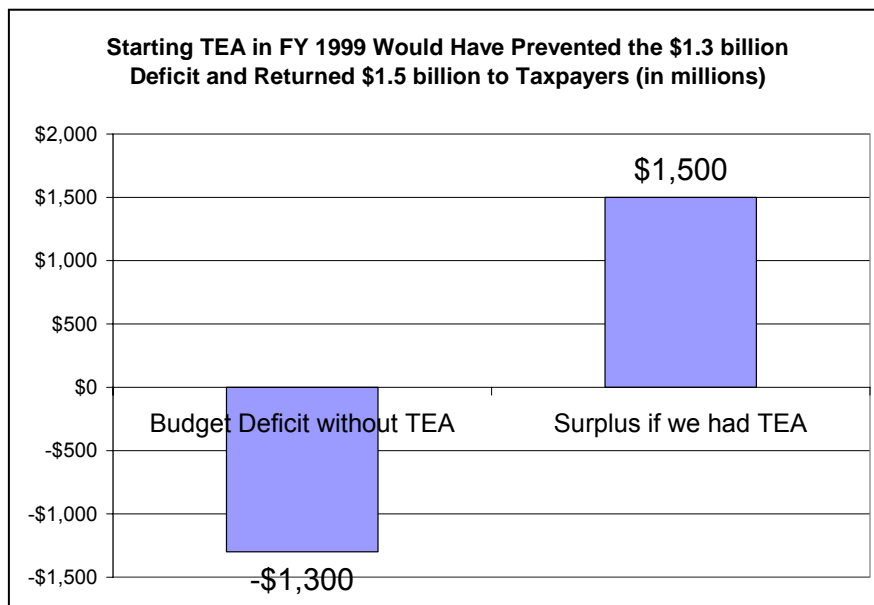
The effects of a spending cap. We are spending tax dollars at a rate that is much greater than the rate the economy is growing and much greater than the growth in population. This point has never been more evident when looking at government growth since the mid-1990's. Since FY 1994, total government has grown by \$10 billion or almost double the rate of population plus inflation – growing at 96 percent while the economy has only grown at 50.2 percent.

**Total S.C. Government Growth Almost Double  
Population Plus Inflation – FY 1994 to FY 2007**



Past spending habits have unfortunately hindered the long-term fiscal security of the state. While times were good from a revenue perspective during the mid to late 1990's, dollars were appropriated to create new programs and grow existing ones. As the economy turned and revenues began to slow, budget writers found they were unable to fully fund these new and bigger government programs – creating large budget deficits.

If the taxpayers of the state had a spending limit during the late 1990's, the financial security of the state would have been in much better shape. In fact, trust and reserve funds would have remained untouched, and no mid-year cuts would have occurred. A Taxpayer Empowerment Amendment implemented in FY 1998-99 would have prevented a budget deficit of over \$1.3 billion – and instead would have returned over \$1.5 billion into the hands of the taxpayers.



**Proposed FY 2007-08 Taxpayer Empowerment Amendment.** Our proposal is simple: we must keep spending in line with population plus inflation. Specifically, the population plus inflation limit is to apply to all recurring and non-recurring appropriations during a fiscal year – excluding federal and other funds; EIA revenue; Education Lottery revenue; Capital Reserve Fund yearly funding requirements; General Reserve Fund yearly funding requirements; Local Government Fund yearly funding requirements; Capital Reserve Fund appropriations; Department of Transportation revenue; and, general fund revenue used for the tax relief trust fund, to replenish any trust or reserve accounts, or to prepay debt. Any excess revenue over the cap shall be deposited into a Taxpayer Relief Fund and held until the next fiscal year to be refunded to the taxpayer. Excess revenues sitting in the Taxpayer Relief Fund will be the first means used to fill any budget deficit and will not be refunded to the taxpayers.

**A Tax Cut for Businesses and/or Individuals**

Since our first executive budget, we have advocated restoring our fiscal house by eliminating the unconstitutional \$155 million deficit, restoring the borrowed funds from trust and reserve funds, and finally eliminating the GAAP deficit created by the General Assembly beginning in 1991. In last year's budget, we finished that nearly \$750 million goal, while funding our priorities at the same time. However, we believe that South Carolinians should share in good economic times, just as they have to pay through the bad economic times.

Recognizing the administration's long-standing position on the current tax rate for small business, the General Assembly rightfully sought to decrease the tax burden on small business during the 2005 legislative session. Effectively, we reduced the income tax rate paid by S-corporations, LLCs, and sole proprietors from seven percent to five percent over a four-year period. When fully implemented, this reduction will put nearly \$124 million each year back into the hands of small-business owners.

While this is a great step in the direction of tax relief, we continue to believe more needs to be done. In looking at South Carolina's tax code, we believe our relatively high income tax rate for individuals stymies economic growth. This belief was shared by our friends in the House of Representatives – who twice passed our proposal to decrease the state's uncompetitive income tax rate for all South Carolinians.

We effectively have the highest income tax rate in the Southeast when applying the rate to the 2005 state per capita income of \$28,212. Our past proposal gave South Carolina an ending top marginal rate of 4.75 percent. This rate would put us just above the current Southeastern average for income tax rates being paid on per capita income. From a competitive standpoint, we would prefer to fall below the Southeastern average, but, at the very least, it is imperative that we bring our rate down. Failure to do so will keep us at a competitive disadvantage.

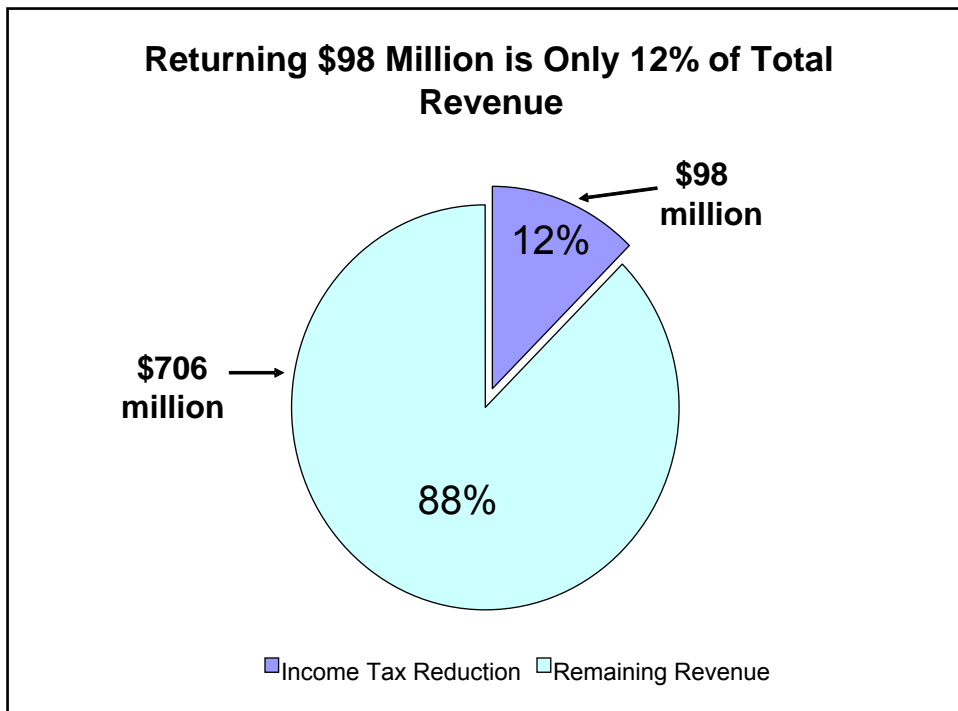
We once again have an excellent opportunity to provide income tax relief for all South Carolinians. By holding spending increases to population plus inflation, our budget is



able to set aside \$98 million, which represents 12 percent of total revenue for FY 2007-08, to be returned to taxpayers on an annual basis.

Additionally, our budget proposes a cigarette tax increase of 30 cents per pack that would generate \$107 million yearly. We believe these dollars should be used to reduce the

income tax burden for our largest taxpaying population – all individuals across South Carolina who work and pay income taxes.



Proposed FY 2007-08 permanent tax reduction. Implementing a permanent income tax reduction is the most prudent way to ensure these dollars are invested back in the private sector. Naturally, there will be other times when the economy is booming and leads to an influx of surplus revenues. Coupling the above two proposals will provide over \$205 million in business and/or individual income tax relief.

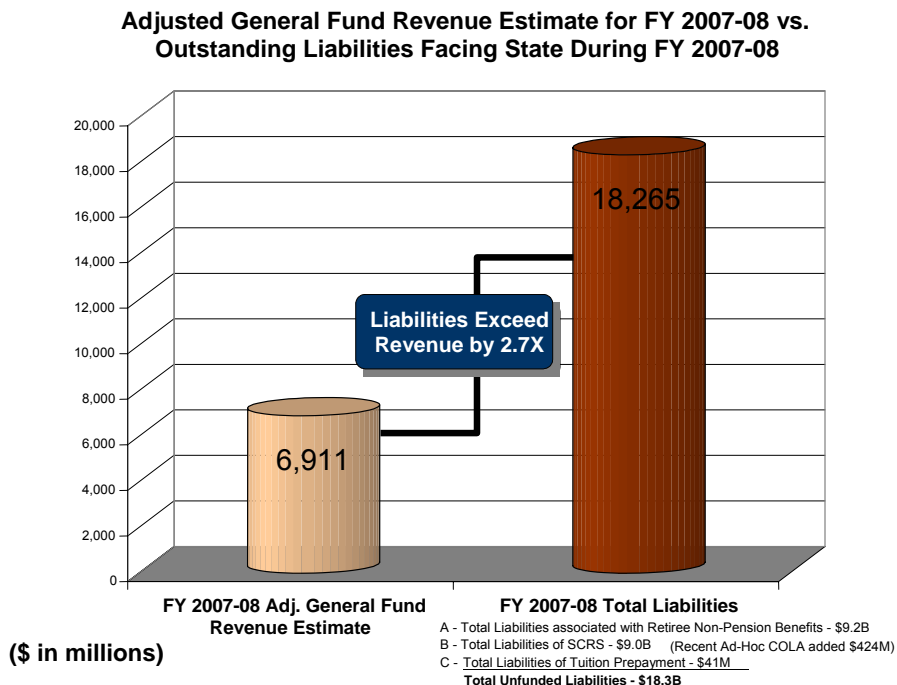
With the excess revenue and cigarette tax proceeds, we could reduce taxes in a variety of ways: 1) indexation of brackets, 2) lowering of the top marginal rate from 7 to 6.5 percent, 3) lowering of small business and corporate tax rates in a number of ways, and 4) any combination of these. The overarching goal with any tax plan is to have the greatest positive effect on increasing investment and creating jobs throughout the state. Therefore, whether it is higher business licenses, fees or taxes, higher tuition costs, or increased energy costs resulting from expanded demand for oil, we are proposing to return \$205 million in excess tax revenue to ease the of burden taxpayers around the state.

### Unfunded Liabilities

Within our executive budget last year, we dedicated \$278 million to fully restoring money diverted from trust and reserve funds (\$173 million) and the aforementioned GAAP deficit (\$105 million). This amount represented 37 percent of the “new” funds

available to us at the time of our executive budget. With work, we convinced the General Assembly to join us in restoring these diverted and shortfall funds.

Unfortunately, serious fiscal challenges remain. The state has a \$9.0 billion liability associated with its retirement system, a \$9.2 billion unfunded liability associated with health insurance coverage for retirees and \$41 million unfunded liability associated with the Tuition Prepayment Program. Together, these amounts far exceed the state's annual general fund collections.



**Post Employment Benefits Other Than Pensions (OPEB) unfunded liability.** States are wrestling with how to implement a recent ruling (#45) by the Governmental Accounting Standards Board that requires state and local governments to report and provide for the mechanism which will fully fund “Post Employment Benefits Other Than Pensions” (known as OPEB, i.e., largely State Retiree Health Benefits).

This issue is particularly concerning to “triple A” rated states because much like the GAAP deficit last year, this issue will be factored in by the bond rating agencies of Fitch, Moody’s, and S&P when assessing bond risk. Therefore, like the other “triple A” rated states, South Carolina must find a way to solve its other post-employment benefits shortfall created by this ruling.

Currently, the state provides funded health insurance for retirees who meet certain specified conditions. Generally, an employee who retires with 10 years’ service qualifies for retiree health insurance with the same employer contribution and same enrollee rates as active employees. Retirees are pooled with actives. At the same time, an employee who retires with five years’ service but less than 10 years qualifies for retiree health insurance but is obligated to pay both employer and enrollee shares of the premium. Unfortunately, this plan does not currently fund in the manner needed to sustain the program. In February 2006, an actuarial valuation was released which showed the State’s OPEB total liability at \$9.2 billion with annual needs of \$535 million to service the liability.

Recognizing the problem, the General Assembly, in its 2006 session, established a special study committee, pursuant to Proviso 63.41, to address the OPEB issue, with a mandate to report no later than January 15, 2007. To provide expertise and assistance, the committee hired an outside consultant, Gabriel Roeder Smith & Company, to outline strategies in which the state could deal with this fiscal crisis. The following are ideas put forth by the consultant that are being considered by the Study Committee:

**1. Advance-funding in a Trust Fund**

This recommendation lowers actual long term retiree health costs and liabilities by using investment returns to help pay for the benefits.

**2. Adjust Eligibility Requirements**

This recommendation raises the bar for eligibility.

**3. Address Health Care Expense through Plan Design**

This recommendation modifies the existing plan. Examples of design changes are: (a) time limits for benefits, (b) capping employer-provided benefits, and (c) tiered benefit levels (new vs. existing employees).

While it has been noted that we are implementing recommendation #1 by setting aside \$439 million to establish a retiree health insurance trust fund, we do not seek this fund to the exclusion of options #2 and #3. In fact, we remain open to discussing these options as well as many states around the country have done. In the states of Alabama, Utah and Ohio, benefits have recently been scaled back through increases in health care premiums while the length of time employees must work before becoming eligible for retiree health care has also increased.

Other states such as Alaska have recently adopted changes which require that new employees be enrolled in a defined contribution plan such as a health savings account. These accounts would allow employees to take them with them then they leave.

Tuition Prepayment Program unfunded liability. In addition to the state's "Post Employment Benefits Other Than Pensions" unfunded liability, the state's Tuition Prepayment Program has an unfunded liability of \$41 million. The program currently has \$112 million with 6,200 active accounts. If nothing is done, the program will run short of funds a decade from now. Knowing this, we are funding the elimination of this deficit within the FY 2007-08 Executive Budget. In conjunction with this action, we will seek either dramatic changes or the suspension of this program.

We understand that to change or potentially eliminate this program will not be a popular option for everyone. An April 30, 2006, editorial in *The Greenville News* suggested that the underlying problem is that state leaders have underfunded universities in the past several years and that has, in turn, forced college trustees to raise tuition at levels which jeopardize the program. While it is certainly true that colleges/universities have raised tuition, we believe this increase to be fueled not so

much by a shortfall in funding but by a lack of priority and efficient spending within the state's higher education sector.

Proposed FY 2007-08 unfunded liability coverage. In the FY 2007-08 Executive Budget, we propose dedicating \$439 million to establish a trust fund to combat the state's current OPEB unfunded liability. Further, we seek to cover the \$41 million deficit associated with the Tuition Prepayment Program. Therefore, in total we seek to set aside \$480 million (or 48 percent) of the \$998 million in "new" funds available to us at the time we prepare our executive budget to either cover or partially cover unfunded liabilities. This percentage of available funds – because of other fund revenue transfers into the OPEB trust fund – far exceeds the 37 percent of "new" funds we set aside last year to repay trust and reserve funds. When discounting the \$194 million impact of the other fund revenue transfers, revenue available for FY 2007-08 falls to \$804 million. Of this amount, we dedicate \$286 million (or 36 percent) to establishing the OPEB trust fund and eliminating the Tuition Prepayment Program deficit.

### **Annualizations (Non-Recurring Dollars)**

Annualizations result from using one-time money to fund recurring needs. It is akin to making your mortgage payment based on a bonus you may not receive next year. It is important that we continue to address the problems associated with annualizations because these one-time funds may not be available in the next fiscal year for ongoing activities.

In many cases, these are important statewide core items. As an example, during FY 2004-05, \$90 million dollars in non-recurring revenues were appropriated to core functions within many agencies, including 20 percent for critical frontline services at the Department of Social Services.

Such practices highlight the poor fiscal management of the state as it is hard to imagine a commercial banker so misaligning the recurring revenue stream with recurring expenses when underwriting a loan for a business. Nevertheless, in the FY 2005-06 Appropriations Act, the General Assembly relied on \$128 million in annualizations to balance their budget as follows:

- \$3.1 million – Nonrecurring Part IA appropriations
- \$7.6 million – Employee Health Insurance
- \$62.6 million – Constitutional/Statutory
- \$55.0 million – Agency Items (e.g., \$8 million tobacco deallocation)

While much lower than prior years, yearly annualizations remain too high. As an example, annualizations from last year's executive budget were significantly lower at \$66 million.

Proposed FY 2007-08 annualizations. In the FY 2007-08 budget, we propose using approximately \$73 million in one-time revenue dedicated to the budget as follows:

- \$25.3 million – Employee Health Insurance
- \$15.7 million – Constitutional/Statutory
- \$10.0 million – Agency Items (\$10.0 million tobacco deallocation)
- \$22.0 million – School Bus Operational (Contingency Reserve Fund)

If adopted, annualizations will be at their lowest level in well over a decade.

### **Managing South Carolina's Statewide Debt**

State tax-supported debt. From 1997 to 2005, South Carolina's *state* tax supported debt increased 142 percent, from \$1.16 billion to around \$2.81 billion, making South Carolina's debt expansion the 14<sup>th</sup> fastest growth rate in the nation. For the same time period, statewide tax supported debt per capita and tax supported debt as a percent of personal income, both of which measure taxpayer debt burden, increased 114 percent and 56 percent, respectively. At \$661, South Carolina's debt per capita ranked 31<sup>st</sup> in the nation, but grew at the 15<sup>th</sup> fastest rate among the 50 states. Likewise, at 2.5 percent, the state's debt to personal income ranked 26<sup>th</sup> in the nation, but grew at the 16<sup>th</sup> fastest rate among all states. This is in contrast to states such as Wyoming, Colorado, South Dakota, Nebraska and Arizona which carry no state debt whatsoever.

Local tax supported debt. From 1997 to 2005, South Carolina's *local* tax supported debt increased 121 percent, from \$2.4 billion to around \$5.2 billion. Local government borrowing includes obligations of counties, municipalities, special purpose districts, and public school systems. Statewide, local tax supported debt per capita increased 100 percent during the period, from \$625 to \$1,248. Local debt per capita exceeded \$1,000 in thirteen South Carolina counties, five of which have local debt per capita exceeding \$2,000 and one of which has local debt per capita exceeding \$3,000. Statewide, local debt as a percent of personal income increased 47 percent during the period from 3.1 to 4.6 percent. On a combined state and local basis, the average South Carolinian is responsible for about \$1,909 in debt.

South Carolina's tax supported debt per capita, excluding local debt, ranks 8<sup>th</sup> of the twelve states in the Southeast, but grew during the period at the 4<sup>th</sup> fastest rate – only North Carolina, Arkansas and West Virginia grew faster.

Proposed FY 2007-08 debt repayment. With all bonded indebtedness comes the cost of repayment. The bond costs may seem small, but they ultimately have a tremendous impact on the annual budget. According to the State Treasurer's Office, our annual obligation for debt service has increased from \$142 million in FY 1996-97 to an estimated \$232 million in the coming FY 2007-08, an increase of \$90 million. [In education terms, this \$90 million annual debt service increase equals roughly \$150 per pupil if added to the Base Student Cost.]

In this budget, we propose taking funds from the FY 2006-07 projected surplus using them to pay off some of those outstanding debts. In total, we propose \$21 million dollars to retire outstanding obligations. Although this spending represents a small

percentage of the overall debt burden held by the state, as cited above, it is a down payment on a policy we believe is critical to making us more competitive and easing the overall burden to South Carolina's taxpayers. If implemented, our proposal to better manage statewide debt will free up \$1.9 million in recurring monies for FY 2007-08.

We also seek the maintenance of the state's overall debt no more than the present four percent level in the coming years. The state Constitution sets a five percent cap on the annual debt service, but gives the General Assembly authority to lower it to four percent or to increase it to as much as seven percent. Over the past few years, the General Assembly has increased the debt service limit from five percent to six percent in two separate pieces of legislation.

As cited earlier, within our budget **this year we propose the elimination of \$21 million in outstanding debt from non-recurring revenue sources which exceed the aforementioned spending limit. While certainly a small amount when compared to the state's annual debt service of \$232 million, this prepayment adds \$1.9 million in recurring general funds for FY 2007-08.**

### **Retirement System Crisis**

South Carolina's current retirement system crisis parallels the problems faced by other states as aging baby boomers in the nation's state government work force, prompt fears that payouts of defined-benefit pension plans – those plans with a guaranteed benefit – will break state budgets. Nationwide, states, counties and cities are facing shortfalls of nearly \$300 billion promised through their public employee retirement systems, making them time bombs for state and/or local budgets.

In the FY 2005-06 Executive Budget, we identified the immediate need to modify the state's defined-benefit pension plans due to the fact that from FY 1998-99 to FY 2005-06, the retirement system's debt increased from \$178 million to over \$9 billion, an increase of 4,952 percent. In FY 1998-99, it would have taken the state only two years to amortize that debt; today it will take us 30 years to pay off the debt. The constitutional limit is 30 years. This means the system is fiscally unsound.

This increase stems from the structural problems typical of defined-benefit plans when facing a large retiring population – the baby boomer population – as well as the benefit increases made by the Legislature in recent years. For example, since 1999, the state's retirement system has been strained by the addition of the Teacher and Employee Retention Incentive (TERI) program, the reduction of the years of service required to retire from 30 years to 28 years, and the continued payment of cost-of-living increases (COLAs). Another factor that has strained the state's retirement system is the reduced investment yield during FY 2000-01.

As an attempt to mitigate this, Senate Bill 618 (S.618) – a retirement reform bill – was passed by the General Assembly and signed into law by the governor on June 10, 2005. At the time of our signing, we wrote that S.618 provides the retirement system with

“temporary breathing room,” but that “it does not secure the long-term health of the system.”

In our FY 2005-06 Executive Budget, we wrote that the state had few options afforded to it under existing law for dealing with the enormous unfunded liability of the Retirement System. We noted that the state could increase employer and/or employee contributions to the system, reduce or eliminate benefits, or obtain increased investment returns on the current assets of the system. In essence, S.618 tweaked each of these items.

The changes associated with S.618 – while substantial – were essentially implemented to support the payment of COLAs for retirees and did little to reduce the unfunded actuarial liability impact. For instance, while the amortization period for the system’s unfunded liability moved from 27.9 years to 22.8 years with the implementation of S.618, with just a series of COLA payments, the retirement system would in effect be near its 30-year constitutional limit. Unfortunately, if history is any kind of guide, COLAs will continue to be paid for the foreseeable future. For, while a one percent COLA is provided for under S.618, the system has actually paid an average COLA over the past twenty years of 3.06 percent.

On May 16, 2006, the Budget and Control Board (Board) continued this trend by granting a 3.5 percent COLA for retirees that provided an instant \$424 million liability to the State Retirement System. This COLA will be paid for by tweaking employee and employer contribution rates – as spelled out within S.618. Such actions, which strain the budgets of agencies and partially offset the yearly pay increases of current employees, are in the end neither effective nor sustainable.

Therefore, much like our argument regarding the implementation of a population plus inflation spending limit, we see the solution to the state’s retirement crisis not in the continuation of a defined-benefit plan; rather, we see the solution in a defined-contribution plan.

The enormous costs of defined-benefit pension plans have resulted in many corporations abandoning them. Nationwide, only 17 percent of private sector workers are covered by a defined-benefit plan (versus a defined-contribution plan). Among South Carolina state employees, this figure is reversed as only 17 percent of those eligible employees for the defined-contribution plan participate in them.

It is our view that state employees should have more options and control over their retirement accounts. Nothing amplifies this as much as the legal battle fought this past year over the impact of S.618. In essence, this battle was between the funding of COLAs for the state’s retirees on the one hand, and the level of benefits received and contributions required of the state’s TERI employees on the other. While the TERI employees eventually won this lawsuit, the losers will ultimately be the taxpayers of South Carolina.

Proposed FY 2007-08 retirement system initiative. As a move toward greater control, we will support legislation expanding the current Optional Retirement Program administered by the SCRS. This program is a defined-contribution retirement plan for state, public school, and higher education employees. Under the Optional Retirement Program, the employee makes the investment decisions regarding his/her retirement account. The funds can be transferred to other eligible retirement plans if the employee leaves state service. We believe the plan should be the only state plan extended to new state employees. This would allow new state employees greater control over their retirement account, so that they have the opportunity to earn larger investment returns from their accounts and at the same time reduce the amount taxpayers will have to spend for future retirement benefits.

Several governors around the nation have recently proposed such private sector solutions to move their state employees from defined-pension plans – with a guaranteed payout – to a defined-contribution plan, such as the Optional Retirement Program, where the employer and/or employee contributes a set amount each month to an employee's investment fund. When employees retire or leave the system, the money in the fund is theirs.

Last year the state of Alaska adopted a mandatory defined contribution plan for all state employees, beginning with those hired after July 1, 2006. This action was prompted by the nearly \$6 billion shortfall owed to Alaska's public employees and teachers when they retire.

“Employers know up-front their costs, rather than having costs determined down the road....It adds certainty to the system.” says Becky Hultberg, then spokeswoman for the governor of Alaska.

As was discovered by the private sector years ago – and is now being discovered by the public sector in states such as Alaska – the long-term requirements of defined-benefit plans are so great as to jeopardize the financial integrity of a corporate or public retirement system. This is certainly the case in South Carolina where the ability to fund Consumer Price Indexed (CPI) cost-of-living increases for state retirees is now directly at odds with a financially sound retirement system.



# Innovate Government

## Innovate Government

**It is dangerous to be right when the government is wrong.**

- Voltaire, *Le Siècle de Louis XIV* (1752)

**Innovation and government. This debate over the definition of “innovation” is not mere semantics. It reflects values—what citizens, managers and scholars think are important. After all, everyone likes innovation because it is the opposite of bureaucratization—because it is good.**

- Saltshaker and Ben, *Innovation in American Government* (1997)

### Why Innovate Government?

**We began to understand very well that this government was antiquated in many areas and needed to be changed.**

- Carroll Campbell

Innovation. It is a word that has far-reaching and meaningful implications. It is defined by *Webster* “as the introduction of something new, an improvement or advancement of a concept, thing, or action.” Today’s brave, new world is literally and figuratively defined by innovation, competition, and globalization. In effect, the world is in a rapid transformation of social and economic structures and processes, a dramatic transformation unseen since the industrial revolution more than a hundred and fifty years ago.

The socio-economic environment is propelled forward by new technology, new ideas, cost-savings measures, efficiencies, commercial and intellectual rivalry, and attention to ever-expanding human needs and desires. Governments, at all levels, are keen to stay abreast of these changes and adapt. They, through their political leadership, are working feverishly to innovate their governments – to keep pace with what many experts call the “emerging economy and its related ethos (way of life).”

To prepare for the challenges of tomorrow, our administration has been working diligently over the past three and half years to innovate and improve education, health care, social well-being, and economic opportunities.

Furthermore, we have been working determinedly on another important challenge, which is to innovate – to restructure – state government organizationally. In other words, to create an organization that is modern, adaptive to change, and responsive to the shifting demands and necessities of society and our citizenry.

After all, bottom line, government ultimately exists to serve and protect citizens. All three branches of government have their roles spelled out by the state Constitution. The Legislature makes laws and raises and spends revenues. The Judiciary provides for the adjudication and interpretation of the law.

The key role of the governor – as the chief executive of the state – is to carry out the administrative and executive functions of state government apparatus consisting of multiple agencies, departments, and other various divisions. But herein lies the difficulty. The problem is that the governor in South Carolina is not fully empowered to carry out this primary executive role due to many existing organizational arrangements within state government. Such arrangements are due to antiquated provisions found in the 1895 State Constitution. Others are due to a scattering of archaic state laws and regulations. The result is that the governor is hamstrung in many respects and cannot manage state government efficiently and effectively.

### **Why Restructure Now?**

**Families, businesses and nonprofits know what it means to do more with less. In the past decade, they have been forced to take a hard look at themselves, tighten their belts, set their priorities and change their ways. Now they are demanding that government do the same.**

– *Making Government Make Sense, February 1996*

First, government is too big and costly. For every 10,000 South Carolinians, there are 234 state employees. That is 34 percent more than the U.S. average. Additionally, South Carolinians currently spend 130 percent the national average on the cost of government, due in large part to an inefficiently structured government.

Add to this the fact that in South Carolina more than 18 percent of our personal income goes to pay for government. The national average is less than 14 percent.

Consider this: average wages for state residents grew 3.8 percent last year, while state government grew 9.1 percent. That means for every new dollar earned by the average South Carolinian, government spent an additional \$2.39.

Second, respected and notable studies document the need to restructure government. All of these studies have found that government has too many agencies, which cause it to be cumbersome, unaccountable, and lacking coherence.

Third, government is duplicative and unaccountable. South Carolina's state government is a hodgepodge of some 50 independent agencies and departments. These bureaucracies provide hundreds of public programs or services, many of which are redundant.

For instance, with regard to the area of natural resources and the environment, the Department of Natural Resources, the Department of Health and Environmental Control's Division of Environmental Protection, and the Clemson Public Service Authority (PSA) all have water management programs. Bottom line: taxpayers are overcharged millions of dollars for this redundancy. With a total 27 board or commission members between the three organizations, the lack of accountability is self-evident.

Fourth, government's constitutional framework is outdated and chaotic. Multiple executive branch officers, as we have now, may appear to empower voters but this structure tends to erode real accountability. Parceling out executive branch power between the governor and eight other elected statewide constitutional officers often results in our government working at cross-purposes and producing inconsistent public policy. The governor, as the state's leader, must be able to administer the responsibilities of government efficiently and effectively.

Finally, modernization or restructuring of government is the cornerstone of recent innovation efforts among several states (according to the Council of State Governments 20 states in year 2003), including Illinois where administrative realignment alone saved more than \$529 million over the past two years.

### **Restructuring Revisited**

**For three years, I felt like Sisyphus. Right now, I like the down side of the hill.**

– **Gov. Carroll A. Campbell, June 1993**

**There was a very fortunate merging of interests here, and all of the parties... saw that government as it is currently structured was not workable.**

– **Rep. Jim Hodges, June 1993**

Ronald Reagan's government reform initiatives, by most accounts, embodied his principal mission or priority. His "new federalism" was the hallmark of his presidency. Liberals, and even conservatives, may debate its consequences, but few question its aims to rein in a government that "over-spent, overestimated, and overregulated."

As last year, this administration remains committed to continuing the work of Governor Carroll Campbell by further innovating, restructuring, or re-engineering state government to increase accountability and reduce duplication and waste. We also recognize the efforts of many progressive and farsighted members of the General Assembly, who in 1993, worked hard likewise to modernize our state government. Without working diligently together, with goodwill and determination, the Restructuring Act of 1993 would have never been.

In 2007, however, more work remains to be done. Our state government in South Carolina remains still largely fragmented, chaotic and redundant, taking taxpayer's dollars and spending them on many programs and services of questionable value and priority to the citizenry of our state. Over the years, Governor Campbell and many leaders in the General Assembly commented, time and again, that the restructuring of 1993 was a first step.

During the past two years, and after considerable deliberation, legislation to modernize South Carolina's state government was before the General Assembly. Regrettably, it became bogged down in legislative protocol and politics and lost momentum despite our administration's best efforts to keep it a priority. This was a lost opportunity for "good government."

For example, during the 116<sup>th</sup> General Assembly, S. 80, a comprehensive restructuring bill sponsored by Senators McConnell, Moore and others, after much initial attention, fell into a state of neglect and simply languished for months. It would have consolidated a number of agencies and departments, refined the Budget and Control Board, and established an Office of Inspector General to eliminate fraud and waste.

This same is true for H. 3011, a joint resolution sponsored by Representatives Wilkins, Harrison and others. It would have allowed voters to decide in November 2006 whether to devolve the responsibilities of the Secretary of State and the State Superintendent of Education to the governor – reducing the long statewide ballot of nine to seven, lessening the ills of government largess, and diminishing the tendencies of a government to work at cross-purposes.

Within the boundaries of logic and commonsense, and given the will to overhaul an antiquated organizational framework, had S. 80 and H. 3011 passed the General Assembly last session, our state government would be on the highway – at last – to innovation. It would have additionally meant that the traditional reasons for restructuring would have resulted. These include increasing efficiency and effectiveness in management and service delivery, minimizing wasteful duplication of services, improving administrative coordination, shifting tax dollars from low- to high-priority

areas, improving productivity, streamlining work processes, improving communication, and funding government activities at a price the public is willing to pay.

### **What Must Be Done?**

To succeed, our administration believes three important changes are necessary:

1. Shorten the statewide ballot.

**Limits to executive power are inherent in a system of checks and balances. While they serve to prevent abuses in power, they also have the unintended consequence of thwarting our elected executives from implementing a coherent set of policies for the state in an efficient and business-like manner.**

– Paul Mills, *Commentary*, 2002

Multiple executive branch officers, as we have now, may appear to empower voters, but this structure tends to erode real accountability.

Parceling out executive branch power between the governor and eight other elected statewide constitutional officers often results in our government working at cross-purposes and producing inconsistent public policy. The governor, as the state's leader, must be able to administer the responsibilities of government efficiently and effectively.

To meet the challenges of today and tomorrow, we propose that the following constitutional officers be made cabinet positions appointed by the governor with the advice and consent of the Senate: the Adjutant General, the Commissioner of Agriculture, the State Superintendent of Education, and the Secretary of State.

2. Streamline and consolidate agencies.

South Carolina's state government is a hodgepodge of some 50 independent agencies and departments. These provide hundreds of public programs or services, many which are redundant. This duplication makes our government expensive and inefficient.

Consider the area of health, human and rehabilitation services. We currently have five autonomous agencies or departments delivering similar services. Each provides drug treatment services (costing nearly \$41 million), which is wasteful; each has its own administrative arrangements (costing more than

\$15 million), which is duplicative and costly; and each has a separate governance board or commission (consisting of a total 35 persons), which results in a lack of accountability.

To streamline administration of health, human and rehabilitation services, we propose merging the majority of agencies and programs, with the exception of the Medicaid program, into two departments: a Department of Health Services and a Department of Rehabilitative Services.

By consolidating departments with similar missions, we can provide better service to clients and better value to taxpayers.

3. Make the central administrative functions of government accountable to the governor.

We must create a cabinet-level Department of Administration to provide better support services to state agencies. South Carolina is the only state in the country that empowers a quasi-legislative/executive board to oversee the state's administrative support functions.

Currently, the Budget and Control Board, consisting of more than 1,100 employees, provides nearly every state agency with a variety of services and support, ranging from procurement and mail delivery to human resources and building maintenance.

Accountability through a direct line of authority is an essential component for any leader, whether leading a well-run company or a well-run state, and our current system fails in this regard.

To improve accountability, we propose that two crucial Budget and Control Board-managed functions be placed under the direction of the governor: coordination of interagency activities and operations, and oversight of the state's personnel, fiscal and capital assets.

Thus, having said this, in order to achieve modernization – namely, innovation of state government – *our administration proposes three major changes, as last year's executive budget proposed, to create a centralized, accountable management structure:*

**I. Modernize the Executive Branch's Organizational Structure**

**One of the weightiest objections to a plurality in the executive...is that it tends to conceal faults, and destroy responsibility.**

– Alexander Hamilton, *The Federalist No. 70 (1788)*

**As a result of this long ballot approach, the executive branch is fragmented structurally and uncoordinated operationally in its delivery of services, activities and programs, and is frequently unresponsive to citizens' needs, and on the whole, unaccountable to the governor.**

– *Task Force report on Government Restructuring and Campaign Finance Reform, January 21, 2003*

It may appear that having numerous executive branch officers empowers the people; however, this structure really serves to erode any real accountability. Mainly, it disperses executive power among so many constitutional officers that the role of the chief executive of the state – the governor – is relegated to only a portion of executive authority and command.

This situation begs two critical questions: “Who is in charge?” and additionally, “Who should ultimately be responsible for the executive department's key constitutional functions?”

With the “long ballot,” responsibility and leadership are spread among eight other constitutional officers elected statewide. According to experts on the subject of restructuring in South Carolina, during the restructuring debates in 1993, some attention was directed to the possibility of appointing rather than electing the three constitutional officers whose responsibilities reside within focused policy areas (the Superintendent of Education, the Commissioner of Agriculture, and the Adjutant General). This idea was eventually abandoned for various practical and political reasons, mainly because *sine die* occurred before legislative action – in the form of separate joint resolutions – could be taken. Governor Campbell and legislative leaders put off restructuring efforts among constitutional officers recognizing this could be done in the future or in what has often been termed as the “next phase of reorganization.”

Having said this, we propose once more the reduction and restructuring of the state's constitutional officers as follows:



**Place the Governor and Lieutenant Governor on the same ticket.**

In the long-standing tradition of the federal executive branch, where the President and Vice President run on the same ballot, we propose having the Governor and Lieutenant Governor run together as a team (as they do in 24 other states).

**Make the following cabinet positions appointed by the Governor, with advice and consent of the Senate:**

1. **Adjutant General** – In an effort to depoliticize the military branch of state government and to provide a greater degree of accountability within the governor's pre-established role as "commander-in-chief," we propose having the Adjutant General appointed by the governor (as they do in 48 other states).
2. **Commissioner of Agriculture** – As with the Adjutant General, in an effort to streamline the executive branch and provide greater accountability, we propose having the Commissioner of Agriculture appointed by the governor (as they do in 30 other states).
3. **State Superintendent of Education** – As part of our plan to provide a centrally accountable management structure for the state's public education system, we propose having the state Superintendent of Education appointed by the governor (as they do in 11 other states).
4. **Secretary of State** – In the tradition and rationale of the federal executive branch, where the Secretary of State is an integral part of the president's cabinet, we propose having the Secretary of State appointed by the governor (as they do in seven other states).

In sum, a long ballot of constitutional or statutory executive officials detracts from public concentration and awareness of the governor as *chief* executive. Additionally, a long ballot diffuses executive powers from the governor, often creating power struggles, political or policy friction, and a lack of coordination.

As remarked in last year's budget, the idea of inter-branch checks and balances requires three separate, but equal, branches of government; however, "intra-branch" checks and balances – among several elected statewide officers – can cripple the executive branch's ability to perform its constitutional duties. The South Carolina Constitution, ratified in 1895 at a time when all women and most African Americans did not have the right to vote, established a very weak executive branch of government with the governor sharing the executive branch power with eight other elected statewide constitutional officers. Having such a large number of elected officials in the executive branch frequently results in our government working at cross-purposes and producing inconsistent and often conflicting public policy.

## II. Simplify, Streamline and Create More Accountability in Government

**There is no central point of accountability for the performance of these agencies. Because non-cabinet directors are not directly appointed or terminated by the Governor, the Governor is not directly responsible for the performance of these agencies...Governors in neighboring states have greater authority to appoint department heads than South Carolina's Governor.**

– **Legislative Audit Council Report, January 2003**

In the past 86 years, South Carolina has conducted 18 major reorganization studies, all of which reached a similar conclusion – that state government in South Carolina has far too many government agencies, making it disjointed, unwieldy, and unaccountable.

The resulting overlap of functions and the duplication of efforts make our government both expensive and inefficient. Our agencies are aligned based upon antiquated funding streams rather than being citizen-centric and organized by the needs of clients. As stated earlier, *we need to consolidate departments with similar missions under the cabinet to provide better service to our clients and better value to the taxpayer.*

While a cabinet form of government was in some measure created in 1993, some 14 years ago, that consolidated 76 agencies into 13 cabinet-level offices, in 2007, more than 80 percent of state government still remains external to the management and oversight of the state's chief executive--the governor.

As premised in earlier reorganization studies, a framework for better state government is based on six principles:

1. Establish clear lines of authority, responsibility, and accountability;
2. Concentrate this authority and accountability at a single point, viz., the chief executive (governor).
3. Create a reasonable and manageable span of control.
4. Integrate governmental functions into a small number of departments.
5. Enhance state government's responsiveness to the needs of its citizenry.
6. Seek continuous improvement in the quality and effectiveness of state government through emphasis on customer service, strategic planning, and other quality management principles.

A recent example of the application of these principles is instructive.

In 2005, we proposed the merger of the Office of Indigent Defense and the Office of Appellate Defense. This merger was ultimately adopted by the General Assembly because it made sense. A united system with one oversight board provided more flexibility and eliminated competing budgetary interests. Most importantly, a merger of Appellate and Indigent Defense resulted in more streamlined and efficient delivery of services to indigent clients and ultimately benefits the judicial process.

Savings also resulted from this merger. As an example, we anticipate an annual administrative savings of \$190,210 at the newly created Office of Indigent Defense.

Like the merger of the Office of Indigent Defense and the Office of Appellate Defense two years ago, we propose that the following state agencies be consolidated, simplified, and made more accountable to South Carolinians – a task which becomes much more feasible if a strong cabinet form of government is brought to the executive branch. By restructuring, we anticipate savings in excess of \$19 million during FY 2007-08.

Restructure multiple educational entities of state government. Within our state education system, we have a State Board of Education that provides a duplicative level of administration above the statewide elected Superintendent of Education. We also have several special schools duplicating services or administrative structures and competing for scarce resources.

**State Department of Education**

1. Transfer the powers of the state Board of Education to the Superintendent of Education, who would be appointed by the governor subject to Senate confirmation.
2. Move ETV, the Wil Lou Gray Opportunity School, School for the Deaf and Blind, the John de la Howe School, the Governor's School for Science and Mathematics, and the Governor's School for the Arts and Humanities under the administrative direction of the State Department of Education.

The powers of the current Boards at ETV, Wil Lou Gray Opportunity School, School for the Deaf and Blind, the John de la Howe School, the Governor's School for Science and Mathematics, and the Governor's School for the Arts and Humanities would be given to the Superintendent of Education, and the members of the Boards would serve as an advisory board.

Create an efficient health and human service delivery system. As stated in last year's executive budget, the state health and human service delivery system is fragmented and disjointed with too many agencies providing redundant and costly services. As with the state's educational system, we propose that these state agencies be merged and established in a cabinet-level agency to improve accountability to the people of South Carolina. In accomplishing this task, we base our proposal on the findings and recommendations of the following Legislative Audit Council (LAC) reports.

In January 2003, as we discussed in last year's executive budget, the Legislative Audit Council LAC completed an in-depth study of the state's eight health and human service agencies. The report found that similar services are provided by multiple agencies, causing these agencies to spend extra resources on service coordination. The report noted that the overlap causes increased administrative costs in areas such as finance, personnel, and information technology.

The report also found that since most of the agencies were outside the cabinet, the result is "no central point of accountability for their performance." The report pointed out that "[a] cabinet system could increase accountability and responsiveness to client concerns by directly linking the performance of agencies with a single statewide elected official who is authorized to implement changes." The report concluded, "If programs with similar services were consolidated into fewer agencies, under the authority of a single cabinet secretary, obtaining help from state government could be made less complex. The need for different agencies to make referrals to each other could be reduced while planning and budgeting could be done more comprehensively. In most cases, administrative costs could be lower."

In October 2004, the LAC produced a follow-up to the January 2003 report. While the agencies have implemented some of the LAC recommendations, none of the 2003 recommended changes to state law were enacted. The LAC's recommendations to restructure the health and human services agencies have not been implemented. The LAC found that similar services are often provided by multiple agencies. It was further found that five of the eight agencies are not in the governor's cabinet, and there is no single point of accountability for their performance.

We largely agree with the LAC reports and have based much of our proposed structure around their findings. Our main concern is the need for services to efficiently and effectively meet the needs and choices of consumers. Our current system clearly does not. The following proposed system will be a health and human service delivery system that will be more accountable, more affordable, and most importantly, will provide for improved care for our citizens.

### **Department of Health Oversight and Finance**

1. Rename the Department of Health and Human Services the Department of Health Oversight and Finance.
2. This agency will continue to be the lead agency for Medicaid oversight and finance of Medicaid expenditures.

**Department of Health Services (Health Services)**

1. Division of Public Health (currently the health programs at the Department of Health and Environmental Control). **{Proposed Restructuring Savings: \$5,839,407}**
2. Division of Mental Health (currently Department of Mental Health). **{Proposed Restructuring Savings: \$6,360,367}**
  - The powers of the current Mental Health Commission would be given to the director of Health Services and the members of the commission would serve as an advisory board.
  - Continuum of Care for Emotionally Disturbed Children would be moved from the Governor's Office to the new Division of Mental Health. **{Proposed Restructuring Savings: \$140,269}**
3. Division of Disabilities and Special Needs (currently Department of Disabilities and Special Needs) **{Proposed Restructuring Savings: \$2,171,659}**
  - The powers of the current Disabilities and Special Needs Commission would be given to the director of Health Services and the commission would serve as an advisory board.
4. Division of Addiction Services (currently Department of Alcohol and Other Drug Abuse Services). **{Proposed Restructuring Savings: \$456,233}**

**Department of Rehabilitative Services**

1. Merge the Vocational Rehabilitation Department and the Commission for the Blind. **{Proposed Restructuring Savings: \$467,424}**
2. The administrative responsibilities of the Vocational Rehabilitation Department and the Commission for the Blind would be given to one director appointed by the governor with advice and consent of the Senate.
3. The board members of the Vocational Rehabilitation Department and the Commission for the Blind would serve on advisory boards.

Create an accountable state transportation system. The South Carolina Department of Transportation lacks the level of accountability found in other states. As a result, citizens too often see low priority projects such as four lane highways to nowhere funded at the expense of crumbling secondary roads to and from elementary schools, hospitals and businesses.

Additionally, financial management continues to be an area of concern for the agency. Recently, a Legislative Audit Council report was issued concerning the financial actions of the South Carolina Department of Transportation. The following are highlights from this audit:

- **Federal Billings Delayed** – Evidence was found that DOT lowered their cash balances by delaying billings for reimbursements from the Federal Highway Administration – losing interest income. It is said that DOT did this to make it appear as though funding is lower than it really is. LAC estimated this **cost taxpayers \$1.5 million for just FY 2003-04 and FY 2004-05;**
- **No safeguards to ensure projects are cost-effective** – For some unknown reason, DOT paid some contractors with fixed payments – which is the normal practice to pay for work that has been completed. Because of this, DOT paid for work that was never done. LAC estimated this **cost taxpayers \$8.7 million;**
- **Program and Financial Management Fees** – Several contractors, prior to acceptance of DOT contracts, suggested program and management fees be no more than two percent of the total budget. However, of the fixed payments, \$62 million was for overall program and financial management – representing 4.5 percent of the budget. LAC estimated this **cost taxpayers \$32 million;**
- **Temporary Hires of Former Employees** – The agency hired two former DOT employees at \$120.07 per hour (over \$200,000 per year) to work in the department they left. Both employees had just retired from the department earning only \$55 per hour (including fringe benefits); and
- **Accepting Donations from Contractors** – DOT has accepted \$22,000 in sponsorship donations from contractors for conferences DOT has hosted. This is a clear conflict of interest.

We are concerned with the above LAC findings and believe that restructuring is needed to improve accountability at the agency. Our current system is clearly not in line with the structure adopted in other states. For instance, forty-seven governors appoint the director of the Department of Transportation or appoint all Highway Commission members (South Carolina, Georgia, and Mississippi are the only states that do not). In South Carolina, the governor can only appoint the chairman of the Commission, who can only vote in the case of a tie. The other commissioners (whose appointments are not subject to a full Senate vote) choose the director of the agency. Of the forty-seven states that do it differently than we do, the breakout is:

- 41 states have a governor who appoints the Director of the Department of Transportation (i.e., cabinet agency)
- the remaining six states appoint the entire commission

The following proposed system will be a state Department of Transportation that will be more accountable, more cost effective, and most importantly, will provide for improved transportation services for our citizens.

**State Department of Transportation**

1. Transfer the powers of the Commissioners of the state Department of Transportation to the Director of the State Department of Transportation, who would be appointed by the governor subject to Senate confirmation and serve in the governor's cabinet.

Establish a Department of Environment and Natural Resources (DENR). Currently, the state's environmental and natural resource programs are distributed among several state agencies. In managing these important resources, there should be, in our view, a closer connection between the agency that manages our natural resources and the agency that provides environmental regulation.

In order to reduce duplication, we have proposed – as we did last year – consolidating these agencies into a single agency accountable to the governor. By doing this, we will be more in line with our neighboring states. For instance, North Carolina's Department of Environment and Natural Resources and Georgia's Department of Natural Resources provide both regulation and enforcement of environmental and wildlife laws.

The inefficiencies of our current system are exhibited by the bifurcated approach to water quality, as DNR and DHEC are both actively involved in watershed management. Pooling the conservation activities from DNR with the regulatory activities from DHEC, as well as both agencies' enforcement functions will provide for a more cost-effective and comprehensive management approach to this crucial state function.

We propose the creation of a Department of Environment and Natural Resources with a cabinet-level director, appointed by the governor with the advice and consent of the Senate. DENR would be structured as follows:

**Department of Environment and Natural Resources (DENR)**

1. Division of Environmental Protection (currently the Environmental Quality Control Division and the Ocean and Coastal Resource Management Division of the Department of Health and Environmental Control).
  - Maintain an environmental regulatory board.
2. Division of Natural Resources (currently the Department of Natural Resources). **{Proposed Restructuring Savings: \$932,077}**
  - The powers of the current Department of Natural Resources Board would be given to the DENR director, and the members of the Board would serve as an advisory board.

3. Division of Forestry (currently the South Carolina Forestry Commission).  
**{Proposed Restructuring Savings: \$513,588}**
- The powers of the current Forestry Commission would be given to the DENR director, and the members of the Commission would serve as an advisory board.

Merge Departments of Corrections and Probation, Parole and Pardon Services.

**The consolidation of the Department of Corrections and the Department of Probation, Parole and Pardon Services would establish a unified, coordinated system of correctional agencies and would substantially reduce administrative costs.**

- *Governor's Commission on Management, Accountability and Performance, September 30, 2003*

South Carolina is one of only ten states in which the functions of the Department of Corrections are separate from the responsibilities of the Department of Probation, Parole and Pardon Services. Indeed, more than half of all states house all of their probation, parole, and pardon functions within a unified corrections department.

We believe a unified Department of Corrections and Probation will ensure that offenders are managed and measured by one agency from admission to final release, whether that release is directly from prison or from a lesser level of state supervision. A unified corrections system will ensure that decisions about behavior and risk assessment are made consistently. The agency would be run by a cabinet-level appointment of the governor with advice and consent of the Senate.

We believe a unified system will have several benefits:

1. A unified system would immediately allow better coordination and the exchange of information, resources, and personnel.
2. Savings in eliminating administrative duplication would immediately allow for better use of our scarce programming resources in areas such as drug and alcohol treatment and re-entry programs.
3. Victims of crime would have a single point of contact to learn about the status of their offender from entry to completion of sentence.

This administration will be working with the leadership of the General Assembly to develop a new alternative sentencing option for non-violent offenders. Options such as restitution centers and electronic monitoring fall squarely between the missions of the two agencies charged with the oversight of criminals. By joining these related functions



into a single entity, as most other states have done, we will be able to improve coordination, better manage limited resources, realize significant financial savings, and improve protection for our law-abiding citizens.

In addition to combining the Department of Corrections and the Department of Probation, Parole and Pardon Services (PPP), we propose combining the state's two parole boards. Currently, the state has separate boards at PPP and the Department of Juvenile Justice. The parole board at PPP has seven members and a budget of \$753,347 while the DJJ board has a budget of \$721,561 with ten members. Regardless of similar-sized budgets, the DJJ board hears far fewer cases per year. Because these two parole boards have very similar missions, we feel this presents an opportunity to gain efficiencies and savings by merging them.

**Department of Corrections and Probation**

1. Division of Corrections.
2. Division of Probation, Parole and Pardon Services. **{Proposed Restructuring Savings: \$552,935}**
  - The PPP Parole Board would be combined with the DJJ Parole Board to perform probation, parole, and pardon functions. **{Proposed Restructuring Savings: \$425,000}**

Consolidate Job creation and economic development programs. South Carolina's business and political leadership recognizes an unprecedented rapid transformation of the national and international economies. In recent publications, this transformation was and is today frequently termed "the emerging new economy," and is defined by globalization with an ever-increasing reliance on knowledge-based technologies and highlighted by intense competition, creativity and inventiveness.

Our administration clearly acknowledges this economic phenomenon, and through cooperation and mutual interest, reflection, study and planning, we believe firmly that the traditional approaches to economic development are out of synch, to some extent, with the new economy and that a new modern and comprehensive strategy is called for to stabilize and energize South Carolina's economic "engine." As such, we accept the four key objectives set out by a coalition of private business-oriented organizations, PRT, and the Department of Commerce:

1. Bring together the relevant stakeholders – industry, academia, and government – to collaborate in developing a shared economic strategy for South Carolina.
2. Assess the competitive position of South Carolina and of the selected industry clusters in the state.
3. Identify key challenges, opportunities, and new strategic directions for South Carolina overall.

4. Promote consensus on an economic strategy and action agenda for South Carolina.

Our administration's primary goal is job creation and economic development. Federal, state, and local resources that help create jobs and promote economic development are poured into programs that promote that goal, but we fall far short of getting the most out of those dollars because the programs are inefficiently scattered among various state agencies. To maximize the effect of these dollars and to ensure that the mission focus is consistent, cohesive, and strong, we propose that the economic development programs, and in many instances the agencies that currently administer them, be housed in a single agency. In addition, the savings in administrative dollars would allow more funds to be dedicated to the core mission of job creation and economic development. This proposed consolidation, outlined below, offers us a great tool in strengthening the "laser-beam focus on economic development."

**Department of Commerce**

1. Retain the current functions of the Department of Commerce.
2. Office of Local Government (currently at the Budget and Control Board).

Two years ago, we were successful at moving Workforce Investment Act (WIA) funding to the Department of Commerce. WIA is a federal initiative that was created in 1998 to fund job training and employment programs. Moving WIA to Commerce – from the Employment Security Commission – will ensure that over \$60 million in WIA funds will be used to help build the high-skilled work force needed to attract new industry to South Carolina. The move will also result in better coordination of the spending of WIA funds within the overall framework of the economic development goals and strategies at the Department of Commerce.

Create a Department of Literary and Cultural Resources (DLCR). In 1991, the Commission on Government Restructuring recommended putting all four of our cultural and literary agencies together under the administration of one agency. However, no such change was made as a part of the Restructuring Act of 1993. As we have proposed consistently, we believe that merging all of these agencies together will streamline management and reduce administrative costs.

While we strive to eliminate administrative duplication in our arts and cultural agencies, our neighboring state of North Carolina has had a consolidated arts and cultural agency in place since 1971. The North Carolina Department of Cultural Resources was formed to provide cultural, artistic, and historic resources to the citizens of North Carolina in a unified manner. The department was formed by combining the Office of Archives and History with the then newly created Office of Arts and Libraries, which provides arts, literary, and cultural experiences to citizens throughout the state. Just as North

Carolina has eliminated administrative duplication in its arts and cultural agencies, we would propose to do the same in the following manner:

**Department of Literary and Cultural Resources**

1. Create a Department of Literary and Cultural Resources and DLCR Board.
  - The DLCR Board would be responsible for appointing the director of the agency.
  - The DLCR Board should have equal representation from each of the four areas to ensure fair and balanced weight.
2. Division of Archives and History (currently the Department of Archives and History). **{Proposed Restructuring Savings: \$172,418}** We also propose moving the Institute for Archeology and Anthropology from USC to this division. **{Proposed Restructuring Savings: \$496,812}**
3. Division of Arts (currently the Arts Commission). **{Proposed Restructuring Savings: \$179,384}**
4. State Library. **{Proposed Restructuring Savings: \$85,230}**
5. State Museum. **{Proposed Restructuring Savings: \$76,634}**

Create a State Trust Fund Authority. Currently, the state maintains various internal service funds that manage a variety of risks related to public buildings, torts, medical malpractice, and automobile use by public employees, health and disability, and workers' compensation. These funds include the Insurance Reserve Fund, Employee Insurance Programs Fund, State Accident Fund, Patients' Compensation Fund, Medical Malpractice Liability Insurance Joint Underwriting Association, and Second Injury Fund. These funds are currently operated independently of each other. As a move toward merging these various funds, we propose unifying the Insurance Reserve Fund, which manages the state's property and tort liability risks, and the State Accident Fund, which manages the state's workers' compensation risks. The risks managed by these funds are sufficiently related that they should be administered under the authority of one agency with one administrator. The creation of a trust fund authority will eliminate duplicative overhead costs and will allow the coordinated management of these funds. This approach would make it more likely that the funds would only be used for their prescribed uses. We believe other funds could be added over time. The administrator would be appointed by the governor for a six-year term, with the advice and consent of the Senate.

**State Trust Fund Authority**

1. State Accident Fund.
2. Insurance Reserve Fund.

### III. Create Executive Accountability of Central Administrative Functions

**One of the principal objections inculcated by the more respectable adversaries to the Constitution is its supposed violation of the political maxim, that the Legislative, Executive, and judiciary departments ought to be separate and distinct. In the structure of the federal government, no regard, it is said, seems to have been paid to this essential precaution in favor of liberty. The several departments of power are distributed and blended in such a manner as at once to destroy all symmetry and beauty of form, and to expose some of the essential parts of the edifice to the danger of being crushed by the disproportionate weight of other parts.**

— James Madison, *The Federalist No. 47 (1788)*

We believe that we must create a cabinet-level Department of Administration to provide better support services to state agencies. We are the *only* state in the country that empowers a quasi-legislative/executive board to oversee the administrative support functions of our state.

The 1,100 plus employee Budget and Control Board provides to nearly every state agency a variety of services and support, ranging from procurement, mail delivery, human resources, real estate, data and telecommunications, retirement, construction, and building maintenance. The five-headed structure of the Board results in a lack of accountability and contributes to some services of the Board costing too much. While they may be named different things, it is important to note that *all* of the other 49 states have their administrative support agency under the sole authority of the governor. A Chief Executive of any well-run company or well-run state must have that direct line of authority in order to have the accountability needed to be successful. Therefore, we once again urge the General Assembly to create a Department of Administration.

As the state's chief executive officer, the governor should be responsible for the central administration of Executive Branch functions of state government. However, currently the Budget and Control Board assumes several functions that we have proposed putting into a single, cabinet-level agency to manage daily operations of state government. For instance, two of the Budget and Control Board's stated policy objectives, which we believe fall under the executive branch under the direction of the governor, are:

1. Provide a structure for coordinating inter-agency activities and operations.
2. Bring about the efficient and effective use of the state's personnel, fiscal, and capital assets.

The Department of Administration would be in the governor's cabinet to ensure accountability of support services and hiring policies in state government. We propose that the director of the Department of Administration be appointed by the governor with advice and consent of the Senate.

**Department of Administration**

**From the Budget and Control Board and the Governor's Office:**

1. Office of General Services – Our state owns over 8,000 buildings comprising 60 million square feet of space with no central authority to make management decisions. Tens or even hundreds of thousands of square feet of state-owned office space sits vacant, yet the state leases hundreds of thousands more square feet of office space from the private sector.
2. Office of Human Resources – Not having any one person in charge or responsible can allow for the perpetuation of programs that need fixing or ending. The Teacher and Employee Retention Incentive Program was created to retain our best teachers, but instead has resulted in the possibility of double or even triple leave payouts and has increased the unfunded liability of our state retirement system by over \$100 million. Our state has a generous retirement system that has run up \$4.2 billion in unfunded debt that is growing and must be addressed.
3. Employee Insurance Program.
4. Energy Office.
5. Division of Procurement Services – Our state's antiquated procurement system, currently overseen by the Budget and Control Board, sometimes serves as a roadblock that unnecessarily slows down time-sensitive projects. For instance, the Department of Parks, Recreation and Tourism recently engaged the procurement system to assist them in outsourcing the state's bait and tackle shops. What should have been a simple procurement matter was delayed, thereby preventing PRT from outsourcing these shops within a reasonable timeframe.
6. Division of Internal Audit and Performance Review.
7. Research and Statistics (excluding Digital Cartography and Precinct Demographics) – Digital Cartography and Precinct Demographics are related to redistricting after the Decennial Census, which is largely a legislative branch function.
8. One-half of the Executive Director's office.
9. One-half of the Internal Operations office.
10. Governor's Office of Executive Policy and Programs (excluding Guardian ad Litem Office, Continuum of Care, and the state Ombudsman).

By moving the above-listed central administrative functions to the governor's cabinet, the Budget and Control Board could then focus on key areas of state fiscal policy, specifically by:

1. Approving state revenue and expenditure projections.
2. Authorizing the issuance of bonds.
3. Addressing budgetary shortfalls.
4. Administering the State Retirement System.
5. Exercising such other specific fiscal responsibilities as may be enumerated by law.

In addition to those activities being moved from the Budget and Control Board to the governor's cabinet, we also propose that the Department of Administration provide administrative support for a Chief Information Officer (CIO) and a State Inspector General (IG).

**Department of Administration – CIO and IG**

1. Chief Information Officer – The CIO's Office would be responsible for establishing information technology standards and strategic plans across state government. Currently, there is a division of the State Chief Information Officer within the Budget and Control Board. This division would be transferred to the Department of Administration and the CIO would be appointed by the director of the Department of Administration.
2. State Inspector General – We propose creating a central office responsible for identifying waste, fraud, and abuse within the executive branch. The Inspector General's Office would be established and appointed for a six-year term in the same manner as the Chief of the State Law Enforcement Division. The Inspector General would be nominated by the governor and confirmed by the Senate, serving a six-year term.

Create a Sunset Commission. Ronald Reagan once said that “nothing lasts longer than a temporary government program.” We have found this to be the case in South Carolina – even if the activity is something that the public no longer needs.

According to the National Council of State Legislatures, “the sunset process was one of the first government accountability tools, dating back to the mid-1970's. Although individual sunset processes differ from state to state, a key feature of most processes is the inclusion of an automatic termination clause in the authorizing legislation for a particular state agency or program. Colorado was the first state to implement a sunset review process (1976) and within five years, more than two-thirds of the states followed suit.”

Generally, a sunset law is a law that automatically terminates a state regulatory agency, board, or function of government on a certain date. A state Legislature must act to

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continue the entity or function by passing a bill. Sunset laws cause Legislatures to review periodically the need for state regulation or for advisory committees and to update the law creating the entity or function. These reviews seek to balance the need for regulation to protect the public interest with the need to ensure that state agencies, industry and the professions, and functions of government are not overregulated.

One of our country's most progressive sunset programs was enacted by Texas in 1982. As part of the creation of their Sunset Commission, the charter of nearly every agency in the state expires every 12 years unless it is renewed by the state Legislature. This expiration date, which actually includes a 13<sup>th</sup> year grace period, forces a legislative commission to review 1 out of 12 of their agency's charters every year and make suggestions as to whether or not the agency should continue as is, should continue with different functions, should merge with a similar agency, or should continue to exist at all. The Texas Sunset Commission has saved taxpayers over \$720 million since its inception, generating a return of \$42 for every \$1 invested in the agency.

In the 2000-01 bi-annual budget years, an impressive 207 of the 230 recommendations made by the Texas Sunset Commission were accepted by the state Legislature, which resulted in \$17 million in savings. The recommendations ranged from major changes such as restructuring the Texas Department of Economic Development for \$3 million in savings to smaller ideas such as a \$168,000 adjustment to the Texas State Board of Plumbing Examiners' budget. Florida uses a similar process under their Office of Program Policy Analysis and Government Accountability. This agency proposes an annual business plan to the Florida Legislature based upon agencies' performance and outcome measures. A total of \$443 million in recommended savings has been adopted by the Florida Legislature since 1994.

The results in both Florida and Texas have yielded benefits to the taxpayers in lower costs of government. In fact, both states have no income tax and operate with low state revenues of approximately \$2,800 per person. This number compares very well with the United States average of \$3,810 for states and especially when contrasted with South Carolina's revenue of \$4,140 per person. *Governing* magazine's 2005 *Fact Book* reveals that South Carolina state government operates with a ratio of 251 state employees per 10,000 residents, which is 43 percent higher than the United States average of 176 state employees per 10,000 in population. South Carolina's ratio is 64 percent higher than Texas at 153, and more than double Florida's number of 123 state employees per 10,000 residents.

Texas and Florida can offer some lessons for officials in South Carolina interested in running our government more efficiently and effectively. Two years ago, the South Carolina House passed a measure which would have created a Sunset Commission as a division of the Legislative Audit Council, but the bill stalled in the Senate. Because we strongly believe that a regular review of existing laws will provide substantial benefits to the taxpayers of South Carolina, our budget recommends \$585,000 to fund a Sunset Commission under the LAC.

# **Innovate Education**



## Innovate Education

**Good is the enemy of great. And that is one of the key reasons why we have so little that becomes great. We don't have great schools, principally because we have good schools. We don't have great government, principally because we have good government. Few people attain great lives, in large part because it is just so easy to settle for a good life.**

— Jim Collins, *Good to Great*

Great schools provide at least a year's worth of learning for a year's worth of schooling. Great schools engage students through a curriculum that stimulates their God-given sense of curiosity. Great schools are safe places that draw students in rather than push them out. Great schools produce high school graduates who are ready for college and work or some combination of the two. South Carolina needs more great schools.

The one thing that separates a good system from a great system of schools is the culture of low expectations that allows parents, students, teachers, and other stakeholders to accept mediocrity. Increasing global competition is forcing South Carolina to come to accept the fact that developing a great system of education is not an option to ponder; it is now a matter of economic necessity.

Transitioning from a system that generates incremental improvements to one that produces great outcomes year after year demands that we first get honest about the educational progress that our state has – or, in too many instances, has not – made. Armed with an objective analysis, we can target our energies on creating a seamless system of education, maximizing the return on our educational investment, and developing a system that is more responsive to consumer demands.

### **Continued Challenges in Student Performance**

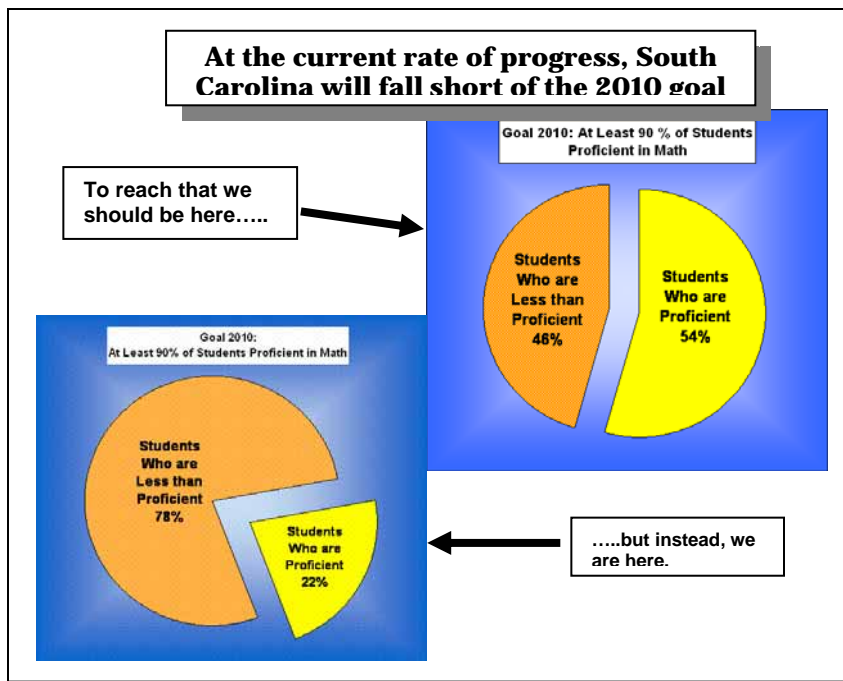
Measuring the success of South Carolina's education system has two components. First, we need an evaluation of benchmarks that are predictive of what will be the system's educational product. Second, decision makers need a clear assessment of the quality of the overall product of the education system. In real terms, assessing the education system requires that we monitor student proficiency at various points in elementary and secondary education at the same time that we evaluate the quality of the typical high school graduate, which represents the output of the education system. Additionally, a successful system offers quality service at a reasonable cost to taxpayers.

**Falling short of the 2010 goal.** The Education Accountability Act requires that by 2010, nine out of ten students will be proficient in math, reading, social studies, and science. While student performance has shown improvement, the current rate of progress is insufficient to reach the goal set by the Legislature in 1998.

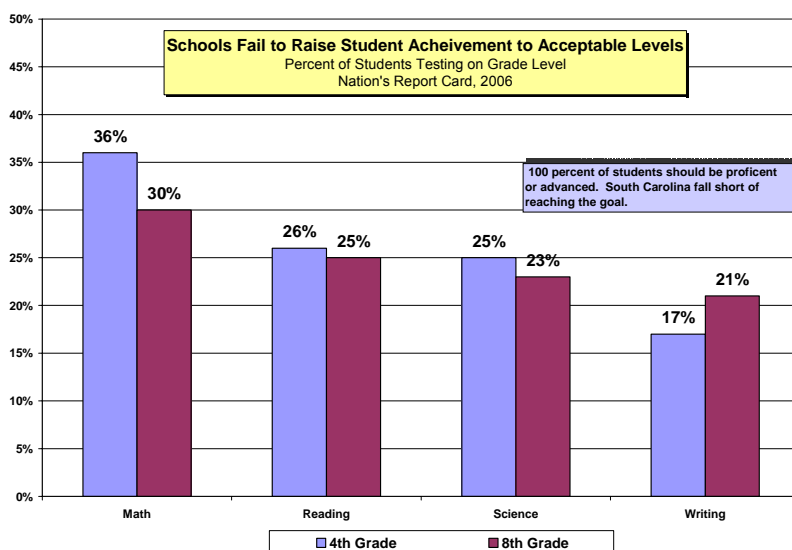
In addition to being off-target for reaching the goals set by the General Assembly, the education system's effectiveness is worse in secondary education than it is in elementary. Take for instance student performance on the Nation's Report Card, a nationally recognized assessment used to gauge the effectiveness of state education systems.

The likelihood that students reach proficiency declines

every year that they are in school. In effect, the more we expose our students to public school, the worse they do. National Association of Education Progress (NAEP) scores in



every subject attest to this fact. The one area that offers a glimmer of hope – writing – shows that in both 4<sup>th</sup> and 8<sup>th</sup> grade only one in five students is proficient at writing.



Student performances on the Palmetto Achievement Challenge Test (PACT) and on NAEP show the same reality. Our students enter elementary school ready to learn, but by the time they reach high school they either lack the motivation

or the skills to demonstrate a competent understanding of key subject areas.

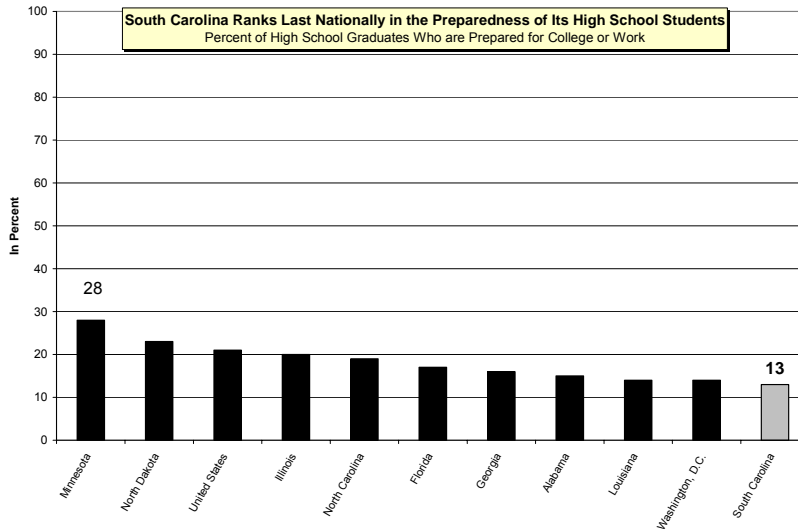
SAT and ACT national rankings. Student proficiency at various grade levels is merely benchmark. The ultimate measure of our education system is its ability to produce well-trained high school graduates. Compared to their counterparts in other states, the performance of students who successfully complete South Carolina's K12 education system offers a stark reminder that our system has a long way to go before it is competitive.

National ranking on the average SAT score among high school graduates is a case in point. Over a 30-year period, South Carolina's rank on the SAT constantly falls at the bottom of the nation, fluctuating between last and next to last from year to year. Our scores remain far below the national average and not even approaching that of high performing states such as North Dakota, Iowa, Minnesota, or Illinois.

<b>SAT Performance by State</b>		
	<b>National Rankings</b>	
<b>State</b>	<b>1975</b>	<b>2006</b>
North Dakota	2	1
Iowa	1	2
Illinois	22	3
South Dakota	6	4
Minnesota	7	5
<b>Virginia</b>	<b>43</b>	<b>34</b>
<b>North Carolina</b>	<b>47</b>	<b>38</b>
Georgia	49	49
<b><i>South Carolina</i></b>	<b><i>50</i></b>	<b><i>50</i></b>

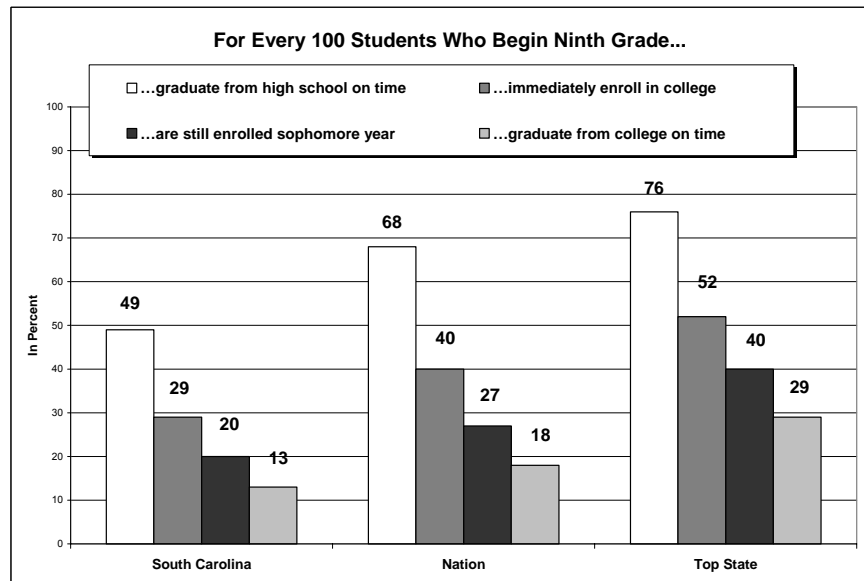
North Carolina and Virginia offer an interesting contrast. Since 1975, both states have seen significant improvements in their national rank while maintaining a student participation rate that is comparable to that of South Carolina; as a matter of fact, both states have actually increased student participation rate on the SAT. The student performance of Virginia and North Carolina demonstrate the fact that it is possible for states to raise student achievement on the SAT.

At the same time the system has failed to improve the competitiveness of our high school graduates, the economic well-being of our state has become more reliant on the public education system's ability to fulfill that basic task. A successful high school graduate is no longer a luxury; it is an economic necessity. Take, for example, the fact that the skill set necessary to succeed in college has converged with the skill set necessary to succeed in work – the two are indistinguishable from one another.



An environment where only 13 percent of high school graduates are prepared for college and/or work is counterproductive to South Carolina’s need to be competitive in a global economy. We fare poorly relative to other states in the nation. However, even reaching the national average is only a step in the right direction; less than one-fifth of the nation’s high school graduates are ready for college and work.

Finishing high school on time – a coin toss. A flipped coin has a 50/50 probability of landing on heads. An entering high school student faces the same odds of graduating on time. For the student who makes it, those odds are acceptable, especially for those who are part of the fortunate 13 percent of high school graduates ready for college or work. However, for the mass of students who fail to complete high school on time, the current system is failing them.



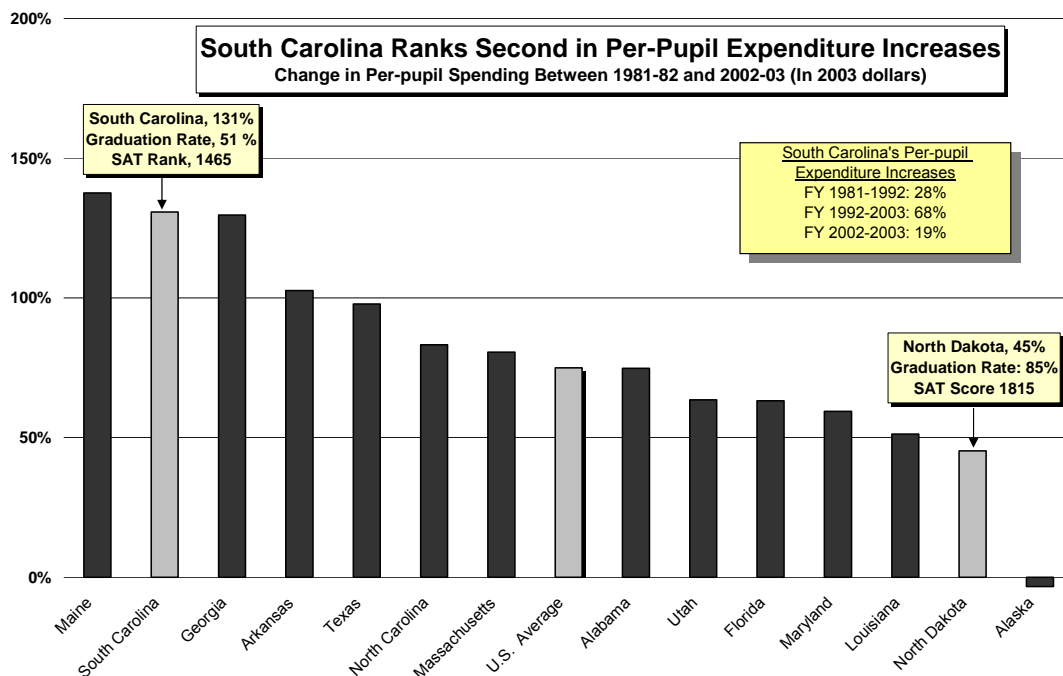
Among the high school students who began in fall of 2006, half will finish on time with a recognized high school diploma in 2010.

With all the hoopla surrounding absolute improvements in SAT scores and ACT scores, the fact is that a system that fails to get half of its students through on time represents an ineffectiveness that cannot be masked by having a few high-performing graduates.

<b>South Carolina's Graduation Rate: Different Calculations, Same Result</b>		
<b>Source</b>	<b>Graduation Rate (in Percent)</b>	<b>National Rank</b>
Higher Education Information Service (2003)	48	50
United Health Foundation (2004)	48	50
Postsecondary Opportunity (2002)	48	50
National Center for Public Policy and Higher Education (2004)	49	50
Urban Institute (2004)	51	49
National Board on Educational Testing and Public Policy (2004)	51	49
Education Week Study (2006)	52.5	50
Manhattan Institute (2003)	57	50
South Carolina Department of Education (2003)*	66.8	48
No Child Left Behind State Report (2005)*	78	48
<i>*In 2005 and 2006 the State Department of Education was criticized for inflating graduation rates reported to national organizations including the United States Department of Education.</i>		

No matter how it is measured – high school completion rate, high school graduation rate, dropout rate – the result is the same. South Carolina's system ranks last in terms of its ability to get students through. What's worse is the fact that the momentum reflects a downward trend: South Carolina's high school completion rate today is lower than it has been in fifteen years. Since 1990, the high school completion rate – the percentage of ninth graders who go on to finish high school on time – has plummeted from nearly 65 percent to less than 50 percent of each entering class. This decline cannot be explained away by factoring in the demographic composition of South Carolina's student population or graduation requirements. As a recent report released by the Monitor Group plainly points out, even when the prevalence of poverty, ethnic composition, and credit or testing requirements are considered, South Carolina's graduation rate is lower than it should be and is declining more rapidly than is justifiable. The momentum represents a downward trend wherein our school system, instead of becoming more effective at producing successful high school completers, is becoming more reliant on the adult education programs offered in our state.

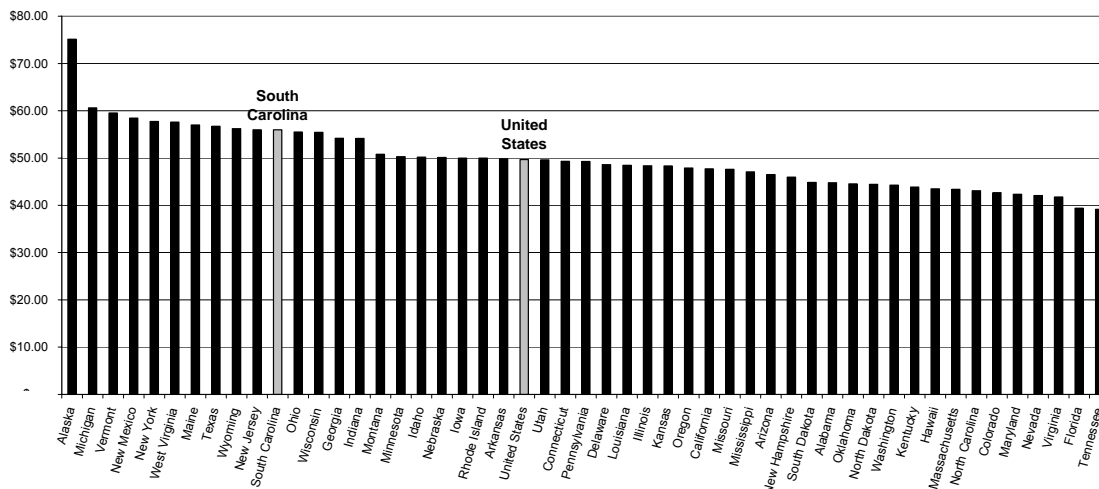
Spending more, getting less. With the overall output of our system being what it is, one would think that over the last decades South Carolina's investment in education would either be stagnant or even declining relative to the rest of the nation. In fact, South Carolina has seen the second most rapid increase in per-pupil expenditures when compared to other states. South Carolina's increase in per-pupil expenditures is greater than that of the national average as well as that of the Southeast.



Over the last few decades, South Carolina has aggressively increased the amount of spending in education, both in terms of total spending and in terms of per-pupil spending. These increases can largely be explained by growth in teacher salaries, class size reduction, and capital expenditures.

South Carolina's education spending as a percentage of personal income ranks 11<sup>th</sup> nationally. For every \$1,000 in personal income generated in South Carolina, \$55 is spent on public education. The state spends 13 percent more than the national average on educating its students when considered in relation to personal income.

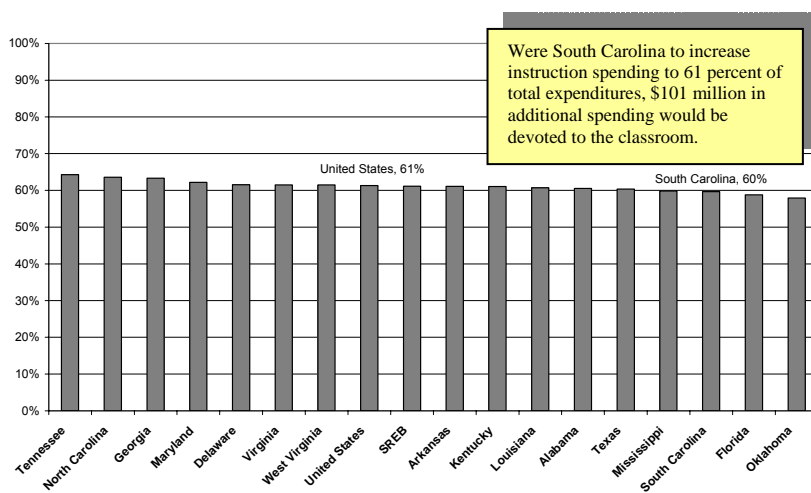
South Carolina Ranks 11th Nationally in Education Spending Relative to Personal Income  
K12 expenditures per \$1,000 in Personal Income, FY 2003



This figure is significant as it ties the spending in education to the amount of pretax revenue the average citizens have at their disposal. By considering the fact that South Carolina's spending on education relative to personal income is higher than the national average, one gets a clear picture of the fact that our citizens are putting more effort toward educating the children in this state than their counterparts nationally. Given the greater effort, our citizens should justifiably reason that their efforts should produce proportionately better outputs. Unfortunately, this is not the case.

We spend more than enough on education. A key problem is that a smaller portion of South Carolina's education dollar makes it to the classroom.

South Carolina Education Spending Fails to Get to the Classroom



Were South Carolina to increase instruction spending to 61 percent of total expenditures, \$101 million in additional spending would be devoted to the classroom.

As the adjacent chart indicates, when compared to the rest of the nation or to other states in the Southeast, South Carolina spends less of its educational dollar on the function that best affects student achievement – high quality instruction. While there is consternation among school and district administrators over focusing solely on instructional spending, the fact is that so long as instructional spending in South Carolina is compared to similarly

focused spending in other states, the expectation should be that South Carolina's instructional spending should fall within the norm for the nation.

Within classroom spending, South Carolina targets a larger portion of its classroom spending to student support and instructional staff than other states. In expenditures devoted to non-instructional purposes, South Carolina spends a disproportionate amount of its resources on food and enterprises services, which exclude transportation. The state spends significantly more than the national average on non-instructional expenditures such as capital outlays (42 percent above the national average) and interest on school debt (32 percent above the national average). Reallocating resources to meet the Southeast or national average in these areas would translate to an \$83 million increase in instructional spending.

Our contention is not that spending 61 percent is a magic number. We simply believe that given the primacy of instruction in educational outcomes and South Carolina's need produce better results for our educational investment, it stands to reason that comparing instructional spending to other areas is a worthwhile exercise.

Even small changes in the way South Carolina spends its educational dollar could lead to a substantial increase in the amount of money that makes it to the classroom.

### **Creating a System that Responds to Consumer Demands**

In creating a system that is easy to manage, the flexibility of the system in addressing the specific needs of each of the more than 683,600 students educated in public schools has been lost. Some parents have the economic, social, or political capital to demand and receive quality. Unfortunately, however, most parents lack such capital and consequently feel forced to accept whatever quality level gets doled out to them. The sheer size of the education system has grown to the point that the actions needed to successfully prepare an individual student for life and work often gets lost in the needs of the masses.

We believe that the state should work vigorously to create a system of education that offers greater incentives for schools to respond to the demands of parents.

Legislative reforms. Early Childhood Education Scholarship – Recognizing the need to improve the quality of the early childhood services offered to the young children of South Carolina, we called for an inventory of the early childhood services provided in the state. The General Assembly responded by passing concurrent resolution 4484, which required a targeted inventory of the early childhood education services provided to four-year-olds. Upon completing this inventory, the Education Oversight Committee provided a series of recommendations for how the state could more effectively serve its four-year-old children. These recommendations included addressing the need to coordinate early childhood education services through one agency as well as the importance of providing parents the flexibility to choose the best public or private education center for their child.



Based on the Education Oversight Committee's recommendations, the Legislature and this administration supported the creation of education scholarships issued through the South Carolina Child Development Education Program, which is currently being piloted. This scholarship provides a voucher worth up to \$4,000 to cover the tuition and transportation costs associated with serving at-risk four-year-olds in the state.

We have supported similar programs for all students in South Carolina. While disappointed that education scholarships stop at kindergarten, the fact remains that the General Assembly is beginning to recognize that improving educational outcomes in our state requires that we leverage all of the high-quality educational resources – public and private – available to the students in our state. Our hope is that similar opportunities will be expanded to serve students in first through twelfth grade.

South Carolina Public Charter School District. In 1996, South Carolina's General Assembly recognized the need to offer parents more options in directing the quality of the education that their child received. To fill this need, the General Assembly passed charter school legislation that gave parents, educators, business leaders, and community members the flexibility to collaborate to create schools that offer innovative opportunities for students.

As a result of the passage of this legislation, South Carolina has been able to create a variety of charter schools. Schools have formed that target at-risk students and offer them the opportunity to recover high school credit and work toward an Associates degree, transforming these would-be high school dropouts into the college degree candidates. A single-gender charter school has formed that offers parents the flexibility to place their middle school child into a school where classes separate boys and girls. Believing that the distractions of co-educational courses undermine their child's academic success, these parents worked with local educators to craft a program that worked for their children. Another variety of charter schools targets special needs students and offers them the academic and wrap-around services they need to be successful. Rather than falling through the cracks in the school to which they are zoned, these students are given an opportunity for success in a school where the entire faculty has expertise in serving special needs students.

There are some places in the state where such creative educational opportunities are blocked by local school boards of trustees or district officials. We have advocated for the creation of an alternative authorizer, the South Carolina Public Charter School District, to offer prospective charter schools another sponsor. In last year's executive budget, we continued our support of the creation of the South Carolina Public Charter School District. We are pleased to report that in spring of 2006, the General Assembly enacted legislation that allows the statewide district to be created. In this year's executive budget, we request that the school district receive the funding necessary to become operational.

Despite the accomplishment that is represented by the creation of the Child Development Education Program Pilot and the South Carolina Public Charter School

District, there is still much that needs to be done in order to create a system that is truly responsive to consumer needs. To accomplish this task, we offer several proposals.

**Giving scholarships to students most in need of better educational opportunities.** There is significant variation in the quality of education offered in South Carolina. Some of our districts, schools, and teachers do an awesome job of providing students a competitive education. Students in these environments are receiving a quality education that their parents are unlikely to forfeit. Not so for parents with children in one of the 390 failing schools that serve nearly 30 percent of the students in South Carolina. As we work to improve the quality of all districts, schools and classrooms, and until we can ensure that every student has access to high-quality instruction, it stands to reason that parents should have the freedom to enroll their child in a program that gets the results their child needs.

We continue to support means-tested education scholarships targeted to the student populations that are least likely to receive high-quality education services. These scholarships can include those that support special needs students, low-income students, students enrolled in failing schools, or students who score Below Basic on any component of PACT. Such scholarships have been a source of great discussion over the course of this administration. Our belief remains that until parents have the flexibility to control where and how their child is educated, our ability to create a high-quality system will be limited. Under the current system, South Carolina offers little educational freedom to its parents:

Education Freedom in the United States: Education Freedom Index Ranking of the States	
State	EFI Rank
Arizona	1
Minnesota	2
Wisconsin	3
New Jersey	4
Oregon	5
Texas	6
South Carolina	43
Virginia	44
Rhode Island	45
Maryland	46
Kentucky	47
Nevada	48
West Virginia	49
Hawaii	50

*The Education Freedom Index is composed of measures of five types of educational options: public charter school options; publicly funded education scholarships; the ease of home schooling; the ease with which one can choose a different public school district by relocating; and the ease with which parents can send their child to a different public school district without relocating.*

- Nearly four percent of students participate in self-selected public school choice programs such as magnet schools;
- Less than one percent of students are enrolled in public charter schools;
- Average inter-district transfer fees top \$4,000 per year per child;
- Only ½ of one percent of students participate in dual enrollment programs;
- Less than 4,000 students take advantage of credit-bearing online learning opportunities; and
- There are no publicly-funded education scholarships for students in first through twelfth grade.

Comparing Texas and South Carolina offers insight into the importance of educational freedom in raising student achievement. Both Texas and South Carolina are southern states with high minority populations at 41 and 31 percent of their state populations, respectively. They have similar median household incomes (Texas at \$33,072 and South Carolina at \$34,665) and per-pupil expenditures, both being below the national averages. While these similarities exist, the educational freedom levels in the states vary substantially; with Texas ranking 6<sup>th</sup> while South Carolina ranks 43<sup>rd</sup> nationally. It is no coincidence that Texas has higher test scores on NAEP at all grade levels and on the SAT and ACT. A greater percentage of Texas high school graduates are prepared for college and work. Additionally, Texas has a higher high school completion rate. South Carolina's ability to dramatically raise student achievement is directly tied to our ability to increase the educational freedoms available to the parents of our state.

Every year since 2003, there has been an education scholarship introduced into the General Assembly. In 2004, Put Parents in Charge was introduced to offer a tax credit of \$3,600 to all parents in the state. In 2005, Put Parents in Charge was modified to target low-income students in failing schools by providing them with a scholarship at the beginning of the school year. These vouchers were available for public and private sector use giving parents true flexibility in selecting the learning environment in which their child would be educated. The Education Opportunity Scholarship was introduced in 2006 creating a tax credit for middle-income families and a voucher for low-income parents of students in failing schools. The Education Opportunity Scholarship also offered a scholarship to special needs students regardless of income or school. Despite increasing public support, the Legislature has yet to give parents the freedom they demand.

We would like to see the same sort of scholarships that the state provides four-year-olds through the Child Development Education Program, and college students through the Life and Hope scholarships extended to all students in our state. We are not alone in our support of publicly funded education scholarships for elementary and secondary students. Several states have already introduced legislation to offer students the opportunities created through such scholarships.

<b>Publicly Funded Education Scholarships in the United States</b>	
<b>State</b>	<b>Description</b>
Vermont	Town Tuitioning Parents are permitted to use up to \$7,500 toward transferring their child to a public or private school of their choice.
Maine	Town Tuitioning Parents are permitted to use up to \$6,000 toward transferring their child to a public or private school of their choice.
Florida	McKay Scholarship A student receives the full amount of funds for which he would have been eligible under the Florida Education Finance Program (FEFP). For the 2004-2005 school year, the FEFP rate was \$5700.
	Corporate Tax Credit Corporations receive tax credits for contributions to Scholarship Tuition Organizations. Credits are limited to 75 percent of a corporation's tax liability.
	Opportunity Scholarships Scholarships up to \$3,500 to attend private school or \$500 to change public schools. Scholarships are limited to students in "C" rated schools on the Florida accountability system.
Iowa	Deduction Families could deduct up to \$1,000 per child from their state income taxes for education expenses. Taxpayers using the standard deduction could take a tax credit of up to \$50 for education expenses for each child. Scholarships are limited to families earning less than \$45,000 per year.
	Tax Credit Tax credit of 25 percent of the first \$1,000 spent on their children's education.
Illinois	Tax Credit Parents receive a tax credit worth up to 25 percent of annual education related expenses. Tax credits range from \$250 to \$500 per family.
Wisconsin	Milwaukee Parental Choice Program Vouchers are worth the lesser of the full amount of private school tuition or \$6,000. Scholarships are limited to families earning less than 175 percent of the federal poverty level.
Pennsylvania	Education Improvement Tax Credit System Corporations can receive a tax credit of up to 75 percent of contributions made to School Tuition Organizations (STO), not to exceed \$100,000.
	Scholarship Program Full amount of state appropriation (\$3,700).
Washington, D.C.	School Choice Incentive Program Voucher is worth up to \$7,500 to cover tuition and/or transportation. Limited to households with incomes up to 185 percent of federal poverty level.
Ohio	Cleveland Scholarship and Tutoring Program Provides students in grades K-10 with vouchers for tuition to a private school of choice. Students may also choose to attend another public school or receive tutoring. Elementary school voucher is worth \$3,000. High school voucher is worth up to \$2,700.
Utah	Carson Smith Special Needs Scholarship Awards vouchers up to \$5,700.
Arizona	Universal Tuition Tax Credit Tax credit for individual contributions to private tuition scholarship programs. Couples may receive a \$625 credit. Individuals may receive a \$500 credit. Individuals may also receive a \$200 credit for contributions to extracurricular activities.
Minnesota	Tax Credit Tax credits are for 75 percent of education expenses. Credit cannot to exceed \$1,000 per child. Credit cannot exceed up to \$2,000 per household. Credit may be used to cover \$200 in computer equipment (hardware or software). Limited to households earning up to \$33,500
	Deduction All families qualify for a deduction worth up to \$1,625 for K-6 education expenses, \$2,500 for 7-12 education expenses, and \$200 for computer hardware/software expenses.

The state of Florida has one of the largest school choice programs in the country. Their program, known as Opportunity Scholarships, provides scholarships to students in consistently failing schools to go to another school. In Florida, test scores at schools that face losing students as a result of their taking advantage of Opportunity Scholarships have increased at twice the rate of other schools. A study by the Manhattan Institute for Policy Research demonstrates that competition from school choice in Florida improves performance in failing schools more dramatically than reducing class sizes from 25 students to 17 students. In a recent study of the Milwaukee Parental Choice Program, 64 percent of the students enrolling in high school in 1999 under the program graduated in 2003 – compared to 34 percent in Milwaukee Public Schools.

Reward teachers for the hard work they perform. Realizing the importance of teacher pay in influencing the ability of school leadership to recruit and retain high-quality teachers, South Carolina has been aggressive in raising the average teacher salary. This can be seen in the change in average teacher salaries over the last two decades.

<b>South Carolina's Average Teacher Salary: 1985-2007 (In \$US)</b>		
<b>Fiscal Year</b>	<b>South Carolina</b>	<b>Southeast</b>
1985	20,143	20,199
1990	27,217	27,134
1995	30,279	30,457
2000	36,091	35,869
2005	41,691	41,391
2006	42,737	42,437
2007	43,991	43,691

In past executive budgets, we have supported raising teacher pay in South Carolina to at least \$300 above the Southeastern Average. We continue to support such a pay increase as it is representative of our belief that teachers are the most important school controlled factor in educating children. However, even with these pay increases, the current system of pay is unconnected to the quality of the service that a teacher offers.

Teachers, like other employees, respond to the incentives that are placed before them. Merit pay, commonly referred to as pay for performance or diversified compensation systems, is an effective way to pay teachers in a manner that rewards success rather than cultivating mediocrity. Denver, Colorado, is a case in point. In 2004, teachers in Denver elected to implement a merit-pay program that distinguishes teachers who are getting results from those that are simply biding their time.

Denver ProComp is a program for Denver public schools. In 1999, the four-year pilot program was introduced, and by 2004 the final compensation plan was approved with more than 1,200 teachers currently enrolled in the program. The ProComp system is a results-based pay system that uses multiple criteria to assess a teacher's performance. These criteria can be categorized into four areas: knowledge and skills, professional evaluation, student growth, and market incentives. Teachers do not receive a salary bonus until they demonstrate improvement on the criteria specified in the four areas identified above.

<b>Components of the Denver ProComp Pay System</b>		
	<b>Criteria</b>	<b>Bonus Amount (Percent of Index, \$33,301 in 2006)</b>
Knowledge and Skills	Professional Development Units	\$666 (2 percent )
	Graduate Degree/National Certificate	\$2,997 (9 percent )
	Tuition Reimbursement	\$1,000 (3 percent)
Professional Evaluation	Probationary	\$333 (1 percent )
	Nonprobationary	\$999, (3 percent )
Student Growth	Meeting Annual Objectives	\$333 (1 percent )
	Exceeding Student performance Expectations	\$999 (3 percent )
	Distinguished Schools	\$666 (2 percent )
Market Incentives	Hard to Staff Position	\$999 (3 percent )
	Hard to Staff Schools	\$999 (3 percent )

The Denver ProComp system reflects current knowledge about merit-pay systems. First, it is essential that teachers feel that they have a choice to participate in the program. ProComp allows existing teachers to opt-in to the program over a seven year phase-in period. Teachers may choose to continue with the traditional teacher salary schedule that bases salary increases on years of experience and inflationary adjustments. All new teachers are automatically enrolled in the program. This approach balances the fact that teachers new to the profession – either as first-time entrants into the work force or as career changers – are generally more receptive to merit pay as a way to increase their pay based on demonstrated proficiencies.

Second, the ProComp system takes into account the fact that teachers are able to demonstrate proficiency in several areas, all of which can ultimately improve the quality of the instruction they provide students. For instance, market incentive bonuses account for the fact that some teachers are willing to take on the challenge of hard to staff schools but are unwilling to accept a reduction in pay for taking such positions, which is often the case in a traditional salary schedule. There are other teachers that are not well-suited for such positions yet who possess the ability to raise student achievement in other positions. Both teachers are helping the Denver system meet its objective of raising the likelihood that all students will receive high quality instruction. Better yet, the ambitious teacher might pursue salary bonuses in all four areas, increasing their salary nearly \$10,000 in a school year.

However, we need not leave our state to see the benefits of merit pay. In South Carolina, merit pay has demonstrated its ability to raise student achievement. In John's Island Public Charter High School, Dr. Nancy Gregory, the founder of the school, implemented a merit pay system that rewarded everyone, from the principal to the janitor, for school-wide gains in test scores. Instituting such merit pay fosters team spirit and a focus toward the bottom line of education.

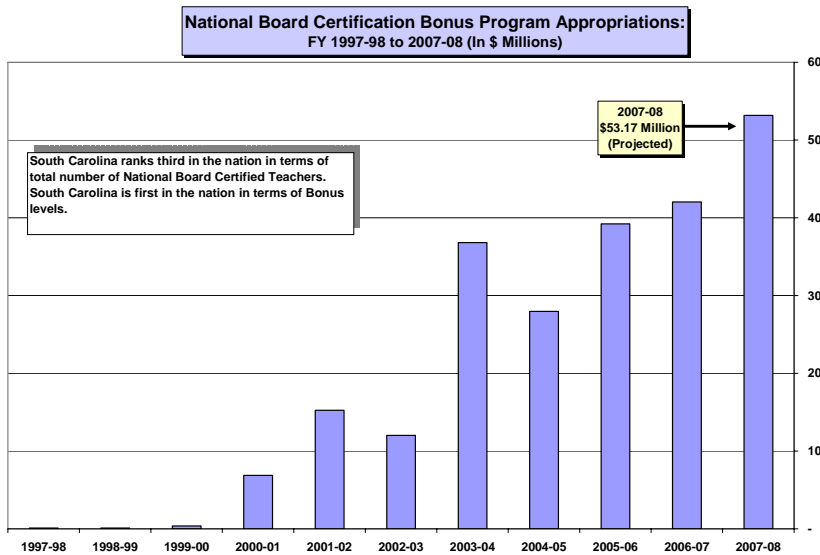
Additionally, through the implementation of the Teacher Advancement Program (TAP), 14 schools across the state have implemented school-wide pay for performance systems. South Carolina is one of 12 states and the District of Columbia to implement this research-based program. The TAP program builds on four elements that include merit-based compensation, multiple career paths for teachers, ongoing professional growth, and instructionally focused accountability. Schools choosing to implement the TAP model for pay for performance offer teachers a salary bonus structure that cultivates success. Teachers work along self-selected career paths that differentiate Master teachers from novice professionals. Master teachers teach fewer courses and spend more time offering novice teachers targeted professional input on ways to raise the achievement levels of their students. Career paths are not determined by years in the profession but by having demonstrated the ability to raise student achievement. Thus, young brilliant professionals have a real incentive to enter and stay in teaching – they receive support when they begin and are rewarded when they excel. So strong is the TAP model that when creating the Minnesota Compensation plan – QComp for *Quality Compensation* – Governor Pawlenty based the statewide initiative on the services being offered under the TAP model.

In 2006, South Carolina was awarded \$34 million by the United States Department of Education to create the South Carolina Teacher Incentive Fund (SCTIF). The SCTIF program will be implemented in 23 schools in six districts over a five-year period. Teachers in participating schools are eligible to receive salary bonuses ranging from \$2,000 to \$10,000 based on classroom observations, improved student achievement in their respective classrooms or school-wide performance improvements.

Upon accepting his position as the Superintendent of Richland One, Dr. Allen Coles immediately began a pay for performance initiative. Rather than imposing a pay for performance program onto teachers, Dr. Coles learned from the lessons of unsuccessful merit-pay programs and used teacher focus groups with teacher representation from across the district as well as representation from the local education association to craft a program that will meet the goals of raising teacher pay and student achievement. Together participants have created Pay for Results, which will offer individual as well as school-wide bonuses based on gains in student achievement on state-issued standardized assessments such as Terra Nova, PACT, and HSAP. Individual teacher bonuses of \$2,000 will be issued to high-performing teachers who raise student achievement on state-issued assessments beyond a district-established improvement expectation. Schools that demonstrate a significant overall improvement will receive a bonus of \$500 for each certified teacher in the school, regardless of their subject area or years of experience. By combining the use of individual and school-wide incentives, Pay

for Results will cultivate the sort of collaboration that is important to school success while it rewards stand-out teacher performance. Tying pay increases to gains in student achievement focuses all teachers and schools on being responsive to consumer demands.

Our purpose in implementing merit pay is to create a compensation system that encourages the right people to enter and stay in the teaching profession. Additionally, a strong compensation system creates an environment where the best teachers take on our biggest opportunities. We propose using the \$57 million in funding devoted to raising teacher pay to \$300 above the Southeastern average to provide districts and schools an incentive to adopt a research-based diversified compensation system.



State-level investment in National Board Certification Salary bonuses is an area where we believe the state's investment in teacher pay could be better used toward fulfilling our goal of raising student achievement. We are committed to honoring the work of teachers who have already completed the program. However, expanding the program beyond its current participation level limits

the state's ability to invest in raising teacher pay in a manner that has a real impact on student achievement. Rather than expanding the expensive bonus system, we propose limiting National Board Certification salary bonuses to teachers who complete the process prior to June 30, 2007. Going forward, funds currently devoted to National Board Certification salary bonuses should be set aside for a performance based bonus program. Specifically, we propose targeting these funds towards block grants that can be used by school districts to establish merit pay programs similar to the TAP model. By redirecting our efforts, the state can invest in a more responsive effort, beginning with an initial investment of \$1.9 million in FY 2007-08.

**Funding student needs.** All traditional public schools in the state receive local, state and federal funding. Despite having shared funding sources, schools are not equal in terms of their per-pupil expenditures. A simple comparison within any school district reflects this point. In 2005, the average per-pupil expenditure for Beaufort County was \$7,399. That year, district per-pupil expenditures ranged from \$5,400 to \$12,200. This variation is larger than what can be explained by variations in school characteristics. Within this school district, it is likely that two students with the same exact



characteristics might receive differing services based on the amount the district spends on students in the school. This ought not to be. Special needs students in one part of the state or in one part of a school district should receive the same services as they would if they attended another school. The same is true of low-income students or students with demonstrated learning deficiencies.

Outmoded budgeting practices create disparities like that described above. Disparities between districts have emerged as some districts benefit from program funding that disadvantage districts with lower enrollment levels. Within districts schools that serve lower income students receive lower overall funding as they typically employ less experienced and, thus, lower salaried teachers and administrators. Lastly, the current funding practice of the state creates disparity between school options. Students enrolled in magnet school programs receive disproportionately higher funding levels while students enrolled in public charter schools receive disproportionately lower funding levels.

We believe that the funding, and, thus, the services children receive, should be driven by the needs of the child and not the location of the school they happen to attend. For decades, the state has attempted to serve the needs of children through increasingly complex funding mechanisms that pile layer upon layer of programs on our schools. The result is a system of more than 90 revenue categories through which districts receive funds, with nearly half of the state investment in public education being tied to specific programs.

We propose that the state revisit all funding mechanisms at its disposal to restructure funding so that students rather than programs are funded. Specifically we support a system of funding that adheres to the following principles:

- Funds should follow children to whichever school they attend;
- Funding level should be directly tied to the individual needs of the child;
- School funding should arrive at the school as real dollars and not as staff positions or teaching ratios; and
- The funding system should be simplified and made more transparent.

We believe that all funding streams should be simplified, consolidated and dispersed directly to schools based on an updated Education Finance Act (EFA) formula that includes factors for English Speakers of Other Languages, family and school poverty, student disability, and student performance level. Under this approach, programmatic dollars would be redirected to flow out to schools through the new EFA formula. Schools would select the services that they believe best meet the needs of their students and purchase those services from district offices, the State Department of Education, regional consortia, or private vendors.

Schools in Edmonton, Alberta, have already seen the impact of such a simplified approach to school funding. Since the 1990's, the leadership in Edmonton has sought to put more control over spending into local hands. Money flows out of central office budgets and directly into schools where schools then "buy back" central services from the state or local districts. Today more than 90 percent of Edmonton's funding goes straight to schools. School leaders hire a mix of staff that is tailored to their students' needs. They have the power to opt out of any service provided by the district, leading to central office cutback or service quality improvements. Other districts have seen similar results. In Houston, simplified or weighted student funding has led to decentralized decision making. In Oakland, California, the shift to weighted student funding has led to a redistribution of the best-qualified teachers to the schools that most need to improve. The bottom line is that moving to a more simplified funding system can address the disparities that have been created by current budgetary practices, reduce the impact of perverse incentives established by programmatic funding, and force schools and districts to focus on responding to the needs of students rather than sustaining existing bureaucracies.

Holding schools accountable. In 1998, the passage of the Education Accountability Act (EAA) set ambitious goals for the performance levels of schools and students in South Carolina, with the target year being 2010. The EAA creates accountability measures that are used to publicize school and district performance. The EAA approaches but does not reach true accountability. True accountability occurs when parents have the flexibility to make informed decisions about their child's school and when principals, based on the performance of their students, have the flexibility to organize people and resources toward effective and efficient objectives. Many of the program decisions are already made for principals: they are paid to manage programs rather than being paid to manage success.

School and district leadership ranks second only to teacher quality among school factors that influence a student's performance. South Carolina's ability to create a competitive educational system will rely upon our ability to recruit and retain strong school and district leaders. This is even more the case in schools that have historically underperformed. If South Carolina is ever to significantly reduce the number of failing and average schools in our state, we need leaders that can forge the path to greatness in the schools they administer. Such change managers should be:

- Competent managers who are able to organize people and resources toward effective and efficient objectives;
- Effective leaders who can draw from those under them the commitment to and vigorous pursuit of a clear vision, resulting in high performance; and
- High level executives who can build enduring greatness through humility and professional will.

Unfortunately, the very way in which schools are regulated and funded limits the ability of superintendents and, especially, school principals to make site-based decisions that can dramatically raise performance.

There is no model for effective leadership that will work in all environments. The needs of a rural, affluent community will differ from those of a poverty-stricken, urban community. Schools where most students have college-educated parents will have needs that differ from those where a high school diploma is typically the highest level of education. A high performing school or district has different needs than districts and schools that have yet to reach high levels of academic success. Rather than focusing on the inputs a leader chooses, a good measure of quality will focus on the results a school leader produces.

South Carolina needs to consider whether the system by which education leaders are generated is one that increases or decreases the availability of innovative leaders. A key hindrance lies in the fact that much of what a school leader does is dictated by the state. Leaders in many cases are primarily program implementers. One of our main goals in the education budget is more dollars going directly to the classroom. Many dollars are tied to very specific funding categories and do not allow local school districts to put resources where they are needed most. An example illustrating this is found in the Education Improvement Act that was enacted in 1984 as a set of grants directed to schools to implement dynamic new programs aimed at improving educational achievement. However, over time, the EIA budget has become a collection of more than 70 different programs, which give Columbia greater leverage over dollars spent in communities around the state. Regulations are not lifted until the school has either performed so poorly that it is clear no current programs are working or the students perform so well that the school is given flexibility to operate outside of the confines of what regulations dictate. We believe that spending decisions are better made closest to the child they affect, and propose putting in place measures which would give school districts greater flexibility in those decisions.

Attempts to provide school leaders greater flexibility have been proposed. Most recently, the General Assembly adopted the flexibility proviso, which was first implemented in 2002-03. The proviso offered school districts the flexibility to transfer up to one hundred percent of the funds between programs to any instructional program provided the funds are used for direct classroom instruction. The idea behind adding such flexibility is that it would offer district leaders the flexibility to make less-regulated spending decisions.

District use of the flexibility proviso is instructive. Sixty three percent of the districts that consistently took advantage of the flexibility proviso were able to increase the per-pupil expenditures for instruction. Additionally, 62 percent of all transfers were funds that were originally allocated to the Reduce Class Size program, with more than 75 percent of those transfers being reallocated to Act 135 Academic Assistance Programs, which are significantly less restrictive than most program funding categories. Given

greater flexibility, districts gravitate toward reallocating resources to funding categories that are less restrictive.

The ability to extrapolate on the results of district use of the funding proviso is limited for several reasons. First, the proviso permits district-level flexibility, which is simply not the same as school-level or site-based flexibility. District use of the flexibility proviso is likely an accounting tool used to reduce funding in programs that require a local match and to balance district revenues and expenditures as the end of the fiscal year approaches. Second, one sees that spending decisions in a highly regulated environment are not driven by the quality or lack of quality in a program but by the need to balance the books.

Third, while well-intended, the flexibility proviso simply does not go far enough to truly demonstrate how school leaders would reallocate resources given student performance goals and real flexible spending. Of the more than \$3.4 billion in education appropriations for FY 2006, only \$302 million were subject to the flexibility proviso, representing only 9.2 percent of district revenue. According to Item 5 of the Funding Flexibility Procedures generated by the State Department of Education, several programs are excluded from this flexibility.

<b>Programs Excluded from the Flexibility Proviso</b>
Refurbishment of K-8 Science Kits
Teacher/Curriculum Specialists
Principal Leaders/Specialists
Junior Scholars Program
National Board Certification Salary Supplement
Teacher of the Year
Teacher Salary Increase
Teacher Salary Increase Fringe
Teacher Supplies
Principal Salary/Fringe Increase
Bus Driver Salary Supplement

We propose that the Funding Flexibility Proviso continue with three modifications:

- Public schools rather than school districts should be given the flexibility to reallocate resources;
- Reduce the list of programs excluded from this flexibility so that Education Accountability Act funding may be reallocated based on school-level managerial decisions; and
- Rather than focusing on inputs – simply increasing instructional spending – hold schools accountable for results, raised student achievement on a nationally recognized norm-referenced test.

Reducing program requirements and giving leaders larger blocks of money to use at their discretion can give school and district administrators the flexibility they need to make decisions based on the individual needs of their students. Funding flexibility cannot be provided without the appropriate accountability. Increased flexibility can be balanced with accountability that is connected to the performance of the school.

In addition to extending the scope of the Funding Flexibility Proviso, we propose that the General Assembly enact a permanent statute which would provide school districts more flexibility in how they spend the dollars allocated to them. This proposal, Streamlined Management and Accounting Resources for Teaching (SMART) Funding, would put more education spending decisions in the hands of the communities, rather than dictating policy from Columbia. First introduced by Representative Roland Smith in 2004, SMART Funding was later co-sponsored by Former Speaker David Wilkins and the then House Ways and Means Chairman Bobby Harrell, passed overwhelmingly in the House in 2003 and came very close to passing in the Senate. The SMART Funding bill languished in the Senate but was not enacted by the General Assembly in the 2006 legislative session. We will work closely with the General Assembly in the upcoming legislative session to enact this bill in 2007.

### **Maximizing the Return on Our Investment**

**Testing.** In 2006 we were pleased to sign Act 254, which will incorporate testing that will provide student-specific results that are detailed enough to direct teachers and parents as to the learning needs of each student. Our support of such formative testing continues as we believe it to be a more effective manner of assessing students.

While testing is important, it is simply a means to an end, a tool used in educating our students. We continue to believe that our system could be more efficient, if only from a cost structure. In FY 2007-08, our state is projected to spend \$32.4 million on testing our 683,600 students. Combined with the \$6 million spent by local school districts on off-the-shelf assessments, South Carolina's testing expenditures amount to \$57 per student, per year. Costs continue to rise as the state considers expanding testing into first and second grades. While we certainly support the improved accountability efforts in our schools, this cost is significantly higher than the cost of many other states. For example, Idaho spends approximately \$10.50 per student on testing and Georgia spends \$15.85 per student.

Act 254 is beneficial in that it incorporates formative or diagnostic testing into South Carolina's accountability system. However, it does so by adding a new layer of testing rather than replacing testing that fails to offer the sort of data our parents and teachers need. Furthermore, it extends testing so that the first year of testing will eventually move to first and second grade, rather than in third grade.

As South Carolina enters the last year of its current assessment contract, we propose that South Carolina follow the example of states like Michigan and simply adopt a nationally recognized norm-referenced assessment that is aligned to our state's

standards. This transition can be made without undermining the strength of the current accountability system; student performance data on nationally recognized tests may be used to generate school and district reports cards just as easily as the current assessments. Additionally, student performance on such assessments could easily be used by businesses, colleges, and work force development agencies to gauge student preparedness for life after high school, reducing the need for duplicative assessments when students leave high school.

Transportation. The costs associated with transporting students to and from schools continue to be one of the largest direct expenditures made by the State Department of Education. We continue to be the only state in the union with such a centralized service and purchasing arrangement. The effectiveness of our purchasing practices are of particular concern as the average age of South Carolina's school bus fleet is well above that of what would be acceptable in the private sector.

In an August memo to the State Department of Education Director of Transportation, TransParGroup highlighted the efficiencies the State Department of Education would gain by leasing a portion of its buses from a private provider rather than making outright purchases. By leasing buses, the State Department of Education would reduce by 25 percent the time it will take to get to the industry standard of maintaining an average vehicle fleet age of seven years and would also reduce overall maintenance costs. The strategy recommended by TransParGroup included using \$9 million out of the \$36 million in annual bus purchase appropriations to lease 1,000 new buses rather than using the entire amount to purchase only 475 new buses. The TransParGroup proposal has been under discussion since January 2006. At present, the State Department of Education is delaying the release of the request for proposals for bids in anticipation of new Environmental Protection Agency regulations that may affect the services that pertain to a prospective lease contract. The State Department of Education has yet to fully implement the recommendations of the original Legislative Audit Council report that highlighted the need to change the replacement cycle dates back to 1999.

We support the State Department of Education's willingness to consider the possible benefits of leasing rather than outright buying a portion of the new school buses. Rather than continuing to delay the process, we propose that the State Department of Education issue a request for proposals for leasing agreements that could be used to accelerate the rate at which our older buses are replaced with newer, up-to-date vehicles.

Textbooks and instructional materials. South Carolina's textbook and instructional materials program offers no incentive for districts to effectively manage the use of textbooks by students. Textbooks are purchased by a line-item appropriation provided directly to the State Department of Education, which contracts out the management of the state textbook depository to The R.L. Bryan Company. School districts select the approved textbooks that they would like to use and place an order for textbooks directly with The R.L. Bryan Company. There are no district fees associated with the use of

textbooks. Consequently, districts have little incentive to consider local cost-savings efforts that could be made in the use of instructional materials.

Other states have considered potential cost savings in the management of their textbook adoption procedures. In 2003, Florida found that by permitting three pilot districts to purchase used instructional materials, districts were able to realize annual cost savings of nearly \$84,000. Extrapolated across the state, cost savings found in the used instructional materials pilot could amount to a two percent cost savings in instructional materials. In South Carolina, a similar cost savings could amount to a \$1.2 million savings to be committed to a multitude of educational purposes.

Additional efficiencies can be gained by providing incentives for school districts to explore using digital instructional materials to replace the traditional hardbound textbooks. The benefit of such an approach to supplying instructional materials is three-fold. First, using electronic textbooks addresses the fact that American textbooks are notoriously rife with factual errors that are not corrected until the updated copyright is adopted by the state. Second, digitized instructional materials are more representative of the way students acquire information today. Lastly, as the size of textbooks continues to increase, the need to reduce the weight students, particularly young children, carry home in order to complete assignments becomes a more pressing issue.

In 1999 Ohio's Legislature implemented a program statewide, originally anticipating that, while districts taking advantage of electronic textbooks might experience gains in efficiency, there would be no effective cost savings in textbook expenditures that could be redirected to other state activities. Districts adopting the use of electronic textbooks in the form of CD-ROMs, DVDs, software subscriptions or other magnetic technology have access to an accelerated adoption schedule relative to the four-year adoption schedule that is current practice for hardbound textbooks.

South Carolina's districts have the flexibility to use textbook and instructional materials funding to purchase digital resources. Rather than simply offering the flexibility, we propose that the portion of the line-item appropriation devoted to purchasing textbooks be issued to offer districts incentives to reduce costs, raise effectiveness, or simply adopt innovative service delivery.

Giving students an incentive to succeed. A cultural rite of passage in the public education system in South Carolina is the "senior year off." Our students expect the senior year of high school to be one of no real academic challenges and rife with social interaction and fun. This is particularly true of students who earn a substantial portion of their high school credits prior to their senior year, completing or nearly completing the required 24 course credits for graduation. Students in this position face the opportunity to either continue in a rigorous course load by taking more advanced math and science in order to prepare them for the postsecondary world. They also have the option of taking a light course load their senior year, having earned the right to enjoy their last year of high school. Too many of our students pursue the latter option.

The “senior year off” presents the state with two problems. First, it sets our high school graduates up for failure when they enter the postsecondary world. By the time these students graduate, they conceivably could have gone an entire year without a math or science course, making it difficult for them to draw upon essential skills when they need them in the postsecondary world. The second problem the senior year off creates is an unnecessarily high cost to educate the student. Though students are participating in less valuable coursework their senior year, the cost to educate the student, averaging \$11,423 in the 2007-08 fiscal year, is still extracted from the taxpayers’ wallets.

Several states have found ways to address the lack of rigor in the senior year. Texas has implemented the Early High School Graduation Scholarship Program to reward students who finish high school before what would be the spring semester of their senior year. Under the program, students receive a scholarship based on the amount of time they spend in high school. The sooner they finish high school, the greater the scholarship they receive.

<b>Texas Education Agency Early High School Graduation Scholarship</b>	
<b>Scholarship Amount</b>	<b>Requirements</b>
\$3,000	<ul style="list-style-type: none"> <li>◆ Successfully complete the high school curriculum in 36 consecutive months (spring of their junior year)</li> <li>◆ Graduate with at least 15 hours of college credit</li> </ul>
\$2,000	<ul style="list-style-type: none"> <li>◆ Successfully complete the high school curriculum in 36 consecutive months (spring of their junior year)</li> </ul>
\$1,500	<ul style="list-style-type: none"> <li>◆ Successfully complete the high school curriculum in 36-41 consecutive months (fall of their senior year)</li> <li>◆ Graduate with at least 30 hours of college credit</li> </ul>
\$500	<ul style="list-style-type: none"> <li>◆ Successfully complete the high school curriculum in 36-41 consecutive months (fall of their senior year)</li> </ul>

In the 2005-06 school year more than 5,600 students took advantage of the Texas Early High School Graduation Scholarship.

Connecticut has introduced a similar proposal that would reward students who graduate early with a college scholarship equal to one third of the high school’s annual per-pupil cost, translating to a \$5,000 scholarship for the student and a \$10,000 rebate to property taxpayers, as well as to state income and sales taxpayers who subsidized secondary education. Total projected taxpayer savings from the Connecticut Early Graduation Program are projected to range between \$38.7 and \$193.3 million in annual cost savings, depending on the number of students who choose to take advantage of the Early Graduation Program. In addition to benefiting students and taxpayers, early high school graduation programs make college more affordable for parents and, if properly structured, lower the need for costly new school construction for school districts.



We propose introducing the Palmetto Early Graduation Reward Program for students who complete the required 24 credit hours prior to the spring semester of their senior year. Based on the Texas Early High School Scholarship Program, the Palmetto Early Graduation Reward Program offers an opportunity to reward students who master the required course of study in a shorter period of time than the traditional four-year program of study at the same time that it reduces the cost of education for taxpayers. By extending students' scholarships worth up to \$2,000 for postsecondary training or education, we provide students a real incentive to focus on their individual graduation plans early in their secondary education, with the hopes that working hard early can lead to an actual financial incentive when they finish high school.

School and district service consolidation. District consolidation is a concept that has been underway in South Carolina for some time. Since 1950, the number of school districts in South Carolina has declined from 1,220 to 85 school districts shared by 46 counties in 2006. Despite the reduction in the number of school districts, there remains wide variation in district size, ranging from more than 66,000 in Greenville down to less than 875 students in Dillon One. More than \$26 million in cost savings could be realized by simply consolidating smaller districts to a minimum size of 2,500 students through a reduction in administrative overhead. However, as is the case with many things in education, econometrics does not drive decisions. There are political, cultural, and social issues that impede efforts to consolidate districts further.

<b>Expenditures on District and Program Management 2005</b>		
<b>School District</b>	<b>Enrollment</b>	<b>Per-pupil Expenditure</b>
Dillon	913	\$374
Barnwell 19	946	\$685
Barnwell 29	981	\$302
Marion 7	984	\$457
McCormick	1,028	\$836
Bamberg 2	1,078	\$1,008
Richland 1	25,909	\$161
Berkeley	26,998	\$161
Horry	31,036	\$104
Charleston	43,161	\$287
Greenville	63,313	\$112
<b>State Average</b>		<b>\$277</b>

Legislative reforms. In 2005 the General Assembly ordered an evaluation of the size of school districts in South Carolina to make recommendations on district size that will allow more direct spending on teacher salary and instructional support. The School District Study Committee, created under proviso 1.82, issued its report in January 2006 in which it concluded that the school districts could realize a cost savings of more than \$21.1 million by consolidating management functions that occur at the school level, namely at the district and regional levels.

Achieving the savings issued by the Study Committee does not require drastic changes in services, nor does it require increased oversight on the part of the State Department of Education or the General Assembly. By simply requiring that districts limit per-pupil expenditures on District Management Level and the Program Management Levels to the lowest average expenditure for each county, the General Assembly can force districts to consolidate governance, consolidate services, or offset per-pupil expenditures on District and Program Management Level activities with local operating funding.

Unnecessary expenditures on district and program level management hamper the impact of the education investment made by South Carolina's taxpayers. However, politics and local preference have limited the ability or willingness of county delegations to tackle the awesome task of consolidating school districts within the areas that they represent. While we remain optimistic that financial and economic realities will cause more district consolidations, the fact remains that, until there is initiative to reduce the number of smaller districts in our state, districts must become more effective at reducing administrative costs where there is the opportunity to do so. Other states are already realizing the benefit of shared services in driving more of the educational dollar into the classroom.

- In 2002 in Wisconsin two districts joined to share a superintendent, splitting her \$120,000 salary.
- Dallas and Houston Independent school districts pooled their resources to increase buying power in purchasing health insurance and to reduce duplicative administrative overhead in procuring employee health benefits.
- Lawrence area Massachusetts school districts have banded together to provide special education services, saving them approximately \$13 million over the next two decades.
- By sharing one food service director, the Cornwall-Lebanon and Northern Lebanon school districts in Pennsylvania have benefited from an increased food service employee substitute pool. Additionally, sharing services turned the net loss of \$20,000 in the food service sector into a \$100,000 profit cash cow for the two districts, creating more stable working conditions and contributing to lower employee turnover rates in the two districts.
- Through cooperative purchasing Shared Services Program in Middlesex County, New Jersey contributed to a five percent savings on electricity for public buildings during the first year of the program by reducing costs on water/wastewater programs as well as the purchase of natural gas, electricity, equipment, services and supplies.
- Rural districts in Texas have reduced accounting costs by 50 percent per year by sharing the service provision of accounting and payroll services.

The promise of shared services lies in the fact that it combines the benefits of larger economies of scale with those of local control of mission-critical functions. Less critical functions such as food services, information technology, transportation, procurement, human resource functions and the gamut of other functions are centralized as shared services across districts or regional consortia. The mission-critical functions such as class assignments and instructional decisions remain at the local or site level.

Sharing services need not be limited to school districts. District offices may consider sharing services with other local, municipal, county, and regional agencies as well as private providers. The public schools and township in Northville, Michigan, are an example. Since the early 1980's, the Northville Parks and Recreation Department and the local Public Schools have engaged in a joint services contracts wherein the public schools allow the department to use their facilities to provide youth and senior citizen recreational services. The Lincoln Unified School District in Stockton, California, created a mutually beneficial contract with a private fitness center operator to build a facility on site at a newly planned school. Clients use the facility in the morning and evening – outside of school hours – granting the school access to the facility during the school day. In South Carolina, potential service partners include other districts, other schools, institutions of higher education, municipalities, nonprofits, and privately owned businesses. This concept was supported in the recently issued South Carolina Education Reform Council Report to the governor in which the Council recommended providing “a structure and regulatory authorization for districts and schools to readily share resources developed for school districts with other community organizations or businesses for their needs, when those resources are not being used by the school.”

We continue to support efforts to improve the return on our educational investment by increasing the percentage of the educational dollar that makes it into the classroom. Consequently, we propose the General Assembly eliminate unnecessary district and program level expenditures by establishing a state commission similar to the federal Base Re-alignment and Closure Commission (the BRAC Commission) to review district lines and to propose modifications to existing lines with the ultimate goal of consolidating districts, sharing services, or both, with particular focus being paid to districts that have enrollment levels below a commission-established minimum.

### **Creating a Seamless System of Education**

South Carolina's education system fails to produce enough high school graduates to supply a work force that is ready for existing or potential business. A cursory glance would lead one to think that this is a high school problem; test scores, however, indicate that the problem begins in elementary school and culminates with our having the lowest high school completion rate in the nation.

Preparing more students for first grade. In 1999, the General Assembly was cutting edge in creating the South Carolina Office of First Steps to School Readiness. The enabling legislation that created the Office of First Steps identifies it as the only agency charged to ensure that all children reach school ready to learn. Legislative support for the Office of First Steps was reinforced with the reauthorization of the agency in 2006, extending its existence to 2013. However, the reauthorization failed to address a key issue limiting the ability of First Steps to fulfill its purpose: the governance over early childhood services is scattered between multiple agencies.

The Education Oversight Committee's *Results and Related Recommendations of the Inventory and Study of Four-Year-Old Kindergarten Programs in South Carolina*

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issued eight recommendations for how to improve the state's success at preparing all students for school. One recommendation addressing governance highlights the need for a single state agency to administer early childhood education services.

We propose consolidating early childhood education services into one office, the Office of First Steps to School Readiness, by transferring the services executed by the Office of Early Childhood Services currently housed in the State Department of Education. In so doing, we can eliminate the divided effort of coordinating early childhood services in the public and private sectors that currently has the two sectors reporting to different state agencies.

Preparing students for high school. Elementary schools need to become more effective at preparing students for secondary education. In the traditional sense, elementary education begins in third and ends in seventh grade. Over this time period, our students see a significant decline in their achievement levels.

<b>2006 PACT Performance</b>			
<b>Percent of Students Scoring at or above Grade Level (proficient or advanced) on PACT</b>			
	<b>Grade 3 (in Percent)</b>	<b>Grade 8 (in Percent)</b>	<b>Change in Performance (in Percentage Points)</b>
English Language Arts	54.6	25	29.6
Mathematics	34.9	22	12.9
Social Studies	37.8	22.9	14.9
Science	24.3	21.7	2.6

Given the fact that only half of students are proficient or advanced in any given subject while only 10 percent of students are retained, one can draw the conclusion that grade promotion is not connected to student mastery of important concepts. In the current system, a student can barely or altogether fail to master the material of a given grade yet still get promoted to the next level – promotion is not tied to performance on standardized assessments. To the extent that one grade builds upon another, the chances that a student poorly prepared in one grade will attain proficiency once promoted to a higher grade is highly unlikely. These students are being set up for failure.

There is no silver bullet for this problem. Generally speaking, elementary schools, particularly those with large numbers of students classified as being basic or below basic, need to be more effective at identifying the skills students lack and remediation of those skills. State support for formative testing can help address this issue by arming more teachers in high poverty schools with diagnostic information necessary to focus on the skills their students are lacking. Both the state and federal governments attempt to address this issue.

In FY 2004-05, the U.S. government provided nearly \$100 million for supplemental services to students in schools that failed to meet Adequate Yearly Progress under based on the federal No Child Left Behind regulations. Of the student population eligible for these funds, only four percent took advantage of the services. The low participation rate stems from a lack of knowledge about the supplemental service provided under NCLB as well as the tendency for parents to make the convenient decision not to participate in such programs. Another limiting factor is the fact that in order to provide supplemental services to students, failing schools would have to shift Title I funding away from other programs, reducing the incentive for school leaders to ensure that parents take advantage of the provision. Schools are also limited by the funding level in that the amount of funding allocated for a student needing supplemental services may not cover the costs of receiving high-quality, private-sector tutoring for the course of the year or semester. Parents that work in the afternoons conveniently choose the lower-quality, school-based program that may last the entire year or semester over the higher-quality, private-sector service.

During the FY 2004-05, South Carolina has committed nearly \$120 million in state resources to the elementary and secondary schools that have low student performance levels. These funds support Teacher Specialists on Site, Principal Specialists on Site, Summer School programming, External Review Teams, and School Level Grants, all of which have failed to demonstrate the ability to raise student achievement in low-performing schools.

Combined, these state and federal efforts could lead to excellent opportunities for students in these low-performing schools. We propose refocusing Education Accountability Act technical assistance funding to providing incentives for schools to take advantage of private-sector supplemental-service providers, particularly those providers who have a long-standing history of quickly raising student achievement. We believe that by providing schools the flexibility to combine state-level technical assistance with federal funding for supplemental service, we can increase the likelihood that schools can overcome the barriers that have limited the emergence of high-quality partnerships.

### **Conclusion**

Our education proposals reflect a simple goal of providing options for students in South Carolina to get the best possible education they can. We accomplish this goal through a combination of funding education at the front lines and reforming the system for better results. In a number of other states, reform initiatives are offering more and better education options to parents. As of this year, the Bill and Melinda Gates Foundation has contributed more than \$3 billion to small school initiatives across the country.

According to a study released by the foundation, students in small schools in New York had higher graduation rates than their peers in larger schools. Students in small schools in Chicago had a dropout rate one-third lower than students attending big schools. We have made progress over the last five years on some measurements of education, but we

still lag in many others. With the growth of more education choices in other states, we cannot afford to simply rely on incremental change to impact our competitiveness both nationally and internationally. We should stop aiming to get out of the bottom of the list and start aiming to get to the top of the list. We believe these initiatives offer that transformational opportunity to succeed.

# **Emphasize Economic Development**

## Emphasize Economic Development

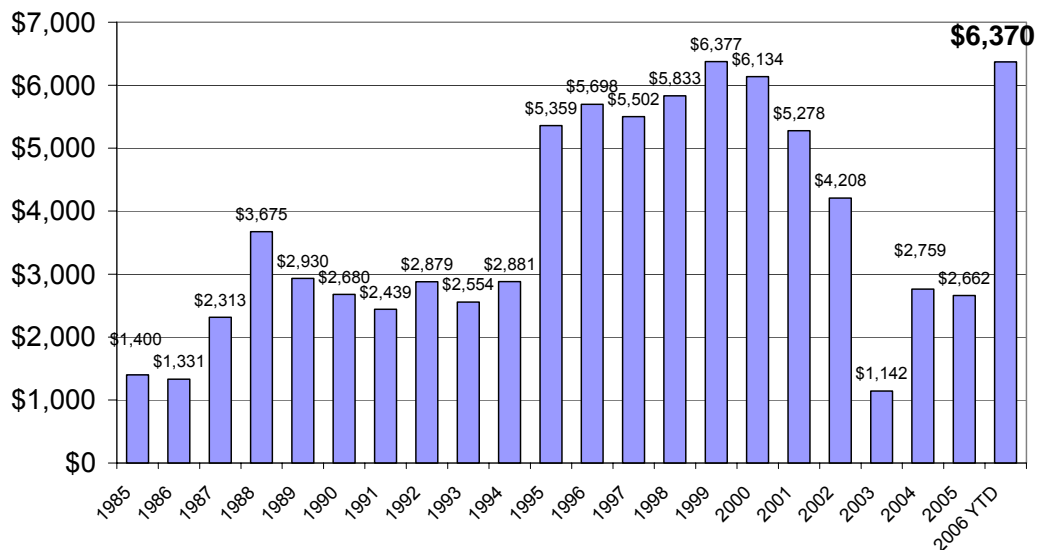
**I was in Bangalore, India, the Silicon Valley of India, when I realized that the world was flat.**

— **Thomas Friedman**

The above quote shows the reality that we are no longer just in direct competition with our neighboring states but now with other nations in a way never imagined before.

Despite mounting competition from all over the world, South Carolina continues to create an economic climate that attracts new businesses and allows existing ones to thrive and grow. In fact, South Carolina was named America's Most Business Friendly State by a nationally renowned corporate site relocation publication. The publication stated, "From A to Z, South Carolina understands economic development and is clearly making the effort to continue its attractiveness to business. When it comes to economic development, it is a state that other states should emulate." This speaks volumes to the efforts of this administration and our Department of Commerce and has translated into high levels of capital investments throughout the state. To this end, South Carolina is on track for its most promising year ever on this front – recruiting over \$6 billion in capital investments year-to-date.

**South Carolina Capital Investments (on pace for our best year)- in millions**

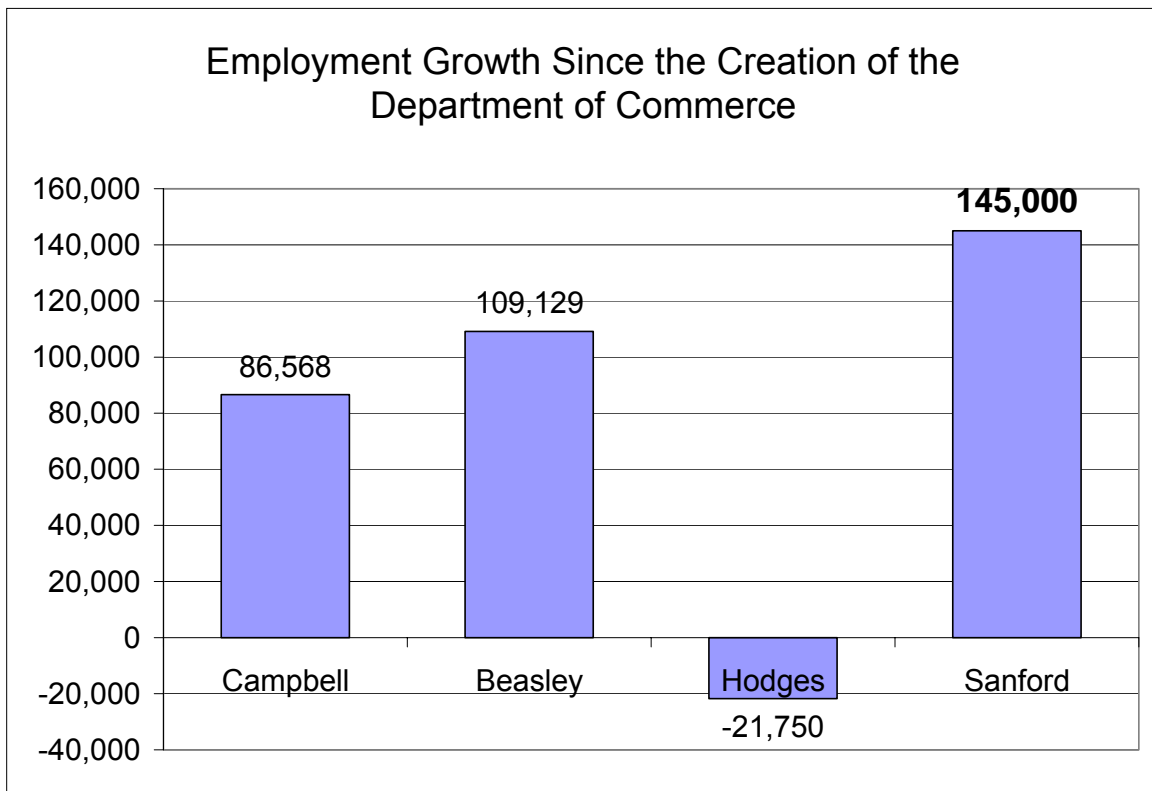


At the same time, the Department of Commerce is recruiting companies that pay more. Of the over 12,000 new jobs recruited by Commerce last year, they paid an average



salary of \$39,283 or 39 percent higher than South Carolina's average of \$28,212. This is a direct indicator that we are recruiting the right kinds of companies and shows that our state is moving in the right direction in growing our economy.

It goes without saying that bringing new industries into the state leads to new jobs, and that is exactly what is happening in our state. According to the Bureau of Labor Statistics (BLS), South Carolina has 145,000 more people working now than in January 2003. Stacking this up against previous administrations also shows that our focus on economic growth leads to greater results in job creation.

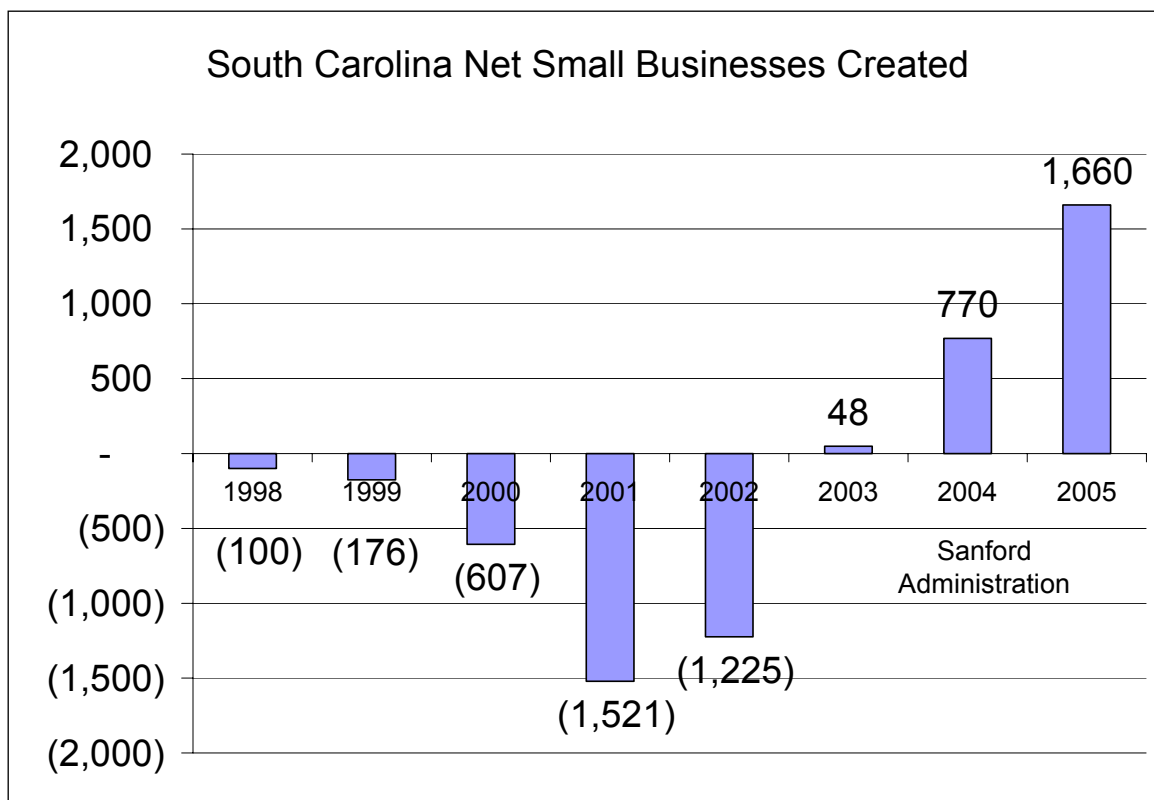


**Entrepreneurs and their small enterprises are responsible for almost all the economic growth in the United States.**

**— Ronald Reagan**

Many of these jobs are created by the very backbone of our economy – small businesses. With over 97 percent of all businesses being small businesses, this administration has always realized the importance of this community and from our constant push for income tax relief, we were able to reduce South Carolina's income tax rate from seven percent to five percent for all small businesses – making them more competitive,

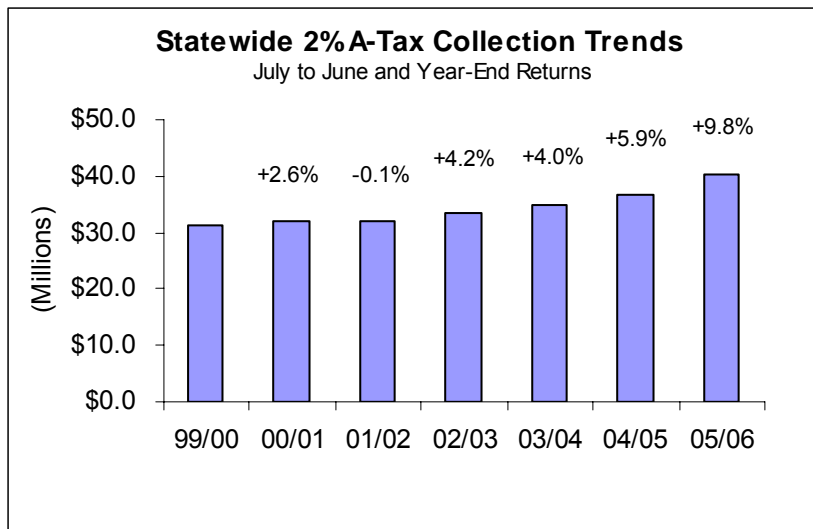
stimulating economic activity, attracting capital investment and, most importantly, creating new jobs. This focus on small businesses is paying off. In each of the five years prior to this administration, more businesses were closing than were being created, with over 3,500 more businesses shutting their doors. But in each of the past three years, more businesses have been created than lost – with over 2,500 more businesses opening than closing.



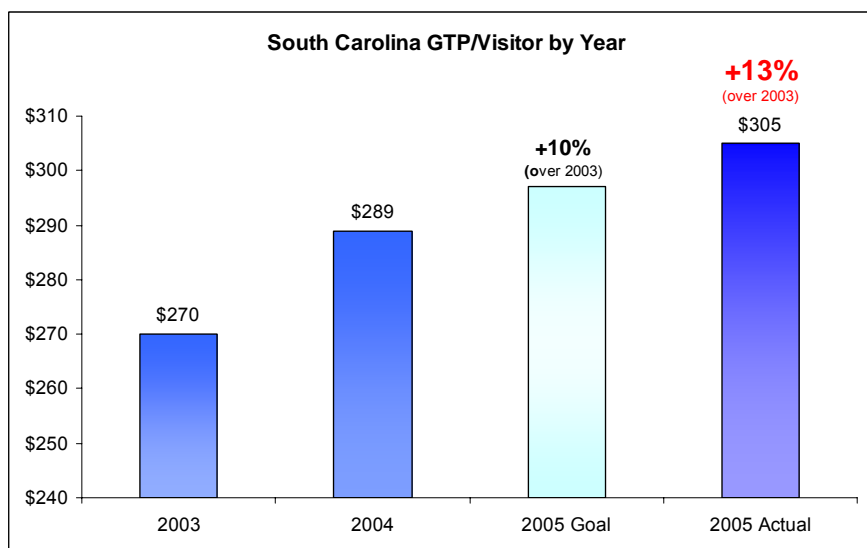
**Tourism**

Tourism in our state generates 216,000 jobs or 10 percent of the entire work force. As an economic driver, tourism brings new dollars into the state's economy rather than recycling existing dollars. Our Parks, Recreation, and Tourism Department does a great job on this front and helps create many jobs for citizens across the state. When talking about economic development in South Carolina, tourism is at its core – once again is the leading industry in our state.

Each year over 32 million people take trips in South Carolina and represent nine percent of our total Gross State Product or \$14.6 billion. In fact, when looking into the details of this overwhelming number, the tourism industry is only getting better. Last year, South Carolina had its highest level of hotel occupancy in the past six years – directly seen in an accommodations tax revenue increase of almost 10 percent from 2005.



This administration continues to focus its finite tourism resources in areas that have the greatest impact. Promoting South Carolina's assets through effective marketing techniques is critical to attracting visitors. In the past two budgets, PRT has realized an 18 percent increase in their marketing dollars from FY 2003-04 to FY 2005-06. Therefore, whether it is informing outsiders in England about Charleston, or making folks in Georgia aware of the 46 state parks, publicizing the South Carolina brand brings visitors into our state who, in turn, spend money. PRT continues to improve in this area. Gross Tourism Product (GTP) per visitor measures how much value or wealth each out-of-state visitor contributes to our economy. In 2003, GTP per visitor was \$270 but working together with its industry partners, PRT has helped raise South Carolina's GTP per visitor to \$305 – or 13 percent higher than in 2003. The resulting fiscal impact on state and local tax revenues was an additional \$85 million.



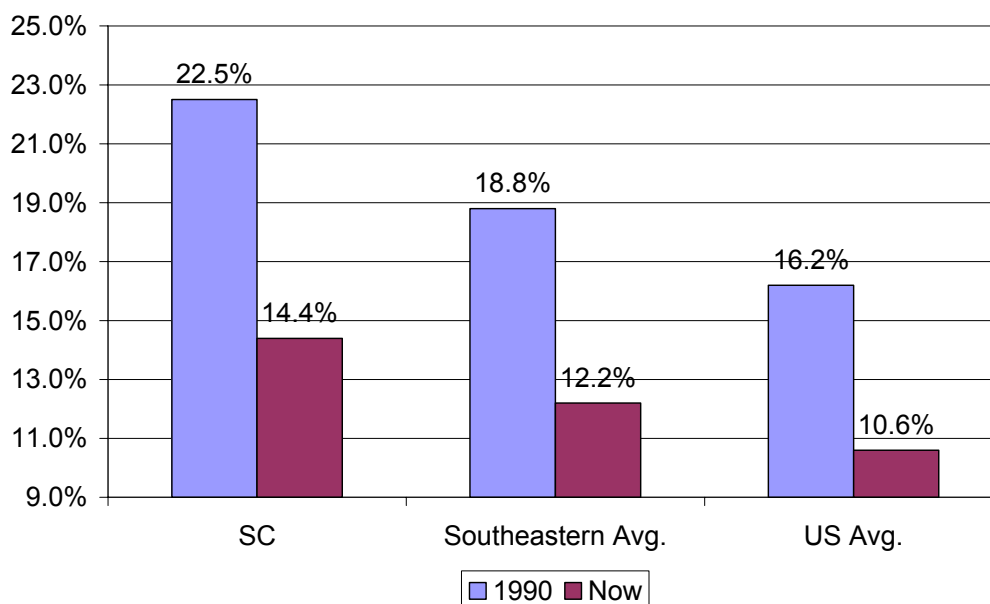
So, whether it is building on the number one industry in this state or recruiting additional capital investments, this administration continues to move further and further ahead in laying the ground work for a prosperous economy. That is why we are proud to say that in addition to income tax relief for small businesses, we have also made advances in the business community by passing the first ever tort reform bill and reducing the amount of government regulations imposed on small businesses. All of these things of course take us closer to being a more competitive state in creating new jobs, raising income levels and spurring economic growth throughout South Carolina.

However, Thomas Friedman states, “If you are going to deal with a system as complex and brutal as globalization, and prosper within it, you need a strategy for how to choose prosperity for your country.” If we want to accomplish this goal for South Carolina and carry on the positive trends that have already occurred, it is vital we recognize the outlying factors that are affecting us so that changes can continue to be made in our business development strategy.

### Changes for More Job Creation

For past generations, our manufacturing sector has been the backbone of the national and South Carolina economy. Manufacturing jobs built the foundation that allowed thousands of families to live the American Dream. But it is important to note that South Carolina throughout the century has been more heavily entrenched by this sector than the rest of its neighbors and the nation. Going back to only 1990, this point is clearly shown when 22.5 percent of the work force was in manufacturing – 3.7 percent above the Southeastern average and 6.3 percent above the national.

Manufacturing Jobs as Percentage of Total Jobs in 1990 vs. Now



While we continue to aggressively recruit quality manufacturing companies, the fact is market forces in countries like China and India are competing at a higher level than ever before. This naturally is going to have a greater effect on a state that starts out with an economy more dependent on the manufacturing sector. But even as we fight this battle with other states and countries around the world, our focus remains on recruiting good companies with good jobs.

Recognizing the global economic revolution that was quietly taking place, this administration, along with other economic development stakeholders around the state, formed the Council on Competitiveness. Now business and political leaders are rallying around one critical goal – learning to compete in the global economy and raising the income level for all South Carolinians. Over the past four years, this administration has made this a top priority.

First, this group was able to identify a number of the state's strengths and weaknesses. The strengths recognized some of our long-standing selling points, such as the port and our technical college system, whereas the weaknesses identified the need for a stronger education system, a top-tier research university, a more-friendly environment for start-ups and small firms, and a defined network of industry clustering. Many people in the business community realized the benefits from these ideas and joined us in pressing for more educational choices, sought to implement a university governance structure, intensified our focus on small business, and embraced the concept of clustering in our recruiting strategy. Many of our policy decisions continue to be based on this very notion.

In a broader sense, we have discovered that we have to create an overall competitive economic environment that focuses on our strengths and existing framework for business. In fact, if you look at the proposals we have pushed for and passed as an administration, they revolve around the notion of broad based changes. Our proposal to reduce the income tax rate for all taxpayers led to the first significant income tax cut ever for the small business community. We passed a tort reform bill that allows us to have a more equitable civil justice system here in South Carolina.

By cultivating the economic soil conditions in the state and focusing on the principals of sustainable economic development, we can show companies all across the globe (including those already here) the benefits of locating and growing in South Carolina. In order to do this, all stakeholders in economic development must come together to rethink many ways we do business and recognize the benefits of the following reforms.

Tax cuts for a stronger economy. Recognizing the administration's long-standing position on the current tax rate for small business, the General Assembly rightfully sought to decrease the tax burden on small business during the 2005 legislative session. Effectively, we reduced the income tax rate paid by S-corporations, LLCs, and sole proprietors from seven percent to five percent over a four-year period. When fully implemented, this reduction will put nearly \$124 million each year back into the hands

of small-business owners. While this is a great step in the direction of tax relief, we continue to believe more needs to be done.

We once again have an excellent opportunity to provide income tax relief for all South Carolinians. Our proposal ultimately calls for an income tax reduction totaling \$205 million. By holding spending increases to population plus inflation, our budget is able to set aside \$98 million to be returned to taxpayers on an annual basis. Additionally, our budget proposes a cigarette tax increase of 30 cents per pack that would generate \$107 million yearly.

With the excess revenue, we could reduce taxes in a variety of ways: (1) indexation of brackets, (2) lowering of the top marginal rate from 7 to 6.5 percent, (3) lowering of small business and corporate tax rates in a number of ways, and (4) any combination of these. The overarching goal with any tax plan is to have the greatest positive effect on increasing investment and creating jobs throughout the state. **We are ultimately proposing to return \$205 million in excess tax revenue to ease the of burden taxpayers around the state.**

Workers' Compensation. A top priority for this administration is to find new ways to improve the conditions for running a business. As businesses have been faced with alarming increases to premiums tied to compensating employees who are injured on the job, the need to reform our current workers' compensation system falls into this category. This problem was never more evident than when the National Council on Compensation Insurance proposed a 33 percent overall rate increase for the upcoming year.

Fortunately, a recent ruling by a state administrative law judge will impose a lower average of 18.4 percent increase in workers' compensation insurance premiums for the year. However, there still are problems that speak to the need of reform.

In 2002, South Carolina ranked 42<sup>nd</sup> in the nation in workers' compensation premium rates at \$1.82 per \$100.00 of payroll – up from 49<sup>th</sup> in 2000. In 2004, national premium rates ranged from a low of \$1.06 in North Dakota to a high of \$6.08 in California. South Carolina rose from 42<sup>nd</sup> to 39<sup>th</sup> with a premium rate of \$2.08 per \$100.00 in payroll. Even more alarming are the numbers from the most recent ranking. Currently, South Carolina has the 25<sup>th</sup> highest premium in the nation – jumping 14 spots in just two years.

2006 Ranking	2004 Ranking	2002 Ranking	2000 Ranking	State
1	2	15	28	Alaska
2	1	1	3	California
3	7	4	16	Delaware
4	6	16	24	Kentucky
5	8	10	12	Montana
6	3	2	1	Florida

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7	17	25	33	Vermont
8	13	8	19	Maine
9	19	12	18	Alabama
10	18	9	6	New York
11	9	7	2	Louisiana
12	5	14	9	Ohio
13	15	19	11	Oklahoma
14	11	13	17	Connecticut
15	4	3	8	Hawaii
16	10	17	10	District of Columbia
17	14	5	7	Texas
18	20	23	25	Pennsylvania
19	12	18	20	New Hampshire
20	23	20	15	Illinois
21	21	22	22	Minnesota
22	16	6	4	Rhode Island
23	29	31	27	New Jersey
24	22	26	26	Missouri
25	39	42	49	<b>South Carolina</b>
26	25	29	31	Tennessee
27	27	36	42	New Mexico
28	28	38	39	Wyoming
29	31	23	14	Colorado
30	26	11	5	Nevada
31	36	33	30	Mississippi
32	24	27	29	Idaho
33	38	39	45	Nebraska
34	24	24	13	West Virginia
35	33	32	32	Wisconsin
36	35	45	38	Washington
37	32	24	42	North Carolina
38	46	44	47	Utah
39	30	30	23	Michigan
40	40	40	46	Maryland
41	37	28	21	Georgia
42	42	35	34	Oregon
43	44	41	48	Kansas
44	41	48	44	South Dakota
45	43	43	41	Iowa
46	49	46	37	Arizona
47	45	37	36	Massachusetts
48	48	47	40	Arkansas
49	47	49	51	Virginia
50	50	50	50	Indiana
51	51	51	35	North Dakota

It is important to point out this is not an insurance problem. This, instead, presents a problem for our business community – a problem that is becoming too costly. We believe workers' compensation is the single largest threat to business and economic development in our state. The rising cost of workers' compensation limits a company's ability to hire new employees, or give raises to their current employees. These rising rates are also passed along to the consumer through higher prices on goods. Therefore, in July 2005, we appointed a Workers' Compensation Task Force to examine the rising

**EMPHASIZE ECONOMIC DEVELOPMENT**

premiums, current laws, the existing claims and appeals process, and to make recommendations for improvements in the overall workers' compensation system.

**Reforming the System**

Reforming the current system to create an efficient forum to serve our state's injured workers would have a positive impact on both the injured worker and the employer. The Task Force recognized this and recommended five reforms. We support reforms that will relieve the upward pressure on premiums without undermining the core purpose of workers' compensation. We commend the House last year for passing a workers' compensation reform bill containing many of these recommendations but believe one critical component was left out – the adoption of more objective standards when reviewing a case. We strongly urge both the House and Senate to adopt this policy change. We recognize that “fixing” the workers' compensation system in South Carolina is an extensive undertaking and one that would require more research and attention than could be given in one legislative session, but feel strongly that significant reforms can and should begin now. The following are details of the five core recommendations that we believe are critical to successful reform – including the adoption of more objective standards.

**1. Dissolve the Second Injury Fund**

Last year carriers and self-insurers were facing skyrocketing assessments from the Second Injury Fund. These assessments had continually risen over the last few years, and businesses were facing more than 100 percent increase in the assessment last year.

As claims coming into the system have currently slowed, short-term stability in the fund has provided for a more workable system. However, to protect against the alarming premium increase from the past, we continue to believe that the time has come for the orderly dissolution of the Second Injury Fund.

Dissolving the Fund in no way prevents an injured claimant from collecting benefits they deserve; the fund reimburses employers or their insurers for workers' compensation payments to workers with pre-existing conditions who experience a subsequent injury. We need to simply level the playing field for businesses in South Carolina if we want to continue to compete in a global economy. Since 1992, seventeen states have abolished their Second Injury Funds.

Alabama	Kansas	Oklahoma
Colorado	Kentucky	Rhode Island
Connecticut	Maine	South Dakota
D.C.	Minnesota	Utah
Florida	Nebraska	Vermont
Georgia	New Mexico	



Employers know that the costs for the fund greatly outweigh any potential benefit received and that the fund has outlived its usefulness. Payments to employers from the fund are being driven up not only by increasing wages and medical costs, but also by a dramatic increase in claims accepted by the fund. When added to the proposed double-digit workers' compensation premium increase, these costs hurt the bottom line of both large and small businesses. Payments into the fund threaten the business climate by taking money away from activities like job creation. Two years ago 98 percent of companies that contributed to the Fund received no reimbursements. This means that small businesses that have fewer accidents and companies that do not have the resources to manage the paperwork and administrative hurdles associated with processing reimbursements contribute far more than they will ever recover from the Fund. The orderly dissolution of the Second Injury Fund is a positive step in the direction emphasizing this administration's commitment to a healthy business climate.

**2. *Reform of the Workers' Compensation Commission***

The actual structure of the Workers' compensation Commission currently consists of seven commissioners appointed by the governor who serve six-year terms. The chair holds no more authority than any of the other members of the Commission. In addition, members held over will more than likely demonstrate the same philosophical belief as that of the previous administration when determining the outcome of specific cases.

Bottom line, there is no consistency of awards by commissioners, no objective standards upon which disability determinations are made. Objective standards should be developed to limit the discretion of the Commission in making awards, and mediation should be encouraged. The Task Force recommends that in order to obtain standards, the Commission should use the American Medical Association or other professional guidelines to establish awards.

**3. *Restrict Repetitive Trauma Claims***

Court cases and Commission decisions have liberalized and expanded the definition of "accident" to include conditions that are the natural result of the aging process. Additionally, the requirement that an "accident" be identifiable to a time and place of occurrence has been eliminated, and there is no statute of limitations for bringing these claims. As a result, the workers' compensation system is absorbing costs for claims never contemplated for conditions experienced by the general public in the course of the normal activities of day-to-day life. The definition of "accident" should be restored to its original and intended purpose, and repetitive trauma injuries should be subject to objective standards that permit apportionment for non-occupational causes.

4. ***Reversing Decisions Made in Tiller vs. National Health Care***

This case allows non-expert testimony (i.e., that of the injured worker) concerning a medical condition. In other words, the testimony of the injured worker is allowed to trump that of an expert doctor during the decision making of the Commission. It goes without saying that this results in inappropriate and excessive awards that drive up the overall costs of the workers' compensation system.

5. ***Reversing Decision made in Brown vs. Bi-Lo***

The court held that communication between health care providers and a carrier, employer, or their representatives may only occur by written reports. This ruling complicates efforts by the employer to obtain information indicating when an employee is ready to return to work. Legislation is needed that allows doctors to communicate with either side in a workers' compensation case without fear of being sued by the patient for breach of patient-physician confidentiality.

**Broad-Based Incentives**

There are many tax incentives that serve due diligence in our efforts to recruit quality businesses to South Carolina. Some of these incentives are at the core of many business proposals put together by our Department of Commerce – which, at the end of the day, leads to large capital investments and the creation of high-paying jobs.

This past session there were numerous bills containing incentives carved out for one business or one particular area of the state: 1) granting Orangeburg County an unfair increase in their job tax credit amount from \$3,500 to \$8,000; or 2) making it easier to qualify for the job tax credit for service related businesses in the wealthier parts of the state.

But one incentive was so egregious that it clearly showed it was time to analyze all incentives that no longer serve their purpose. The unprecedented incentives were carved out for one particular retailer – Cabela's. The Cabela's incentive package allowed them to qualify for the job tax credit for the first time in this area of the state and allowed them to be rebated a possible 50 percent of their sales tax revenue for reinvestment in their infrastructure. Creating incentives for only one retail facility and asking the thousands of other retailers across the state to subsidize these incentives – while receiving none – is bad policy.

The special incentives opened the door for a long overdue discussion. We are heading down the wrong path by adding incentives to our tax code that are carved out for only one area of the state or for one business that might come to our state. This arrangement has gotten us further away from being globally competitive by not looking at more ways to create a tax structure composed of incentives that will broadly help all of South Carolina. The Department of Commerce has been tasked with looking at, before the beginning of next session, the reporting the current tax incentives that no longer serve

their purpose. We look forward to these recommendations and encourage the General Assembly to adopt them so that South Carolina can continue to compete at a high level.

Improving the economic soil conditions of our state so that we may better compete in the ever-changing global marketplace is always a priority of this administration. We believe these changes and others move us one step closer in being truly competitive and bettering the standard of living for all of our citizens. We look forward to working with you and other members of the General Assembly on this front.

# Meet the Health Care Challenge

## Meet the Health Care Challenge

**[T]he market forces that have reshaped the rest of the economy are almost completely absent from health care. Patients have little incentive to look for a better deal. Whereas in a functioning market, information is readily available (think of shopping for a hotel room in New York City), the health care market remains a black box (now think about trying to find a hospital with the best outcomes for hip replacements).**

— Dr. David Gratzner, Manhattan Institute

**The companies that are most successful in stemming medical inflation tend to combine consumer-driven plans with other strategies like pay-for-performance, wellness or health improvement programs, health risk appraisals, claims analysis, purchasing coalitions, nurse help lines and giving workers provider cost information. In fact, the best performers experienced an average two-year premium increase of 3%, versus 11.5% for the poor performers.**

— Leah Carlson Shephard, *careerjournal.com*, June 16, 2006

Health care encompasses more than a third of the entire state budget and greatly impacts the quality of life in South Carolina. Dealing with the rising cost of health care is one of the biggest challenges we face in preparing this budget.

### **The Past Year**

We had several successes in the last year that will have a positive effect on the health of our citizens.

- If we improve the quality of our diet and exercise, we will get better results in the form of lower rates of chronic diseases. With that in mind, we launched the Healthy South Carolina Challenge, inviting counties across the state to engage in friendly competition on improving their physical activity rates, improving their body-mass index, and getting more people to quit smoking. The citizens of Darlington County won a trip to the Governor's Mansion for showing the most overall improvement, but the real winners were the citizens

of the state who took advantage of the opportunity to improve their health.

- Often, lifelong habits are formed in childhood. With that thought in mind, we began implementing the newly passed comprehensive physical education bill to help children become more physically active.
- Working with the administration, the Department of Health and Human Services put together our “South Carolina Healthy Connections” Medicaid transformation plan that was used as one of the models for Congress’ historic Health Opportunity Accounts provision in the Deficit Reduction Act.
- To help bring down the cost of prescription drugs for Medicaid patients, DHHS is combining its negotiating power with ten other states in a National Medicaid Pooling Initiative. Replacing the current one-state only contracts with NMPI contracts will save an estimated additional \$1.4 million in general fund dollars with no change in the state’s current Preferred Drug List.

While these successes are a step in the right direction, several challenges remain. South Carolina currently spends too little attention to investing in our health on the front end through prevention efforts, which leads to more health care dollars being spent on expensive trips to the emergency room and institutional care on the back end. We also scatter scarce Medicaid dollars over too many state agencies. Health care funding is a finite resource; money wasted on unnecessary administrative burdens or inefficient care is money taken away from important services for other citizens. We can and must do better.

### **Prevention**

According to the Center for Disease Control and Prevention, “Three modifiable health-damaging behaviors – tobacco use, lack of physical activity, and poor eating habits – are responsible for much of the inordinate suffering and early death of millions of Americans. In fact, approximately 33 percent of all deaths (about 800,000 deaths) in the United States can be attributed to these behaviors.”

South Carolina has moved from 9<sup>th</sup> in smoking rates to 15<sup>th</sup>. However, there is still much room for improvement. Our smoking rate correlates closely to our being 14<sup>th</sup> in prevalence of lung cancer. Being 12<sup>th</sup> in the nation in adults who engage in no physical activity likely has something to do with our being tied for sixth in obesity. Stroke and diabetes are partially caused by a poor diet. A recent study found that 82 percent of men, 71 percent of women, and 83 percent of high school students in South Carolina eat fewer than five servings of fruits and vegetables per day. This likely contributes to our being second in stroke death and fifth in prevalence of diabetes. With this in mind, this administration will continue to encourage our citizens to make healthier choices in their day-to-day lives and thereby work to reduce the rate of health care spending.

**Smoking cessation.** State government is one of the largest employers in the state. We believe it ought to use the same best practices being used by other employers to improve the productivity and quality of life of their workers in controlling health costs. For example, many private programs are offering smoking cessation programs with premium incentives because it makes good business sense. Healthier workers are more productive workers. In August 2005, the Budget and Control Board voted to include smoking cessation as part of the State Employee Insurance Program, and the program began on January 1. It is our hope that a good number of our employees who smoke will take advantage of the new program. The original results are encouraging: through June 2006, 1,655 Plan participants have enrolled in the program. Eighty-nine percent of the participants attempted to quit tobacco with 49 percent of those participants actually quitting tobacco use.

In 2008, premiums could increase by approximately ten dollars per month. However, to encourage use of this new program, we propose that non-smoking employees, including those who complete a smoking cessation program and remain off tobacco afterwards, have their monthly premiums frozen for the third straight year. According to the Center for Disease Control, the health benefits of quitting smoking are numerous, and many are experienced quickly. Within months, coughing and other respiratory symptoms decrease and lung function increases. One year after quitting, excess risk for heart disease is reduced by half. The chance to have their monthly premiums frozen for another year is another incentive that we hope will encourage more of our employees to make a healthy choice regarding tobacco use.

**State employee health risk assessment.** Smoking cessation programs are only one tool that private businesses are using to control health care costs and improve the health of their workers.

For example, from 1990-2001, Union Pacific Railroad was able to reduce health-related costs due to lifestyle factors from 29 percent of their expenses to 18 percent of their expenses. This translated into \$53.6 million in annual savings. But for an employer to know what types of incentives and programs will best improve employee health, that employer needs a baseline understanding of the overall wellness and risk factors of the employees.

States like Arkansas and South Dakota have already begun giving health risk assessments to their employees. Our state employee health plan provider is introducing an online health risk assessment in 2007 to help members better evaluate their current wellness and receive feedback with suggestions to improve their health. We think this is a positive step toward empowering people to take more ownership of their personal health.

**Association Health Plans**

We support making health care more available by making insurance more affordable. One option is to allow small businesses to group together in purchasing pools for additional buying power when dealing with the insurance companies.

In 2003, the Governor's Economic Development Task Force recommended that the state government, "Allow small business owners to qualify for and unite as a large group in order to obtain coverage at affordable rates. One of the biggest issues for small businesses is the high cost of health insurance premiums and lack of coverage (i.e., Associated Health Plan or State-Supported Insurance Company)." The recent Republican-controlled Congress tried but was unable to enact needed association health plan legislation on the federal level, and the new Democratic-controlled Congress is unlikely to even attempt it. Therefore, in the short term, meaningful health insurance reform for South Carolina's small business employees is going to need to happen at the state level. We believe the most prudent path toward that end is to pass legislation authorizing small businesses to join together in purchasing pools for the purpose of buying employee health insurance through an association health plan.

The idea behind this is that by grouping together, small employers can gain the buying power of large companies. These cooperatives could be considered "self-insured" and thus, fall under federal ERISA laws, rather than state insurance mandates. The benefit of this approach would be two-fold: First, placing fewer mandates on coverage will lower the price of coverage, putting the cost of health insurance coverage within reach for more small companies. Second, it would open up the opportunity for small companies to be able to purchase health insurance across state lines. This would inject more competition into the insurance market, further reining in insurance costs.

**Making Medicaid Better**

South Carolina Healthy Connections reform plan. Across the nation and here at home, Medicaid is consuming an ever-increasing portion of state budgets. In 2000, \$1 out of every \$7 that South Carolina spent went toward Medicaid. This year, it was \$1 out of every \$5 spent. A decade from now, \$1 out of every \$3 we spend will go toward Medicaid. This brings us to the central question before us – with rapidly increasing costs, how do we continue to provide health care for some of our state's neediest citizens? Do we simply cut people from Medicaid rolls like other states have done? Or do we make cuts to other critical state services like education and law enforcement?

Given those two options, we have chosen to instead take a third path – stop administering Medicaid as a one-size-fits all program, give individuals a choice in their health care plans, and empower them to pick the plan that best suits their needs. Doing this will ensure better health care outcomes, and at the same time help rein in the cost of a program that before long will be growing at a rate faster than new government revenue.



Our plan will provide a range of options for Medicaid recipients. One choice would be a pre-paid plan, something already offered by many private sector employers, and which a recent Harvard study found effective in reducing racial disparities in most areas measured. Second, Medicaid recipients could choose a medical home network, which would let them begin a relationship with a family physician. Third, we could help a recipient buy into his or her employer's health care plan. Finally, some recipients could get a health care account that could be used to directly pay for health care services.

We are pursuing this reform with a couple of things in mind. First, we believe tailoring Medicaid benefits to the patient will improve the quality of patient care. *Governing* magazine (basically a non-partisan trade journal for state governments) ranks South Carolina fourth in the nation in state and local spending on health and hospitals. The United Health Foundation now ranks South Carolina tenth in the nation in public health care spending, yet we rank only 48<sup>th</sup> in the health of our citizens. This is due in large part to Medicaid recipients not having a regular primary care doctor who knows them and understands their needs. Medicaid clients visit the emergency room 66 percent more often than other South Carolinians. Emergency room care is both much more expensive and far less personal than seeing a family doctor.

Second, we believe that our plan will rein in costs. Better results and lower costs have been achieved in other states where Medicaid recipients have been empowered with choices. In 1998, Arkansas started a program to give consumer-directed benefits to Medicaid disability patients. Five years later, an audit showed clients were more satisfied with their caregivers, that there was a decrease in unmet needs, and that caregiver neglect dropped by 38 percent. In Colorado, another pilot program allowed disabled Medicaid clients to hire and fire their own caregivers. Quality of care and patient satisfaction are up, and costs have decreased. Colorado plans to expand its plan to 33,000 Medicaid recipients statewide in 2006.

Medicaid is growing at an unsustainable rate, and unless change is made the state is going to be forced to cut benefits and beneficiaries down the road. By reforming the system now, we can both improve the services Medicaid recipients are getting, and put the growth of Medicaid spending on a more stable and sustainable path. Both recipients and taxpayers will benefit from a more results-oriented Medicaid program that provides the quality and responsiveness recipients need and the efficiency taxpayers deserve.

Electronic medical records. Physicians can provide better care and more effective preventive and ameliorative care if they can readily access information about the medical condition and history of a patient.

But while the past two decades have seen tremendous strides in medical science, and other areas of commerce have dramatically improved their information technology, the recordkeeping method of choice in many hospitals and doctors' offices is still pen and clipboard. Electronic medical records systems (EMR) are typically expensive, vendor based and not compatible with each other. In order to provide assistance to physicians who treat Medicaid beneficiaries, South Carolina is developing access to an electronic

medical records system based on its data maintained by the State Division of Research and Statistics. The EMR will provide information on all services provided including diagnosis as well as the ability for the physician to add information about health status and laboratory results. Information will be accessible when beneficiaries present to hospital emergency rooms to support comprehensive informed care. Because the state will provide the EMR format and access, the EMR system will be compatible across all providers, free to providers and generated through a system that will be continuously enhanced and, therefore, avoid the pitfalls of independent systems that quickly become obsolete.

Quality rating system. Our Department of Health and Human Services is establishing a quality rating system for Medicaid providers and plans. This will provide the information necessary for Medicaid beneficiaries to make informed decisions about which plans and providers to select to best meet their individual needs. It will also inform the providers about their relative status in ranking.

Providers who score well in the rating system are not only likely to attract more business, but may see financial rewards in the form of slightly higher reimbursement rates in the areas in which they excel. This “report card” system will serve as an incentive for plans and providers to offer services that beneficiaries need and to provide the type of personal, preventative health care that is better for the patient and more cost-effective for the state.

### **Health and Human Services Agency Restructuring**

In September 2006, South Carolina recently won a million-dollar federal grant award for a new initiative to better recognize, diagnose, and treat adults with co-occurring mental health and substance abuse disorders. While in and of itself this is good news, it points to the real need to reorganize our government in a manner that better serves our citizens. National data suggest that a significant percentage of clients receiving either mental health or substance abuse services have co-occurring disorders; South Carolina data show that these co-occurring disorders are often not diagnosed and treated. Part of the underlying problem is that the people responsible for mental health and those for substance abuse are housed in different agencies miles away from each other with different chains of command. In the same manner, people with serious chronic illnesses like cancer or kidney disease often suffer from depression. People that are developmentally disabled often have both mental and physical challenges.

Our largest obstacle to improving health care in South Carolina continues to be the fractured health care system we have within state government. Currently, we have five separate government agencies, answering to four different authorities, providing health services. Many of the programs and services in these agencies overlap in functions and lack coordination. In addition, the administrative burden of operating those agencies takes dollars away from frontline services – providing expedient and adequate care and protection to the patient. In our restructuring proposal, we intend to overhaul the health care agencies into two separate cabinet-level agencies:

1. The Department of Health Services, to provide coordinated health service to clients, and
2. The Department of Health Oversight and Finance, which would act as the single point of contact with the federal government and with patients, and would monitor the quality of services being provided by the Department of Health Services.

Though a much larger restructuring bill is key to improving the accountability within state government, this administration strongly supports restructuring the state's health care and human services agencies. Our Health Care Restructuring Plan is discussed in greater detail in the "Innovative Government" section of our budget.

# **Improve K-12 Student Performance**

## Improve K-12 Student Performance

The bottom line of education is student performance. It is the measure by which all activities should be measured. As a business tests every investment against its ability to raise profit per unit, we must evaluate the ability of each activity to raise student achievement for every dollar invested.

Investing in high-yield activities is essential to our education system's ability to meet the challenge of preparing today's students to compete for business and against business on every corner of the globe. Thinking as a business, we have established five goals that are accomplished through the activities we purchase in our budget: increase the high school completion rate; increase participation and achievement in rigorous courses; raise the national performance ranking of South Carolina's students on the SAT and ACT; eliminate the achievement gap on NAEP, PACT, SAT, and ACT; and improve the efficiency with which education dollars are spent.

Governor Sanford's Goals for Improving K-12 Student Performance are to:

- ✓ Increase the high school completion rate.
- ✓ Increase student participation, completion, and achievement in Advanced Placement, International Baccalaureate, and dual enrollment courses.
- ✓ Raise the national performance ranking of South Carolina's students on the SAT, ACT, and NAEP.
- ✓ Eliminate the achievement gap of all students on NAEP, PACT, SAT, and ACT.
- ✓ Improve the efficiency with which education dollars are spent.

Increase the high school completion rate. South Carolina's education system needs to become more effective at getting its students through high school. From an investment perspective, the more students either fail to complete high school or take longer than four years to do so, the lower the yield on the educational investment made by taxpayers. Our goal is to increase the percentage of entering high school freshmen who complete the 24 credits required for high school graduation in less than or equal to eight semesters.

In our budget, we invest in activities that increase the likelihood that students enter high school ready for the course of study and complete their study four years later. We measure progress toward this goal by tracking high school dropout rates for grades eight through twelve. We also measure the proportion of students enrolled in ninth grade relative to those enrolled in grades ten through twelve.

Increase student participation, completion, and achievement in Advanced Placement, International Baccalaureate, and dual-enrollment courses. The strength of South Carolina's work force will rely heavily on the rigor of the education we give our students.

## IMPROVE K-12 STUDENT PERFORMANCE

At the same time that we focus on getting more students to finish school on time, we must also monitor the quality of the education they receive. It is one thing to get students through high school; it is quite another to have our students finish high school ready for work or college.

Our budget plan invests in activities that will accomplish the goal of increasing participation and success in rigorous courses by funding activities that challenge students who are proficient, remediate students who have already fallen behind, or ensure that early childhood students have a strong foundation. In order to measure South Carolina's progress toward this goal, we will evaluate high school participation rates in college preparatory courses, dual-enrollment programs, and advanced credit bearing courses and participation in gifted and talented programs. Lastly, we will analyze student performance on the SAT, ACT, NAEP and AP exams as indicators of success.

Raise the national performance ranking of South Carolina's students on the SAT, ACT, and NAEP. The Education Accountability Act set ambitious goals for the performance levels of South Carolina's students by 2010. An important goal set as part of the 2010 Goal is for South Carolina to rank in the top half of the states on the SAT, ACT and NAEP. We have Placement courses. We measure elementary school rigor by tracking enrollment in made little progress on this goal. Though South Carolina's average test scores for graduating high school seniors on both the SAT and ACT have increased, these increases have had no impact on South Carolina's overall national ranking on these important measures of the output of South Carolina's education system.

Similar to gains on the SAT and the ACT, student performance on NAEP is mixed, with scores rising but failing to reflect true improvement in the educational system. South Carolina's NAEP scores have improved to the point that they approach and even surpass the national average on some assessments. A remaining concern is the fact that we could potentially meet the goal set in 2010 at the same time that the vast majority of our students fail to meet grade level proficiency in basic subject areas. Our science scores are an excellent example. We exceed the national average on the assessment, meeting our goal, while only 30 percent of our students test on grade level. This phenomenon is reflective of the fact that the proficiency rates – and, thus, national average scores – in the United States are low. The education system must become more effective at exceeding the national average on NAEP and increasing the percentage of students who are on grade level (scoring proficient or advanced) at every grade level in every subject.

We will measure progress toward this goal by tracking student performance on NAEP, the ACT and the SAT both in terms of average score, national rank, and proficiency levels in all subject areas.

Eliminate the achievement gap of all students on NAEP, SAT, and ACT. In education there are two achievement gaps to overcome. The first is represented in differing performance levels of more affluent students and students who come from low-income households. Another achievement gap is represented by the differences in the

performance of Caucasian and Asian-American students compared to African-American and Hispanic students. These gaps present our state with the challenges of finding the reasons these gaps exist and then closing the gaps by raising the performance levels of lower-achieving students.

We propose purchasing activities that raise the achievement of low-performing students. Progress toward this goal will be measured using scores on PACT, NAEP, SAT, and ACT. We will also track dropout and high school completion rates among low-income and/or minority students. The last statistical measure will be used to evaluate the time spent away from school due to disciplinary actions; our focus will be on expulsion rates, particularly among lower-performing subgroups.

Improve the efficiency with which education dollars are spent. In the world of limited resources in which we operate, reaching our educational goals is directly tied to maximizing the percentage of the educational dollar that is spent directly in the classroom. This is done by eliminating expenditures on services that are not linked to a specific goal, reducing or eliminating expenditures that are associated with activities that have weak outcomes, minimizing duplicative services, or improving productivity.

Our purchase plan maintains overall educational funding levels but redirects existing funding for activities in ways that improve productivity. There are activities that while inherently good are not essential to reaching the goals we have established. For this reason, we recommend an increase of \$167.2 million in new recurring dollars from general funds toward K-12 education. We believe that these additional dollars should be directed to the frontline of education – teachers and classrooms – which is why we are funding teacher salaries at \$300 above the Southeastern average. Rather than offering an across-the-board salary increase, we believe students will be best served by requiring that districts institute a merit-pay system to determine the salary increase each teacher receives.

We are also recommending a Base Student Cost of \$2,476. It is important to emphasize that this number does not represent all funding dollars. Including local, state, and federal dollars, the Board of Economic Advisors has estimated total funding per student to be \$10,566 in FY 2007-08.

Though the Base Student Cost is sometimes used as the ultimate measurement of education funding, we believe it is more important to consider all types of funding when making this analysis. Although we have made some progress in educational performance due to the tremendous efforts of teachers, students, and parents on the frontlines, we should not ignore the achievement gaps that exist among South Carolina students, the rest of the nation, and even many parts of the world. We also recognize the need to reduce the achievement gaps that exist among minority students and other students in our state. To this end, bold changes are necessary to realize greater progress in achievement levels for all of South Carolina students.

**Developing Our Purchasing Priorities**

In order to develop our educational purchasing priorities, we first looked at the major indicators of success to determine whether our state is reaching its goal to see every child make academic gains in kindergarten to twelfth grade and attain a traditional high school diploma. We have found that South Carolina is making some progress; however, there are many opportunities for improvement.

Having determined where opportunities for improvement exist, we next identified some proven or promising strategies that will enable us to set priorities for our purchasing plan and how best to achieve our goal. Following are the strategies we identified.

Provide all students a customized learning experience. Before the school system can even begin to provide a student with the skill set they need, the child's mind has already been shaped by key forces, each varying in influence from one child to another. These forces include their genes, family life, stress level, cultural factors, social life, health, emotions, and previous educational experiences, all of which work together to shape how a child's mind works. Knowing that there are so many factors that shape how, when, and whether a child learns any given lesson, it stands to reason that an effective school system is one that offers a multitude of learning environments so that all parents have the options they need to find the right fit for their child.

Ensure that every child enters first grade ready to learn. Making certain that all children are well-prepared for formal schooling requires that developmental deficits are addressed by early childhood educational experiences. Effective early childhood programs, whether public or private, are crucial for children whose home environments are not preparing them for a successful elementary school experience. High-quality early childhood developmental education will evolve as standards for developmental education are more clearly defined and communicated.

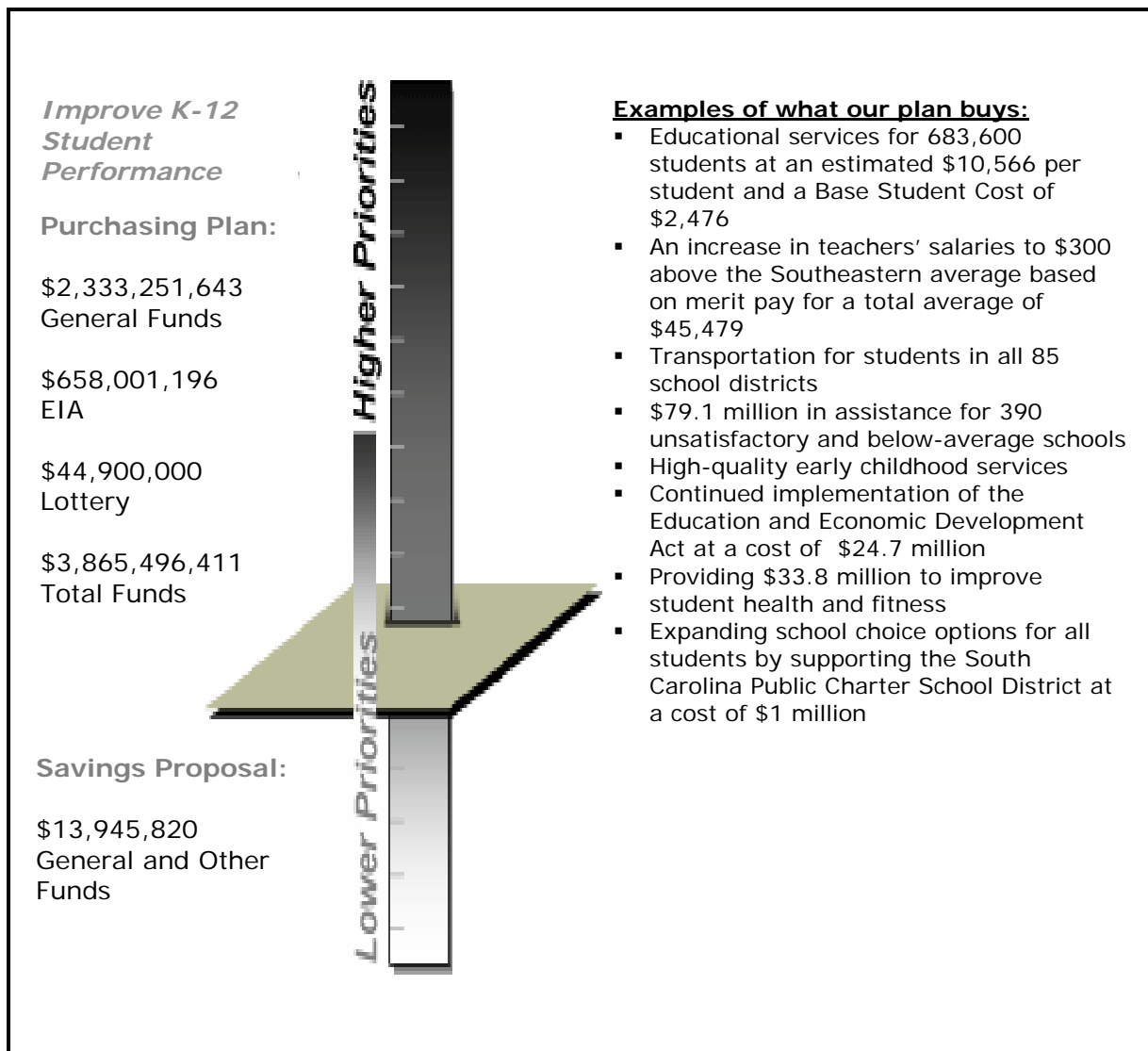
Provide each student an education that equips them with the skills necessary to compete in the regional, national, and international marketplace. Our investments in education activities cannot lose sight of the fact that one of the key functions of an education system is to cultivate a productive work force. A quality education is one that challenges students to meet high expectations while engaging them in experiences that are relevant to the real world.

Provide the public clear, specific, and timely data about the effectiveness and competitiveness of the public schools in the state. South Carolina's existent accountability system provides school- and district-level report cards that help parents understand how well their child's district or school fares in comparison to others. In addition to providing district and school data, an important strategy for improving student performance is providing student-specific data in a timely manner.



**Governor’s Purchasing Plan – Highlights**

The following table identifies key purchases within our executive budget’s total state K-12 purchasing plan. Detailed highlights of our purchasing plan are provided below the table.



**Our Plan Buys:**

**Basic frontline education services for over 683,600 students** served in the 85 school districts throughout the state. Our plan provides the required amount of funding per student according to the Education Finance Act. With funding of \$2,476 per weighted pupil unit distributed through the Base Student Cost formula, local school districts will be able to provide education services required for kindergarten through 12<sup>th</sup>

grade students. As mentioned earlier, it is important to note that the total statewide funding per student will be much higher when considering total dollars allocated from outside of the EFA as well. We propose **EFA funding for this activity of \$1.9 billion.**

With this budget, we commit **an increase of \$57.5 million to give district superintendents the ability to reward and recruit high-quality teachers.** By creating the South Carolina Quality Compensation (SCQComp) as a system of merit pay that rewards high-quality teachers for the results they produce, we believe that salary increases could be better connected to attaining our goal of improving K-12 student performance. We accomplish this task by tying salary increases to a demonstrated ability to raise student achievement on standardized assessments or to a teacher's willingness to accept the challenge of a hard-to-staff position. This approach balances the need to raise teacher pay with the fact that the state has limited resources at its disposal. The funding SCQComp is derived from the standard salary increase the state currently uses for across the board raises that keep average teachers' salaries to \$300 above the Southeastern average. Instead these funds will be used to create block grants that district superintendents may use to implement the Teacher Advancement Program, create their own model for research-based, merit-pay program, or to recruit teachers for hard-to-staff positions. Our stipulations are that salary increases must be based on increased student performance on a nationally or state recognized standardized test and that recruitment bonuses be tied to a three-year commitment to the school. By implementing this proposal, South Carolina can more effectively reward teachers based on the quality of the service they provide.

**Establishing the South Carolina Public Charter School District** to offer parents more educational options for their children. We commit **\$1 million to create state-funded, start-up grants for approved charter schools** and to provide the first year of funding for the administrative cost of hiring support staff for the newly created district.

**Creating the South Carolina Early High School Graduation Scholarship Pilot Program** in order to reward students who finish high school early through the creation of a grant that can be used to offset the cost of attaining postsecondary education or training. Beginning with the class of 2008, students who finish high school in less than eight semesters qualify for the program, which provides our high-achieving students with an incentive to finish their coursework early while addressing the need to eliminate the "wasted senior year" that has become an entrenched part of the student educational culture in South Carolina. By **committing \$1.46 million to the Early High School Graduation Scholarship**, we can provide grants worth up to \$2,000 for students who finish high school in six semesters.

**Fully funding the Education and Economic Development Act** in order to restructure elementary and secondary school curricula so that they are more effective. The Education and Economic Development Act can increase the chances that more students in South Carolina will receive a competitive education. To support the

objective of the Education and Economic Development Act, we **recommend appropriating \$24.7 million** for the second year of implementation of the legislation.

**Shared administrative services** in order to support school business officers in consolidating administrative services for our smaller school districts. There is a clear need to get more of our educational dollar to the front lines of our school system. District consolidation is one way to go about accomplishing this task. However, rather than rely only on the consolidation of actual school districts – a prospect rife with political tension and acrimony – we support the Education Oversight Committee proposal to provide \$100,000 in order to work with non-countywide school districts with less than 7,500 students in helping them consolidate administrative services. This model would require that all such districts share administrative services with other districts by the end of FY 2008-09. In so doing, we can move the state closer to reducing the per-pupil expenditures on administrative costs.

**Expanding the South Carolina Virtual School** pilot program in order to shatter the barrier that geography places on student access to high-quality educational experiences. Students in smaller, rural schools will be able to take advantages of rigorous courses such as advanced computer programming or Advanced Placement Calculus that currently are limited to students in schools with large enrollment levels. At the same time, we provide the opportunity for lower-performing students to receive high-quality remedial education that is currently denied them simply because their assigned school lacks that expertise to address their specific learning need. At both ends of the spectrum, **investing \$3,098,010 to create the South Carolina Virtual School** can go a long way in offering parents real choice in the educational options available to them.

**High Schools that Work/Making Middle Grades Work** are school-wide improvement models in which more than 1,400 schools participate nationally. Each participant school focuses on implementing at least one of the High Schools That Work/Making Middle Grades Work Key Practices. These practices include a rigorous curriculum, high expectations, instruction that is relevant to students' lives, research-based teaching strategies, and valuable professional development for leadership and teachers. Schools that participate in the High Schools That Work model improve student achievement on state and national standardized tests. The impact of the High Schools That Work model is so significant that the Education and Economic Development Act adopts its best practices for all high schools in South Carolina. Making Middle Grades Work undergirds the efforts of the Education and Economic Development Act as well as High Schools That Work by focusing on preparing students for the transition into high school, placing an emphasis on frameworks that raise student achievement in areas that are predictive of success in high school. We believe these programs can continue to improve the performance of South Carolina's high schools that are currently participating in the program. We propose **\$2,000,800 in funding for High Schools that Work**.

**Providing transportation to and from school for 683,600 students.** We understand the need to provide support for a state school transportation system which is crucial for those students who are unable to provide their own means of transportation. We propose **funding for the transportation needs of our students with an increase of \$60 million** through Contingency Reserve Funds out of next year's budget. We base the proposed spending increase on the projected \$2.60 price per gallon for fuel in FY 2007-08. In addition to fully funding fuel for our public school transportation system, our purchase plan provides more than \$30.5 million for school bus and service vehicle replacement and \$1,434,273 in maintenance staff salary adjustments. Some of the items included in our proposed transportation investment are beyond the scope of the capital investments usually supported in the Contingency Reserve Fund. We believe that modifying the use of the Contingency Reserve Fund will permit us to fulfill the transportation needs of the students of our state through the use of one-time funds that limit the creation of annualizations that may be cut from the State Department of Education budget as we rethink the management of the school bus transportation system over the next fiscal year.

Despite our recommended funding in this area, we still feel school transportation could be provided more efficiently if it were competitively sourced from a private company. The need to find efficiencies through privatization and better management of our transportation system is directly tied to the state's increasing reliance on annualizations that fund recurring items, such as transportation, with nonrecurring dollars. This year alone the state has more than \$73 million in annualizations, \$22 million of which come directly from the public school transportation system – representing a third of the state's annualizations. Reducing costs by improving efficiencies will have the immediate effect of alleviating one of the major contributing factors in the state's use of annualizations.

One area of potential cost savings in the school bus transportation system lies within bus purchase agreements. It is our stance that the funds we provide during FY 2007-08 would be better used by leasing a portion of the school bus purchases made during the fiscal year, rather than purchasing all of the buses out-right. An analysis by TransPar Group makes it clear that leasing rather than purchasing buses could reduce by half the time it will take South Carolina to get its school bus replacement cycle to more closely align with the industry standard for the simple reason that we could get more, newer buses sooner.

**Funding the Student Health and Fitness Act of 2005 to address** the growing obesity epidemic among the youth of our state. The Student Health and Fitness Act is an effort to combat the growing health concerns that are emerging as a result of the declining health of the students in South Carolina. Starting at an early age, increasing the awareness of citizens about health choices can lead to a healthier South Carolina. We are encouraged by the passage of this legislation and propose **appropriating \$34,028,200** for its continued implementation.

**Providing instructional materials for over 683,600 students throughout K-12.** Instructional materials include an array of educational tools that teachers can use to engage students in the learning process. Teachers compete with MP3 Players, Nintendo Wii's, Short Message Servicing, and a plethora of other interactive entertainment and communication devices in captivating the attention of their students. It is important that the instructional materials used in the classroom engage students in a manner that reflects the way today's students acquire, process, and deliver information. We are providing the funds to purchase the necessary materials that will meet state academic standards. We propose **funding this activity with \$67,464,562** in total funds, \$6.4 million of which we set aside for block grants that provide school districts an incentive to pursue research-based, non-traditional instructional materials.

**Assistance and accountability to the 250 "below average" and 140 "unsatisfactory" schools.** The 2006 Annual School Report Cards make it clear that our lower-performing schools need more technical assistance options than are currently being offered. These school ratings show that 29 percent of the schools in South Carolina received lower ratings in 2006, contributing to an increase in the percentage of schools rated unsatisfactory or below average from 26 percent in 2005 to 36 percent in 2006. While 65 schools in South Carolina improved their ratings, there remain several schools that are simply not improving at the rate necessary to reach the goals established by the Education Accountability Act.

Intermittent exposure to quality teaching will not improve the student achievement in our below average and unsatisfactory schools. Sustained improvements in schools that are in need of technical assistance will not occur unless the teacher and leadership turnover issues are addressed. Put simply, these schools need access to options that will mitigate the high teacher and principal turnover rates that cripple their efforts to improve. In order to assist these schools in overcoming the obstacles that have limited their success, we **fund technical assistance with \$79.1 million.** Our funding supports these schools in the following manner:

1. Funding technical assistance to the **140** unsatisfactory schools at **\$320,000** each – total funding – **\$44.8 million EIA dollars.**
2. Funding technical assistance to the 250 below average schools at **\$100,000** each – total funding – **\$25.0 million in EIA dollars.**
3. **\$6.3 million in EIA dollars** to continue supporting the Teacher Advancement Program in existing schools and to expand the program to 20 additional unsatisfactory or below average schools.
4. **Providing \$610,000 to continue supporting Homework Centers.**
5. Offering the mandatory support for External Review teams and Retraining Grants through \$2.4 million.

**Providing formative assessments** to give parents and teachers the information they need to properly serve South Carolina's students. **We propose increasing assessment funding to \$3.95 million.** We continue to believe that there are significant cost savings that could be realized if the state were to adopt the cost savings

proposed by the South Carolina Task Force on Testing as well as the Legislative Audit Council as it considers contract renewals for the state testing system. Additionally, we recognize the need to improve upon the existing accountability system and encourage the State Department of Education to adopt the recommendations of the 2004 Legislative Audit Council report, which advised the department to develop information on the cost per item for state-mandated assessments.

**Classroom supplies to 51,000 teachers** throughout the state. It is important that our teachers are given the resources to educate their students. Providing them with the financial resources for classroom supplies will relieve many teachers from out-of-pocket expenses that may otherwise result. To fund this activity, we propose to **allocate \$12.75 million** in EIA dollars to the local school districts.

**High-quality pre-school programs** that provide direct services for almost 25,000 children throughout the state. We feel that early education is an investment in a brighter future for South Carolina. First Steps works across our state to get kids prepared for school. Although it is a program that was started by the previous executive administration, we feel that by coordinating the services that are provided by state agencies and by fostering public and private community partnerships, First Steps can help prepare our children for the challenges they may face in the future education system. For this reason, we recommend **appropriating \$24 million** to support its efforts.

### ***Making Tough Choices:***

Similar to the challenges facing households across South Carolina, the finite resources of the state require that we make difficult choices about how we will direct the limited resources available to us. These choices are more reflective of our desire to be fiscally responsible with the taxpayer dollar, limiting government spending only to activities that are of the highest necessity. Our choices are not a criticism of the merit of the forgone activities. Following are items that represent some of the difficult choices we have made on educational activities that we choose not to purchase in this year's executive budget.

We limit **National Board Certification salary bonuses** to the teachers who complete the process by June 30, 2007. Study after study has demonstrated that both at the national level and within South Carolina attaining National Board Certification fails to lead to significant increases in the achievement of teachers receiving the bonus. While it is important for the state honor the commitment we made to teachers who have already completed the process, we believe that expanding the program to any newly certified teachers in FY 2007-08 would be an irresponsible use of taxpayer generated revenue. This will result in a cost savings of \$1.6 million.

**Eliminating the funding for the State Department of Education school accreditation process** and requiring the Department to completely adopt the 2004

recommendations of the Legislative Audit Council Review of the State Department of Education. We commend the State Department of Education for adopting a portion of the LAC recommendations, thus reducing annual state expenditures on this activity by \$280,000. However, we believe that the State Department of Education should fully adopt the recommendations of the LAC by completely eliminating the duplication of the accreditation the Southern Association of Colleges and Schools (SACS) accreditation process. The State Department of Education should encourage all eligible schools to pursue SACS accreditation, thus eliminating this duplicative regulatory function at the state level. This will result in a cost savings of \$644,718.

**Public Radio Broadcasting**, which, while a meritorious activity, simply does not pass muster in terms of its overall priority rating for educational activities. Given modern technology of radio broadcasts – XM and other satellite radio formats, online radio streaming, and podcasts – the support of public radio should be borne solely by those who actually benefit from the service. From an economic perspective, this non critical activity is rife with free riders who simply choose not to pay for the service from which they benefit. Services should be limited to the levels supported by listener contributions, federal support, or other agency generated revenue. This will result in a \$251,059 cost savings.

**Interpretive and Resource Management curriculum development** conducted by the Parks, Recreation, and Tourism represent another example of a worthwhile yet lower priority educational function. From the pedagogical perspective, the curricula used in student specific services such as field studies or family visits are largely developed, reducing the need for this recurring investment. We also believe that the demand for such educational services is on the decline as a result of the emergence of online virtual learning experiences emerge at the same time that fuels costs continue to rise. This will result in a cost savings of \$598,701.

**Elimination of the ADEPT program** is similar to the National Board Certification process, the program is input driven and untied to statistically significant increases in student achievement, which is the ultimate bottom line of the value of an education program. The Assisting, Developing, and Evaluating Professional Teaching (ADEPT) program obviously has merit in that, when properly implemented, it can lead to more introspective teaching. However, the quality of program implementation varies significantly from schools to school and district to district. Additionally, the professional development offered by the ADEPT program is duplicative of program specific professional development that the state currently funds at the same time it is less effective than other professional development models such as the Teacher Advancement Program and the South Carolina Teacher Incentive Grant, both of which we support. This will result in a cost savings of \$2,217,245.

*Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.*

# **Improve Our Higher Education System and Cultural Resources**



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## Improve our Higher Education System and Cultural Resources

Our goals for South Carolina's higher education system are to better prepare our young people for the challenges of a competitive global marketplace, raise the standard of living for South Carolinians, meet changing work force needs, and create economic development opportunities. To achieve these goals, we believe our higher education system must be accessible, affordable and accountable. If current trends in tuition increases remain unchecked, many more South Carolinians will be unable to access our higher education opportunities and, in turn, be unable to survive in an increasingly competitive job market. If South Carolina's 33 public colleges and universities continue to operate independently without the guidance of a statewide plan, the system of higher education will remain uncoordinated, unaffordable and inefficient.

Our mission for higher education is simple: to provide a quality education at an affordable price for the citizens in our state. The result will be greater accessibility for more children in our state who want an opportunity to achieve a higher quality of life.

Our citizens enjoy a variety of cultural resources through our state's historic sites, arts agencies, and museums. The state is fortunate to have rich cultural opportunities and should maximize the flow of resources directly to community arts and cultural programs.

### Developing our Purchasing Priorities

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently reaching its goal to improve our higher education system and cultural resources. While South Carolina is making progress, there are many areas that need improvement. This section identifies the measures that help explain whether our state is or is not achieving our goal.

Governor Sanford's Goals for **Improving our Higher Education System and Cultural Resources** are to:

- ✓ Provide for greater access and affordability of our Higher Education system.
- ✓ Provide for employability and quality of life opportunities for graduates.
- ✓ Provide for an efficient and effective statewide Higher Education system through improved statewide planning.
- ✓ Provide for a greater level of South Carolina based, derived cultural opportunities.

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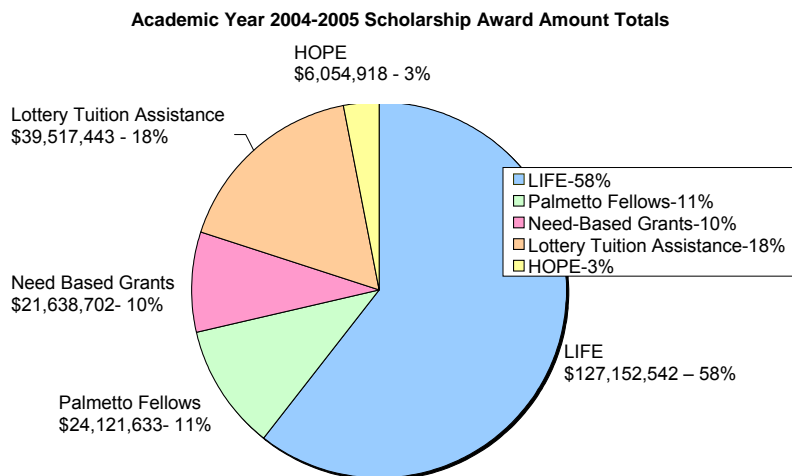
## IMPROVE OUR HIGHER EDUCATION SYSTEM AND CULTURAL RESOURCES

***Where We Are Succeeding***

The number of degrees awarded has steadily risen at all levels of higher education. Over the last decade, we have experienced a 19.5 percent increase in the total number of degrees awarded by our colleges and universities. With our state scholarship programs, an average of 95 percent of all students who receive a Palmetto Fellows scholarship retain it the following year including 84.7 percent of all freshmen who receive the award. With our LIFE scholarships, 65.4 percent of all recipients retain the award, although fewer than half the freshmen who receive the award retain it the following semester. We have also experienced a slight growth in our higher education graduation rate of entering students, which is a key indicator of higher education success. These rates are measured nationally at the undergraduate level by considering first-time, full-time degree seeking students who complete degree requirements for graduation within 150 percent of normal time (six years for baccalaureate degrees and three years for associate degrees). In order to achieve this goal in the most efficient manner, our colleges and universities must continue to increase graduation rates and degree production at associate, baccalaureate, and graduate levels, particularly in fields critical to the information and technology economy.

Minority enrollment and success in institutions of higher education is also increasing. Over the past decade, participation by minority students has increased by 153 percent, while degrees awarded to African American men and women composed 21.3 percent of all degrees awarded in the state this past year.

LIFE, HOPE, and Palmetto Fellows scholarship programs provide awards ranging from \$2,650 to \$6,700 annually, reducing some of the tuition costs for parents and students. On the other hand, these scholarship programs have also made it easier for institutions to increase tuition rates. In order to make post-secondary education more accessible for our students, additional resources should be allocated to awarding more need-based grants. Placing more emphasis on need-based grants instead of merit-based awards can help close the established achievement gap that exists in South Carolina primarily along racial lines.



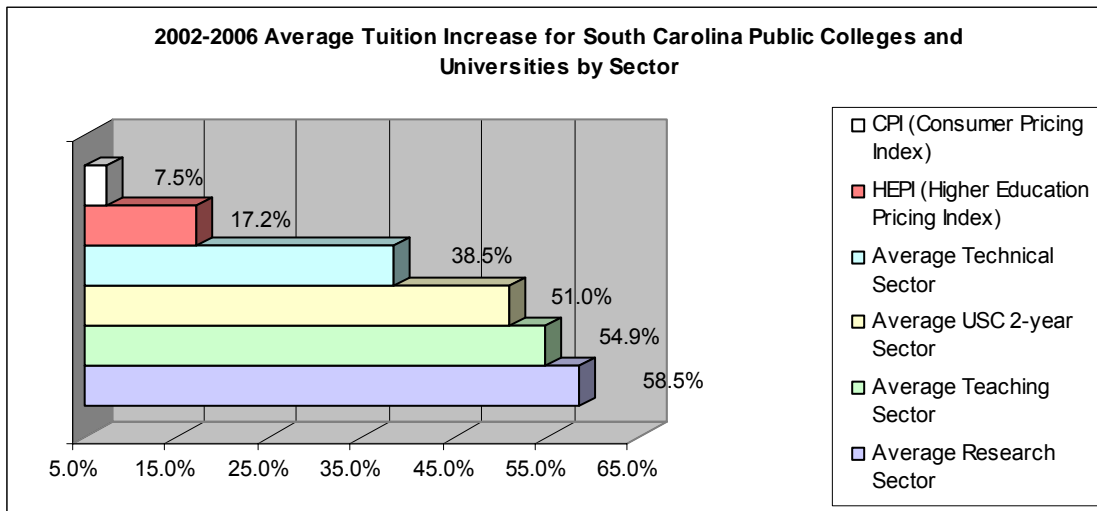
**IMPROVE OUR HIGHER EDUCATION SYSTEM AND CULTURAL RESOURCES**

**Opportunities for Improvement**

Institutions of higher education must keep up with work force needs. This administration has focused on attracting higher-paying, knowledge-based jobs. One of the major factors in attracting businesses to any state is the number of qualified potential employees. In order to be more successful at attracting these companies, we need well-prepared graduates at varying degrees of education levels. There are four primary levels for preparedness: high school graduation, two-year completion, four-year degree completion, and graduate degree completion. If our state is going to be more competitive, we must increase the number of skilled workers currently available in the work force.

Rising costs of higher education. Having a top-notch, postsecondary program will serve little purpose if our citizens cannot afford to participate. Nearly double-digit tuition hikes in recent years are putting higher education out of reach for some in our state. South Carolina's higher education institutions continue to increase annual tuition and fees far above the ability to pay in this state. For FY 2006-07, the average increase at the four-year teaching institutions was 9.5 percent. Over the past ten years, the average annual tuition of South Carolina's four-year institutions has increased 141.8 percent and is currently the highest tuition among all Southeastern states.

According to the South Carolina Commission on Higher Education (CHE), the average tuition at our research universities has increased over 53.9 percent since 2002, and our teaching universities have increased over 49.1 percent in the same time period. As illustrated in the chart below, these increases dwarf the increases of the CPI and HEPI over the same amount of time.



Source: South Carolina Commission on Higher Education

An analysis prepared by the Southern Regional Education Board (SREB) further illustrates the dramatic rise in tuition revenue. By comparing South Carolina's total tuition and fees revenue from 2001-2004 with similar data from other Southeastern states, SREB found that our state saw tuition and fees revenue grow by \$337.6 million over that time period – approximately 120 percent higher than the SREB average. Over this same time period, state appropriations have declined by 20 percent. It is important to note that South Carolina's increased contribution to post-secondary education through lottery funds is not reflected in the SREB appropriations research. The alarming rate at which tuition increases are outpacing both the decline in higher education appropriations, as well as our citizens' ability to pay for college, is apparent and clearly demonstrates the need for cost controls and systematic reform.

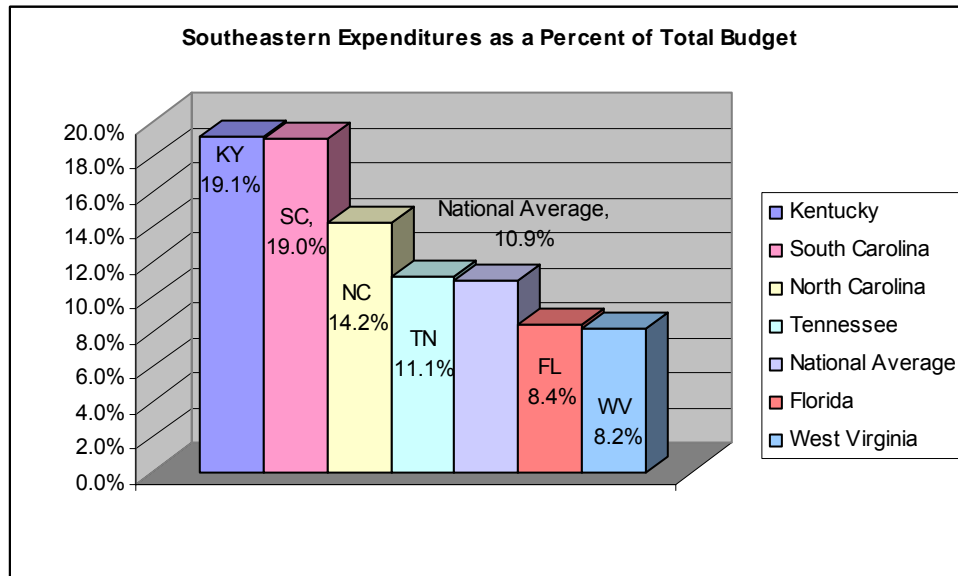
The need for reform. In last year's executive budget, we proposed capping tuition and fee increases to the prior year's Higher Educational Price Index. Unfortunately, the General Assembly removed this exemption from the budget. Even though not one South Carolina public institution has seen a reduction in its total funding in the past three fiscal years, our state's four-year colleges and universities increased their tuition by a combined average of 8.8 percent for FY 2006-07.

All of these increases have taken their toll on the average student's ability to obtain a higher education degree. In fact, the National Center for Public Policy and Higher Education recently gave South Carolina an "F" for affordability in their "Measuring Up 2006" higher education report. It is important to note that this report is done bi-annually, and this is the second consecutive report in which South Carolina has received the lowest possible grade reflecting its higher education affordability.

A significant driver in our higher education tuition increases has been faculty salary. Most institutions generally pay salaries out of tuition revenues instead of from state appropriations. Because an increase in state-funded payroll is unaccounted for in the institution's state funding, a mandatory pay increase causes an increase in tuition as well. According to SREB, South Carolina ranks eighth in average salary increases for full-time instructional faculty at public four-year colleges and universities from 1995-2005. The 9.8 percent increase for our state exceeds the national average of 7.2 percent over this same 10-year period. Without a meaningful examination of priorities for our statewide higher education system, each institution will continue to operate independently while higher education spending remains unchecked, uncoordinated, and inefficient.

Though some would attribute our tuition increases to reductions in state funding, it is important to note that according to the National Association of State Budget Officers, in 2004 South Carolina had the second highest higher education expenditures as a percent of total expenditures among Southeastern states at 19 percent of its total budget. Of states in the same region, only Kentucky spent a higher percentage on post-secondary education. On a national level, only six states – Maryland (22.4 percent), Iowa (26.6 percent), Nebraska (21.5 percent), North Dakota (22.6 percent), Kentucky (19.1

percent), and New Mexico (20.4) – spent more of their total budgets on higher education. It is the belief of this administration that appropriate dollars are being spent on post-secondary education in our state. It is the manner in which these dollars are being allocated which should be questioned.



With 33 public colleges and universities operating at 79 different campus locations, our state maintains too many post-secondary institutions with duplicative and overlapping programs. Because our Commission on Higher Education has little oversight authority, the political process has allowed too many schools with too few students. While this growth has happened with the intent of making higher education more accessible to everyone in our state, the unintended consequence is that the higher tuitions needed to sustain our inefficient system of underutilized campuses have actually made higher education less accessible to many in our state.

### **Purchasing Priorities**

Our purchasing plan has been developed by prioritizing activities using proven or promising strategies that achieve the best results for our goal. The key strategies we identified are as follows:

Provide for an efficient and effective statewide Higher Education system through improved statewide planning. The current structure of our Higher Education system has 33 public institutions, each independent in mission and focus, and all controlled by its own governing board of trustees. While each campus is certainly entitled to establish its own identity, the absence of a plan for higher education has promoted mission creep, duplication, and the unnecessary politicization of how higher education funding is allocated. During the past three years, we have seen several examples of the need for a statewide plan for higher education. USC-Sumter was authorized to move from two-

## **IMPROVE OUR HIGHER EDUCATION SYSTEM AND CULTURAL RESOURCES**

year to four-year status, and a culinary arts program was established at Trident Technical College in Charleston by a legislative amendment tacked on to an unrelated, but popular, economic development bill. The Commission on Higher Education, the coordinating body charged with effectively advocating for the best interests of the state system as a whole, did not approve either of these actions. Furthermore, Greenville Technical College, through its foundation, made a decision to construct student housing on its main campus – a marked departure from their mission.

USC-Upstate has entered into an agreement with Greenville Tech to build a USC-Upstate satellite campus in the Greenville area. This action completely undermines the purpose of the University Center of Greenville, a consortium of colleges in the Greenville area collaborating to offer four-year degrees to area residents. Most recently, Spartanburg Technical College used local legislation to attain the right to change its name to Spartanburg Community College. By doing so, they threaten to damage the nationally established brand name of our state’s technical college system.

In all the above instances, the universities went ahead in initiating their projects without notifying CHE either because the universities did not want the Commission’s approval, or it was unnecessary to have the Commission’s approval. This lack of planning and structural weakness will continue to contribute to rising costs and duplication in the higher education system; therefore, we propose that a statewide plan for higher education in South Carolina be developed.

Ensure access to and affordability of higher education. If students cannot afford to pursue education beyond the secondary level, they do not have any opportunity for a higher education. While our state provides resources to public institutions to help underwrite the costs of college, there will always be a portion that will be borne by the student. Our state

AFFORDABILITY	SC	SC	Top 3 States (Avg.) CA, HI, UT 2006
	1992	2006	
<b>Family Ability to Pay</b>			
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:			
at community colleges	22%	27%	20%
at public 4-year colleges/universities	28%	36%	24%
at private 4-year colleges/universities	48%	60%	47%
<b>Strategies for Affordability</b>			
State investment in need-based financial aid as compared to the federal investment	24%	25%	21%
At lowest-priced colleges, the share of income that the poorest families need to pay for tuition	15%	28%	9.6%
<b>Reliance on Loans</b>			
Average loan amount that undergraduate student borrow each year	\$2,874	\$3,614	\$3,683

must ensure that this portion is affordable and that there are opportunities for those qualified students without the means to fully fund their own education. These opportunities can be in the form of merit aid for students who can “earn” state assistance based on academic achievement or in the form of need-based aid for those

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students who exhibit the ability to succeed in college. Our students have access to substantial financial aid through the LIFE, HOPE and Palmetto Fellows scholarship programs, the Tuition Grants Program for independent schools, and several federally-supported grant and loan programs.

We can also slow the growth of tuition costs by limiting tuition increases for in-state, undergraduate students to the Higher Education Price Index per academic year beginning with the 2007 fall semester. We believe an institution can control its own costs through internal savings and by coordinating duplicative programs, as well as finding internal cost-savings. Finally, we can also limit the growth and mission creep of our 33 public institutions and 79 campuses by strengthening the Commission on Higher Education and developing a statewide plan for higher education in South Carolina.

Increase the employability of graduates. Having a college degree does not necessarily ensure employability. Certainly a degree is a measure of achievement and an indication of a base of knowledge. However, today's economy requires more than just a diploma and a presumed proficiency. Graduates must have life skills, technology training, and communications strengths to go with their academic credentials, and they must be prepared to become productive citizens. Also, from a different perspective, students should be made aware of employment opportunities in critical areas as well as employment opportunities associated with chosen majors. While student choice is a cornerstone of the academic experience, we must be certain that students have a realistic understanding of the workplace and how their academic choices can impact their ultimate ability to support themselves.

Increasing the employability of graduates will play a major role in improving the economic climate of our state. The availability of a skilled and qualified work force is one of the major considerations for any business searching for a place to relocate. Creating a larger pool of qualified workers will ensure that South Carolina becomes an attractive option for potential employers and will attract higher-paying jobs and businesses to our area.

Increase the effectiveness and efficiency of cultural opportunities and agencies through consolidation of duplicative services. There are opportunities for consolidation among arts agencies and their administrative tasks which could prove beneficial. Converting the State Museum building into a South Carolina Cultural Center would provide the cultural agencies with a central location to operate from. Currently the Department of Revenue (DOR) shares a building with the Museum Commission. Relocating the Department of Revenue to a new location, and bringing the Arts Commission and possibly the Department of Archives and History (DAH) into the Museum building, would be beneficial for agencies that provide similar services. The administrative tasks among these agencies could then be shared and streamlined.

Increase awareness of available cultural opportunities through a coordinated marketing effort linked to tourism. Our arts agencies, historic sites, and museums must be

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marketed in full cooperation with our tourism regions. The state's cultural resources complement the natural attractions, helping to make South Carolina a prime destination for visitors and potential future residents. We believe careful and constructive marketing would not only draw more attention to these sites but also attract economic benefits, such as capital investment and job creation.



**Governor’s Purchasing Plan – Highlights**

Taking into account the fiscal limitations of our state’s economy, we purchased only those higher education and cultural resource services most needed by our citizens. We do not purchase some services that, while still considered valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget’s total state higher education and cultural resources spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

<p><i>Improve our Higher Education System and Cultural Resources</i></p>		<p><b>Examples of what our plan buys:</b></p>
<p><b>Purchasing Plan:</b></p>		<ul style="list-style-type: none"> <li>▪ Instructional and academic support for over 150,000 students in higher education institutions.</li> <li>▪ Scholarship programs for over 73,000 South Carolina residents to increase affordability.</li> <li>▪ A cap on tuition increases limited to the Higher Education Price Index.</li> <li>▪ Funding for critical-need areas, such as nursing education and research.</li> <li>▪ Multiple access points of educational opportunities for our citizens.</li> <li>▪ Records and artifact preservation, museum exhibits, and arts funding.</li> </ul>
<p>\$791,356,934 General Funds</p>		<p><b>Examples of what our plan does not buy:</b></p>
<p>\$3,792,164,406 Total Funds</p>		<ul style="list-style-type: none"> <li>▪ Out-of-state arts supplemental funding.</li> <li>▪ Duplicative support costs for instruction at neighboring schools.</li> <li>▪ Funding for underutilized degree programs which are available at other institutions.</li> <li>▪ State-funded raises for higher-education employees.</li> </ul>
<p><b>Savings Proposal:</b></p>		
<p>\$15,851,618 General and Other Funds</p>		

***Our Plan Buys:***

**Educational and general funding for our state’s 33 two- and four-year campuses, research universities and technical colleges.** This activity provides the core support for the operation of the higher education system in our state. Many of our states’ colleges and universities have increased their operational funding through tuition increases. As a result, recent trends in tuition increases are pricing higher education out of reach for many families. Tuition and fees at four-year institutions in South Carolina increased an average of 9.5 percent this year. We believe the lack of a statewide plan for higher education, allowing for duplication and mission creep, is a major factor in these tuition increases. It is our belief that the work of the Governor’s

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Task Force on Higher Education has initiated the conversation in developing that statewide plan. We will also propose a proviso that would limit tuition and fee increases to the prior year's Higher Education Price Index. We propose funding these activities in the amount of **\$667,348,199 in recurring general funds**, which is essentially the same amount appropriated last year.

**Funding for the Higher Education Task Force Study Committee.** In February 2006, we convened a Task Force to work with the South Carolina Commission on Higher Education to identify steps to reduce tuition, encourage more collaboration among universities, and reduce duplication within the system. Ultimately, the Task Force found that many of the issues surrounding higher education in South Carolina were symptoms of a pressing need to coordinate activities through a comprehensive statewide strategic plan for higher education. The recommendation of the Task Force was that the governor and Legislature convene a committee of knowledgeable individuals to develop a plan for higher education in South Carolina. The Committee would be comprised of members of the higher education, K-12 education, and business communities. In order to ensure this committee can adequately complete their task, we propose to set aside **\$150,000 from existing agency resources**. This amount should allow the Committee to address staffing and operational needs it may incur in the process of fulfilling its charge.

**Program coordination and oversight by the Commission on Higher Education.** The CHE, while limited in authority at present, provides reviews of academic and scholarship programs, comprehensive data collection, and facilities coordination. We propose **recurring general fund increases** in the amount of **\$324,000** for this activity during FY 2007-08.

**Allied Health Care Initiative for the Technical College System.** Our state's technical colleges are committed to a coordinated approach that responds to the critical need for more qualified health care workers required to fill jobs created by industry growth and retirement. This activity will allow the System to enhance its educational pipeline for allied health workers, including nurses and radiological technicians. This resource will help relieve enrollment bottlenecks created by lack of teaching faculty and instructional infrastructure. Funding will allow the technical colleges to enhance programs that respond to health care providers' demands for additional allied health care workers in career fields where we have students waiting to enter our programs. We propose **new recurring general funding** in the amount of **\$3,500,000** for this worthwhile activity.

**Nursing programs at USC, MUSC, Midlands Technical College, and Francis Marion University.** Funding is made available to assist in the mitigation of the severe shortage of trained nurses. This shortage is most evident in the Pee Dee region, and state support for this discipline will allow us to continue addressing this need. We propose **maintaining recurring general funding** in the amount of **\$18,907,402** for this activity.

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**Scholarship programs at all levels.** The LIFE, HOPE, and Palmetto Fellows scholarships, along with need-based grants, help parents and students pay for tuition. Funding for these scholarships exceeds \$176 million annually. We propose that the overall scholarship program be re-evaluated to strengthen the qualifications for receipt of scholarship assistance. Far too many freshmen are becoming ineligible for scholarship retention because they were underprepared for the academic challenges of higher education. If the trends in our state continue as they have in recent years, less than 50 percent of the students who received a LIFE scholarship in the fall of 2006 will not retain it in the fall of 2007. However, it is still our priority to offer a greater level of affordability to higher education students. We, therefore, propose increasing the amount of lottery funds appropriated to these scholarship and grant awards as follows:

- **LIFE Scholarships by \$8,285,186** for total funding of \$149,649,015.
- **Palmetto Fellows Scholarships by \$3,276,006** for total funding of \$21,106,764.
- **Needs-Based Grants by \$2,479,027** for total funding of \$13,725,120.

**Tuition grants for over 12,000 students attending independent colleges in South Carolina.** This investment is returned many times over by using the capacity of these schools instead of additional “bricks and mortar” at state-supported colleges and universities. Since its inception in 1970, the tuition grants program has provided assistance to over 253,000 South Carolina students. In 2005, 44.1 percent of the grant recipients were African Americans, and more than 65 percent of the grant recipients came from families with incomes below \$50,000. We propose **maintaining funding** in the amount of **\$19,322,247 in recurring general funds** and **\$38,449,658 in total funds**.

**The Lottery Tuition Assistance Program** is designed to aid students bound for two-year technical colleges. Each student is awarded an amount based upon the number of eligible recipients and the amount of available funding each year limited to the cost of tuition. We feel this program assists in giving students an opportunity to achieve an education at a higher level and, therefore, propose **maintaining funding** in the amount of **\$45,000,000 in lottery funds**.

**South Carolina’s Virtual Library** known as DISCUS which gives all South Carolina residents free access to subscription electronic information and learning resources at K-12 schools, colleges, and public libraries, and from home and workplace Internet computers. This access results in a very cost-efficient investment as savings realized to citizens have been calculated at over \$22 million annually. We propose **maintaining funding** in the amount of **\$2,723,502 in total funds**.

**The Statewide Electronic Library** is a cooperative and collaborative effort among our public and private higher education libraries that is transforming how our state’s

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citizens access vital academic information. It is a data network that connects South Carolina's 58 public and private higher education libraries to allow even the smallest library access to the millions of volumes held by all higher education libraries in the state. It is an enhanced and more cost-effective means of sharing academic collections statewide. Through South Carolina's Higher Education Libraries, 212,000 plus post-secondary students, faculty, and researchers will benefit from expanded access to sophisticated academic resources. Others in the state will benefit by gaining access to the higher education academic resources through the state and public libraries. The program helps the state avoid duplicated expenditures by enabling a mechanism for group purchases at better prices of essential sophisticated electronic academic databases that will be available to all of South Carolina's higher education libraries. We propose an **increase in recurring general funds** for this project in the amount of **\$2,000,000**.

***Our Plan Saves By:***

**Reducing administration at four-year institutions and technical colleges.** By reducing the costs of non-instructional personnel to an average benchmark of all schools in the category, we can realize **annual savings of \$1,593,316**. There is a wide range of administrative expenses among the campuses. By setting a benchmark, we can standardize the costs of non-instructional personnel at each institution based upon the average cost.

<b>Four-Year Institutions</b>	<b>Administration as a percentage of Total Budget</b>	<b>Technical Colleges</b>	<b>Administration as a percentage of Total Budget</b>
Lander University	6.548%	Tri-County Tech	13.702%
Francis Marion University	6.156%	Williamsburg Tech	10.434%
Coastal Carolina University	5.772%	Piedmont Tech	11.96%
South Carolina State University	6.215%	Lowcountry Tech	11.945%
The Citadel	5.608%	Spartanburg Tech	10.625%
<b>Average Admin. as % of Total Budget</b>	<b>6.059%</b>	Midlands Tech	10.574%
University of Charleston	5.498%	Northeastern Tech	10.669%
Winthrop University	4.781%	Orangeburg-Calhoun Tech	9.656%
		York Tech	10.903%
		<b>Average Administration as a percentage of Total Budget</b>	<b>11.163%</b>
		Horry-Georgetown Tech	9.899%
		Aiken Tech	9.745%
		Florence-Darlington Tech	10.025%
		Trident Tech	9.406%
		Greenville Tech	9.274%
		Central Carolina Tech	9.959%
		Denmark Tech	9.625%

We recommend a reduction over a two-year period for Tri-County Technical College.

**Consolidating the Cultural and Arts Agencies.** By combining the Department of Archives and History, Arts Commission, State Library, and State Museum under a Department of Literary and Cultural Resources administrative entity, we project **savings of \$513,665** in recurring general funds through a reduction in space requirements, and elimination of systems duplication and equipment. These agencies' major goals are to continually improve and restore the environment of literary, cultural, and historic resources.

**Consolidating the Institute for Archeology and Anthropology** currently residing at USC-Columbia into the Department of Archives and History. This function could be easily absorbed and housed at DAH and is consistent with their overall mission of cultural preservation. DAH has adequate physical space available to incorporate this function, and it fits with DAH's defined mission. Most of our neighboring states (Alabama, Virginia, North Carolina, Mississippi, and Louisiana) house their Archeology programs at their equivalent of our Department of Archives and History. **Annual savings** will amount to **\$496,812**.

**Reducing funds to the Leadership Center at USC-Salkehatchie.**

Although worthy, this program is designed for middle and high school students and should be funded by the local school districts. We proposed eliminating this funding last year and propose it again in this budget **saving \$100,460** in general funds.

**Reducing expenses through collaboration and cooperation among the research universities.** The USC/MUSC pharmacy schools merger is an example of a successful collaboration which will yield significant savings to the state without

**Governor's Task Force on Higher Education**

*Developing a statewide plan*

Through Executive Order, Governor Mark Sanford launched a Higher Education Task Force on February 8, 2006, to work with the South Carolina Commission on Higher Education to identify steps to reduce tuition, encourage more collaboration among universities, and reduce duplication within the system.

Chaired by Lyles Glenn, a Columbia area attorney and former official at the University of South Carolina, the Task Force met throughout the summer, reviewed recent research and data, and considered testimony from various state and national higher education officials and legislators.

Ultimately, the Task Force found that many of the issues surrounding higher education in South Carolina were symptoms of a pressing need to coordinate activities through a comprehensive, statewide strategic plan for higher education.

The recommendation of the Task Force was that the governor and Legislature convene a committee of knowledgeable individuals to develop a plan for higher education in South Carolina. The Committee would be comprised of members of the higher education, K-12 education, and business communities.

Now, more than ever, it is necessary to our success as a state that we must all work together better and our institutions must be more efficient and productive not only individually, but in collaboration with each other.

weakening the quality of the program. Through further such efforts, the research universities should continue to engage in additional partnerships that can produce additional savings. There are encouraging signs that they are continuing to pursue those objectives in other areas of overlap – such as colleges of nursing and medicine. We propose a one-percent reduction for Clemson, USC, and MUSC that will result in **savings of \$3,232,091** in general funds to further encourage such collaboration.

**Eliminating a pass through to the Omega Project.** This funding passes through Francis Marion University and is used solely to fund the Palmetto Project's voter initiative in the Pee Dee region. This is not a part of the university's core educational mission. We proposed eliminating this pass through last year and propose it again in this budget **saving \$56,147** in general funds.

**Reducing funds for underutilized degree programs.** The Commission on Higher Education conducted a Program Productivity Study in July 2004 that resulted in a number of degree programs being terminated for lack of participation or demand. Offering degree programs that have only a few students participating and graduating, especially when these degrees can be obtained elsewhere in the state, is a clear inefficient use of resources. We, therefore, propose eliminating several additional underutilized degree programs at The Citadel, South Carolina State University, USC-Columbia, USC-Upstate, and Winthrop University and correspondingly reducing funding for one teaching position at each of these institutions. By reducing this funding, we can **save \$241,282**.

Institution	Degree	Program	Enrollment Average	Completion Average
The Citadel	Bachelor	French Language and Literature	6.6	0.8
South Carolina State	Bachelor	French Language and Literature	0.4	0.2
USC-Columbia	Bachelor	European Studies	2	0.4
USC-Upstate	Bachelor	French Language and Literature	3.6	0.4
Winthrop	Master's	Mathematics	3.8	1.8

**Facilities and Maintenance Cluster Initiative.** Another opportunity for successful collaboration, which will yield significant savings to the state without weakening the quality of the institution, lies in maintenance and facilities expenses. Many of our state's four-year institutions are located within close proximity to either another four-year institution, or a technical college, yet these institutions have their own independent facilities and maintenance entity. An example of this lies in the city of Charleston, where MUSC, The Citadel, and the University of Charleston are all located within five miles of one another, yet all three have separate facilities and maintenance support staff. We believe that with three separate entities in such close proximity providing similar

services, there are opportunities to combine facilities and maintenance operations and reduce costs. These types of opportunities exist throughout our higher education system and we encourage institutions within a 25-mile radius of one another to reduce the costs associated with their facilities and maintenance activities. Reducing costs to the university, we will prevent significant tuition increases for our state's students and families. This initiative will provide **\$6,957,065** of general fund **savings** based on the centralization of facilities and maintenance management that will afford a reduction in overhead.

**MRR Parity for our state's colleges and universities.** Last year, the General Assembly gave most of our state's colleges and universities supplemental funds to be used to support initiatives such curriculum development, research, professional development, and other support services in areas demonstrating the highest need or greatest possible impact. Within our FY 2007-08 Executive Budget, we initially sought to annualize the amounts provided to each institution. We felt this obligation because nonrecurring funds should not be used to implement or permanently enhance programs. In the end, we chose not to fund these annualizations because we feel that there are structural concerns related to parity funding and higher education financial accountability and reporting.

First, the parity issue is made difficult with the continued insertion of special projects into an institution's budget by legislators with a particular interest in that institution. How can an accurate determination of parity funding be made when some institutions with more prominent legislators acquire additional funding for their local institutions, while other institutions are not privy to that funding?

Second, there is an issue of financial accountability and reporting within our state's current higher education system that must be addressed. When deciding how to adequately fund higher education in our state, it is important to assess the amount of carry-forward funding available to each institution per year. Continuous dollars which roll over from year to year should be seen as a first source of funding for new projects. Along those lines, this year, we analyzed the ability of all state agencies to "self-fund" their new requests with carry-forward dollars. Unfortunately, the current financial reporting system does not allow for easy viewing of carry-forward dollars at the state's higher education institutions since none of them are linked to the Comptroller General's office in the same manner as other agencies. This problem is compounded by the fact that the Commission on Higher Education apparently does not track such financial data either. How can we make a decision regarding higher education funding and parity this year when it is unclear how much funding an institution has remaining from previous years? Therefore, it is our hope that the Higher Education Task Force being assembled to develop a statewide plan for education will address both the issue of financial accountability and reporting and the parity funding issue. Until a better system is in place, it would be irresponsible to pour more money into a flawed system and annualize the Mission Resource Requirement (MRR) Parity amounts from last year.

**Governor's School at the University of Charleston.** This residential summer program for academically and intellectually gifted high school students was established in 1976 and represents slightly over one percent of the university's state appropriation. The state subsidizes about 80 percent of the costs to attend while current students pay only \$1,000 or about 20 percent of the actual cost for tuition, room, board (three meals a day), books, field trips, local phone service, and enrichment activities. Discontinuing state funding for this summer school program will result in a **savings of \$288,017** in general funds.

**Co-education Initiative at The Citadel.** These funds were originally appropriated to retrofit dormitories, construct new restroom facilities, and pay for the court-ordered activities necessary for incorporating women into the school's core of cadets. Since all the program's one-time expenditures have been paid for, we recommend funding only those activities that are essential to fulfilling the program's core intent of assimilating women into the institution. These core activities include salaries and fringe, a consulting and conference fee, and recruiting costs. Eliminating all other non-essential activities will result in a **savings of \$66,269** in general funds.

**Making Tough Choices:**

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcomes would be as effective in achieving our goal. The following activities reflect some of those difficult choices:

**Greenville Higher Education Center** is a consortium of public and private colleges and universities offering degree programs to the citizens of the Upstate and surrounding areas. We believe that with seven institutions participating in the Center, including Clemson, Furman, MUSC, USC-Columbia, USC-Upstate, South Carolina State University, and Lander, this small amount of money can be provided by alternative sources of funding. This will result in **savings of \$180,287** in general funds.

**Expenditure for the Arts Program through the Commission on Higher Education.** This appropriation is used to pay the differential in tuition costs for students to attend the North Carolina School for the Arts in Winston-Salem, North Carolina. Funding South Carolina students' out-of-state tuition may be justified where equivalent programs are not offered by South Carolina's institutions of higher education (such as a veterinary school program), but art programs are readily available in-state. This will result in **savings of \$10,274** in general funds.

**South Carolina Student Legislature** is a statewide program allowing college students to simulate an active role in South Carolina political issues and discussion. We

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believe funding for this program, though worthy, should be provided by alternative funding sources resulting in a **\$17,780 savings** in general funds.

**National History Day in South Carolina.** This is an educational program that encourages students in grades 4 through 12 to study, research, and develop topics related to history and to expand their knowledge through exhibits, performances, documentaries or historical papers. While this program is valuable in educating students about history, it reaches less than two percent of students (less than 9,000) statewide. Reducing state funding for this program will result in **savings of \$57,400** in general funds.

*Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.*

# **Improve the Conditions for Economic Growth**

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## Improve the Conditions for Economic Growth

**From A to Z, South Carolina understands economic development and is clearly making the effort to continue its attractiveness to business. When it comes to economic development, it is a state that other states should emulate.**

**— Pollina Corporate Real Estate, Inc., corporate relocation publisher**

These comments speak volumes to the efforts of this administration, our Department of Commerce, and other economic developers throughout the state. We have constantly looked for policy changes that would enhance our state's competitive edge in terms of work force, infrastructure and quality of life – in return bringing to South Carolina many quality enterprises that help us move the ball forward in economic growth.

It is our goal to continue this trend. As South Carolina continues to compete with the rest of the world, never before has competitiveness been so paramount. Manufacturing jobs are not only being sent overseas, but also an increased productivity level by workers is reducing the number of bodies needed to produce the same product versus even five years ago. Take the tire industry, for example. Rapidly rising imports of tires, especially from China, are increasing pressure on American and South Carolina tire makers to become more competitive in the area of cost or face the possibility of plant closings. Passenger-tire imports into the United States, which have been steadily increasing every year this decade, topped the 100-million mark in 2005, with Chinese imports up 47 percent from 2004. The question is not just, "What are South Carolina companies doing to compete?" but also, "What are policy makers doing to provide an environment so companies can compete?"

From day one, this administration's goal has been to make South Carolina more competitive in attracting jobs and capital investment. Last year's Commerce budget clearly shows this effort. Allocating \$7 million for the first ever "closing fund," \$1.2 million in new money to hire a dozen new project managers, and another \$1 million for additional marketing were all significant steps taken to beef up Commerce's "tool box." We are committed to working with the General Assembly to make further progress and

Governor Sanford's  
Goals for **Improving  
the Conditions for  
Economic Growth:**

- ✓ Capital Investment Growth.
- ✓ Small Business Community Growth.
- ✓ Provide jobs for existing work force.
- ✓ Increase personal income.

to create a friendlier business climate in South Carolina that will build on the successes our economy has already seen.

### **Developing Our Purchasing Priorities**

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently reaching its goal to improve the conditions for economic growth. We have found that South Carolina is making progress; however, there are areas that need improvement. This section identifies the measures that help explain whether our state is or is not achieving our goal.

#### ***Where We Are Succeeding***

South Carolina continues to improve its overall business climate. By working with the General Assembly on a number of pro-jobs and pro-growth initiatives, we have been able to send a clear signal to all prospective job creators – we are not only open for business but are also working to make South Carolina the preferred place to do business.

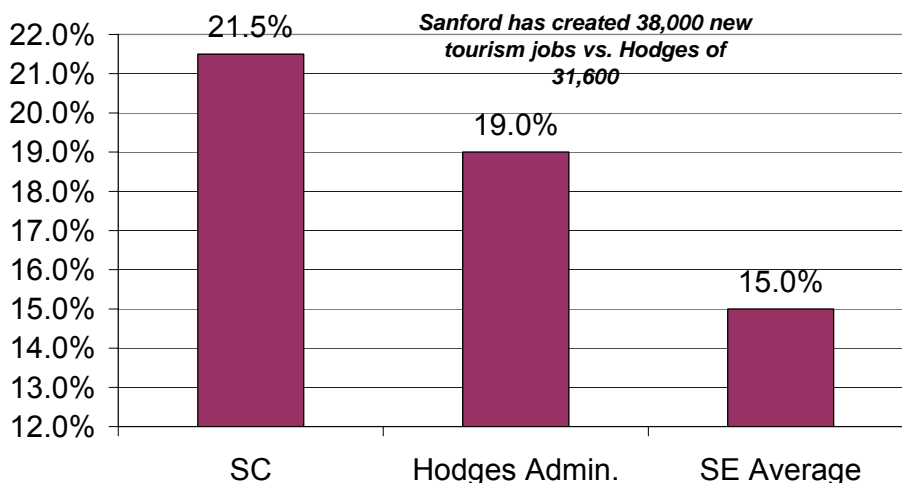
This session, from constant efforts by this administration, South Carolina passed film incentive legislation that will make South Carolina more competitive in attracting major motion pictures, independent films and television shows. The new law, which increases the wage rebate from 15 to 20 percent and the supply rebate from 15 to 20 percent, will couple our state's existing scenic competitiveness with more aggressive industry incentives. This was so important because the film industry pays high wages and does not have the same infrastructure needs as those of traditional business development. In fact, we are already beginning to see the impact of this legislation. According to Commerce, not only are new productions locating here, but now they are spending more than ever. In the past, production companies would spend between 33 percent and 50 percent of their budget in our state. Now, studios are spending an average of 70 percent of their budget in-state. We have finally sent a clear message to the industry that South Carolina wants its business.

A major factor that has assisted in record job creation and capital investments is our unmatched work force training programs. Through a coordinated effort between the Department of Commerce, our Technical College system, and the Workforce Investment Board, we offer companies trained workers who can be productive the first day on the job. This unique partnership was a big factor in Vought-Alenia's decision to locate their state-of-the-art facility in the Low Country. Approximately 200 workers will have been trained in a nearby classroom on the same machinery that will be used in their manufacturing process. This jump start will allow Vought-Alenia to remain on schedule for the delivery of pre-sold aircrafts.

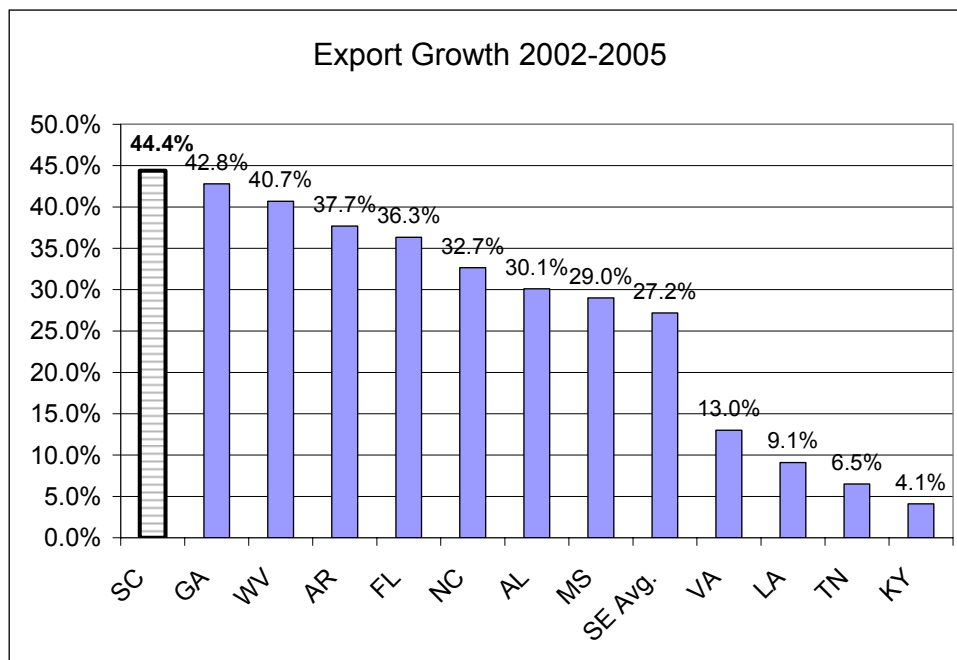
Separate and distinct from manufacturing, our state has a large dependence on service industry jobs. This sector has always been both a large employment base for our state and a significant form of revenue. In this category, tourism leads the pack and

continues to be the state's largest industry. To maintain this positive impact on the overall economy of the state, the Department of Parks, Recreation and Tourism has focused its marketing funds on attracting visitors who will stay longer and spend more dollars. This type of effort has helped South Carolina become a leader in the tourism economy – especially as it translates into jobs. Since 2003, South Carolina is clearly outpacing the previous administration and the Southeastern region in terms of new jobs created in the tourism industry.

Tourism Employment Growth Since Taking Office



South Carolina has also done a good job of utilizing particular state assets to their fullest. Our port system is a prime example of an asset that continues to reap huge economic gains. In fact, since we have taken office, South Carolina has led



the Southeast in growth of exported goods growing at a rate of 44 percent and clearly

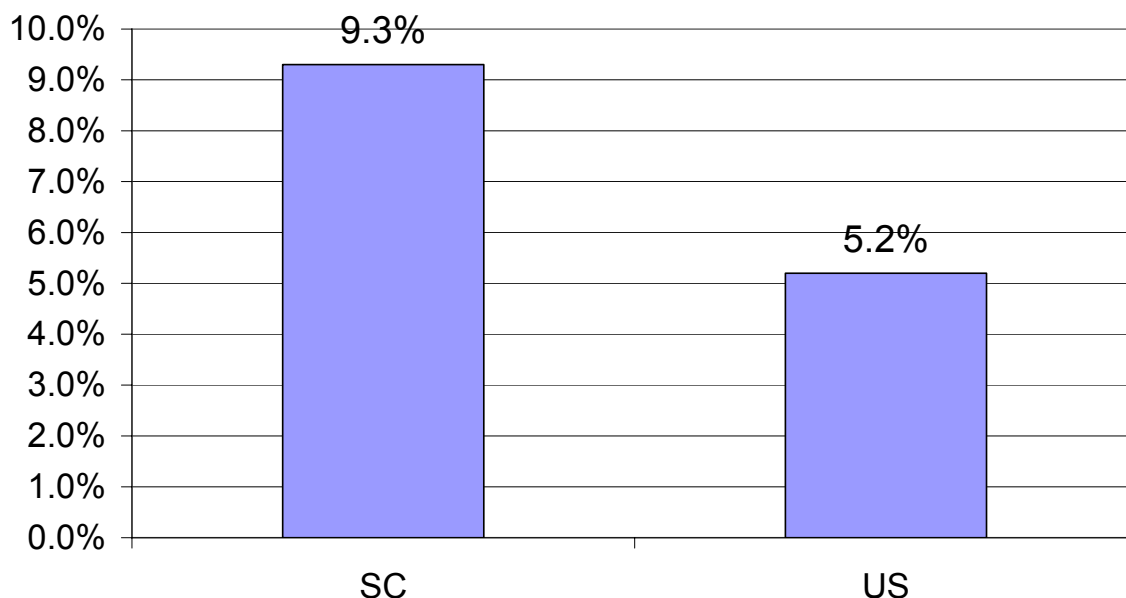
outpacing the Southeastern average of only 27 percent. We continue to look at ways to fully use the capacity that we have and for opportunities to increase container volume in order to meet demand.

***Opportunities for Improvement***

This administration continues to believe that comprehensive reforms are key to job creation and business growth. A focus on changes in the overall business climate is needed if South Carolina is to have further economic success. That is why the small business income tax reduction and comprehensive tort reform were so important. But the fact remains that this administration will not stop pushing for changes and evaluating the economy until every last South Carolinian is employed.

Since this administration has taken office, South Carolina has over 134,000 people employed that were not four years ago. But despite that growth in the number of jobs, we continue to have an amazing number of people coming to our state, which has accelerated our labor force growth. Naturally, a rapidly-growing labor force will impact our rate of employment. According to the U.S. Bureau of Labor Statistics, our labor force has grown 9.3 percent during our first term while the rest of the United States has only grown at 5.2 percent.

Labor Force Growth Since Taking Office (Dec. 2002 - Oct. 2006)



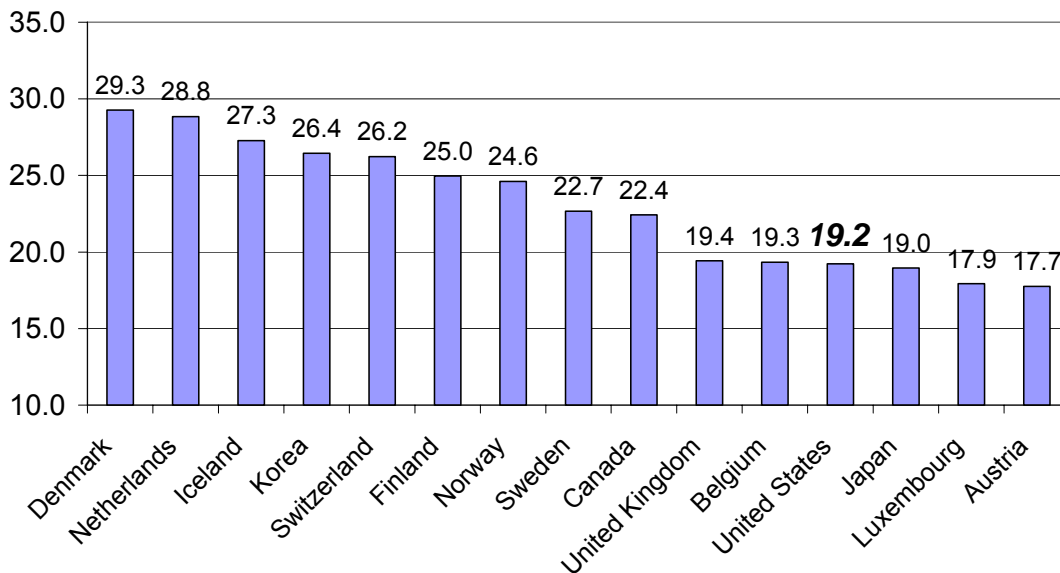
**Typically, rising labor force participation is a positive sign for the economy – a greater portion of the population is becoming attached to the labor market. Yes, this may result in higher unemployment in the short term, but can also be beneficial over a longer period.**

– **Division of Research, Moore School of Business, November 2005**

The labor force growth indicates that we must continue to put forth an extra effort when it comes to job creation. But also it speaks to the greater point that we must look at all economic indicators – and not just the unemployment rate – to have a true understanding of South Carolina’s economy. The fact remains that our unemployment rate does not match the number of jobs we have created, the rapid increase in our state revenues, and the decrease in the number of people filing for unemployment.

It was mentioned in our State of the State last year that to be competitive and thrive in today’s global economy, it is vital that people living in rural South Carolina have as much of a chance to get on the information highway as people living in our urban cores. At a national level, the U.S. leads all countries with 57 million total broadband subscribers. However, last year it was predicted China should overtake the U.S. in total broadband subscribers by the end of 2006. On a per-capita basis, the United States is only 12th among nations globally in broadband penetration with 19.2 connections per 100 inhabitants – with Denmark leading the way at a connection rate 53 percent greater than the U.S.

Worldwide Broadband Penetration (per 100 inhabitants) - June 2006



If we are to be competitive in this global economy, it is imperative that all South Carolina citizens have affordable high-speed Internet. A study by the Freedom Works Foundation shows that widespread broadband deployment would add nearly 13,000 jobs to South Carolina and increase the state GSP by \$4.55 billion.

This administration has taken steps to provide easier and more affordable access to the Internet in past years. In 2003, we signed legislation to deregulate broadband services by exempting them from regulation by the South Carolina Public Service Commission, and this past session we signed the Competitive Cable Services Act allowing for more cable companies to enter the market – who also provide Internet services. These two bills create an Internet market that is more open and in the long-run will reduce broadband prices. However, more must be done if we are to remain truly competitive.

We believe it is time to formulate a statewide policy that will help rural areas become better connected to the information highway. That is why in this year's budget we propose \$2 million to establish a Rural Broadband fund. This fund would prioritize allocated dollars to areas of the state that lag behind in the number of households connected to the Internet. Details of the proposal are to be discussed later in this section. The bottom line is we are committed to seeing what the public sector can do to help in leveraging the private sector's investment in this area.

### **Purchasing Priorities**

The major funding priorities are those that we think will best achieve our goal of improving the conditions for economic growth. Our five major funding priorities are:

Provide for the growth and sustainability of all communities. Growing and sustaining the successes in all areas of the state are vitally important if we are to remain competitive in the global marketplace. A good portion of this success is in communities classified as developed/moderately developed. However, this administration has also seen steady growth in the rural areas with 43.9 percent of total investment being in rural counties last year as compared to 11 percent in 2004. This administration believes it is important to continue this trend of finding ways to grow all of South Carolina and not just one area.

Provide for more effective and broad based incentive and grant programs. This past session was highlighted with a number of bills crafted specially for one business or one area of the state. We believe it is time to take a look at incentives in a more holistic manner rather than in the piecemeal fashion that has been the practice for years. The fact is there are a finite amount of resources available to spur South Carolina's economy. To this end, each time an incentive is carved out for one business or area, we are taking away dollars that could be used for economic development statewide. The goal should be to focus the state's energy and resources on improving the entire business community by purchasing programs that will take South Carolina to the next level in creating jobs and attracting investments.



Provide a reasonable and safe business regulatory environment. For the benefit of consumers and businesses, it is important that the state have some degree of oversight. These business-friendly regulations should ensure some minimum level of skill for licensed practitioners to support health and safety, protect citizens from financially impaired companies, and enforce workplace safety in order to reduce injuries. When the safety or well-being of citizens is not an issue, market-based forces should replace the need for an excessive number of licensure boards. A large percentage of these functions are fee-based and require little general fund dollars.

Provide for a more unified and focused effort in the marketing of our state's assets. The role of government is to promote an inviting image of our state and its resources. Through a targeted marketing campaign, the state's cultural, natural, and man-made tourism resources are promoted for the purposes of attracting visitors to the state to spend their discretionary funds. There is a tangible economic impact from the state's investment – every dollar properly invested in marketing returns more than \$20 in direct tourism spending to the economy. The economic benefits of tourism are felt in all areas of the state, including rural and less-developed communities. Also, branding South Carolina as an attractive place for all businesses to succeed will help us continue down the path of economic success.

Provide for resources and infrastructure for a more skilled and prepared work force. South Carolina has received top rankings for programs that are dedicated to preparing tomorrow's work force. Expansion Management Magazine recently ranked South Carolina fifth for work force training. The Center for Accelerated Technology Training (CATT) program is a big reason for this success. We have also made a more collaborative effort on this front by bringing the Workforce Investment Act funds to the Department of Commerce. However, there are still millions of dollars being used for work force development in other agencies. If we are to provide businesses with a ready supply of trained workers, we must look to streamline these programs so the maximum amount of dollars can be dedicated to work force training.

**Governor’s Purchasing Plan – Highlights**

We address our state’s fiscal problems by purchasing only those services that deliver the greatest impact on improving the conditions for economic growth. We do not purchase some services that, while still considered valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget’s total state economic development spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

<p><i>Improve the Conditions for Economic Growth</i></p>		<p><b>Examples of what our plan buys:</b></p>
<p><b>Purchasing Plan:</b>  \$90,370,764 General Funds  \$1,535,514,143 Total Funds</p>		<ul style="list-style-type: none"> <li>▪ Funding of \$2,000,000 to deploy broadband services to rural South Carolina.</li> <li>▪ Increased marketing funds for our state’s economic development agencies.</li> <li>▪ Hands-on training for more than 5,900 students.</li> <li>▪ Funding for the development of the Myrtle Beach Airport.</li> <li>▪ Replenishing dollars for the “closing fund”.</li> <li>▪ Funding of \$100,000,000 for port access road.</li> </ul>
<p><b>Savings Proposal:</b></p>		<p><b>Examples of what our plan does not buy:</b></p>
<p>\$2,539,902 General and Other Funds</p>		<ul style="list-style-type: none"> <li>▪ Direct pass through funds.</li> <li>▪ Less efficient, duplicative services.</li> <li>▪ Many activities that fall outside agencies’ core missions.</li> </ul>

**Our Plan Buys:**

**First-time funding for a Rural Broadband Fund.** In order to be competitive in this global marketplace that now exists, it is crucial that all businesses and individuals have an opportunity to access the information highway – this includes the more rural areas of this state. This administration is committed to giving every person in South Carolina this opportunity. The fact remains, however, that there are many areas of the state that do not have access to the information highway. According to the Office of Regulatory Staff, some form of DSL is available in only 73 percent of the places where phone companies currently provide service. This is a clear indicator that broadband access is not available to all South Carolinians.

High-speed Internet access is rapidly becoming essential to competing successfully in today's global economy. It can play a critical role in enabling South Carolina citizens to improve their lives through technology. To this end, we believe the Department of Commerce is the most appropriate entity to make decisions in spreading Internet access across our state. We specifically recommend creating the South Carolina Broadband Advisory committee within Commerce composed of nine members and chaired by the Secretary of Commerce. The Council is to manage, oversee, and monitor efforts to provide rural counties and other local government entities with high-speed broadband services – including the oversight of all funding mechanisms. This year we propose **\$2 million in funding** to implement this program at the Department of Commerce.

**Funding for a port access road.** The South Carolina port system continues to be one of the state's strongest assets when it comes to recruiting quality companies. In fact, this success has helped businesses grow and call for greater capacity at our ports. The Ports Authority has taken steps to create additional capacity for the short term and has looked at other ways that will expand the port system to meet future demand. Specifically, the state is looking to expand future operations into the former Charleston Navy Base terminal. The plan for the Navy Base site calls for a new three-berth terminal that could handle more than one million 20-foot equivalent unit containers a year. The terminal, however, cannot open without a road that is sufficient in providing access to the new facility.

During last year's budget process, the Contingency Reserve Fund was created for the accumulation of revenues in excess of the FY 2006-07 Appropriations Act. Revenues credited to this fund may be appropriated during the following year and may be used for infrastructure needs such as a Port Access Road. Currently, this fund has accumulated \$171 million.

The port expansion is important to continue growing our state economy and funding is immediately needed to start the process of constructing a Port Access Road for the new terminal. The access road for the terminal will allow South Carolina businesses to continue to expand and thrive in new markets all over the world. To this end, we propose **\$100 million in funding** from the Contingency Reserve Fund for construction of a Port Access Road.

**Marketing dollars for the state's agriculture and forestry products.** This industry, with a more than \$2.5 billion economic impact, spends funds on traditional advertising, materials and trade shows for the South Carolina Quality Program. Last year we proposed additional funding for the first time in more than five years for this program. Once again, we believe additional funding is warranted. We propose additional **recurring funds of \$400,000** for this program.

**A recurring increase for the Department of Parks, Recreation and Tourism's media placement budget.** At the request of New Carolina (South Carolina Council on Competitiveness), a recent report by Ireland-based Tourism Development International (TDI) showed that South Carolina has the potential to

increase its return on investment if the proper steps are taken. The report stated that tourism contributes \$10.9 billion to South Carolina's Gross State Product and currently less than one-fifth of one percent of the state's earnings from tourism is reinvested into promoting state tourism. However, the report went on to say that tourism has the potential to contribute \$40 billion to Gross State Product by 2020.

We believe dedicating additional dollars will take us one step closer to obtaining this potential and will strategically encourage private investment in the right areas to achieve overall economic growth. The report makes recommendations such as dedicating additional funds to strengthen the overall state tourism marketing campaign and continuing a destination-specific marketing match grant program. Bottom line, we believe dedicating additional dollars towards our number one industry is a good investment. Therefore, we propose **an increase of \$13.4 million in recurring funds** for the agency's media placement budget.

**Dollars to locate qualified investor for state venture capital.** The passage of the Venture Capital Investment Act in 2005 provided access to \$50 million in tax credits which serve as collateral for private institutional lenders. These lenders extend capital to designated investment professionals who in turn invest in South Carolina companies. The returns from these in-state investments are used to pay back the private lenders before they utilize the state tax credits. When managed successfully, South Carolina is positioned to benefit from economic growth without added state expenditure. We propose **an additional \$197,500** for administrative costs of operating the venture capital program within Commerce.

**Funding for the development of the Myrtle Beach Airport.** Tourism is the leading industry in this state, and at the center of this success are the many activities occurring along the shoreline of Horry County. More than 13 million tourists visit the Grand Strand each year. Horry County leads the state in tourism, accounting for over 38 percent of revenues. The traditional tourist season (the summer months) is continually expanding. We believe that the economic value of tourism in Horry and across the state is too great an asset to jeopardize. In order to meet the demand of increasing tourists, we are proposing **additional funding of \$10 million** for the development of the Myrtle Beach Airport.

**Dollars to market the state's resources to film makers and industry investors.** The film industry has the ability to develop new sources of revenue for our state and create high-quality jobs, while putting very little demand on the state's education and infrastructure resources. To continue the state's successful efforts in recruiting film production to the state, we propose **maintaining current funding at \$591,648**.

**"Closing Fund" for economic development.** When trying to attract new companies to South Carolina, we often stay in the running until the very end. That is why last year the closing fund at the Department of Commerce was so important. Other states throw additional value-added items on the table to sweeten the deal, and we must

also continue to have the same ability. Last year \$7 million in one-time funds were appropriated to this fund. We believe in the importance of this program and that it deserves recurring revenue. To this end, we propose **\$7 million in recurring funds** to maintain this very important fund.

**Agricultural biotechnology research at Clemson PSA.** This research is used to improve agriculture, the environment, and human health. Efforts are coordinated with the South Carolina Biotechnology Incubation Facility and the Department of Commerce to recruit biotech companies and assist with new company start-ups. We propose **maintaining current funding** at **\$2,739,737** in general funds, amounting to **\$3,854,212** in total funds.

**An electronic imaging and workflow system for the Department of Insurance.** Last year we proposed one-time funding to move the Department of Insurance away from paper form filing to filing in a computerized system. With a requirement that everything be maintained for 100 years, the computerized system is very efficient. We propose **maintaining recurring funding** of **\$100,000** for an imaging system to continue making the agency more efficient.

**Implementation of a comprehensive marketing program at the Department of Commerce.** In today's global economy, it is important that businesses are aware of South Carolina's positive business environment. Funding is for business retention marketing, advertising, public relations, collateral materials, trade show participation, and industry specific events. For all of these efforts, we propose **maintaining recurring funding** of **\$2.2 million**.

**Annual payment for State Ports Authority for harbor dredging.** The economic impact of the ports continues to grow with the recruitment of companies, such as Vought-Alenia and Daimler-Chrysler and the expansion of international companies, such as BMW and Michelin. Making the harbor passage deeper will keep the vital state asset competitive. We propose **non-recurring funding** of **\$2.4 million** for the Charleston Port's continued deepening efforts.

**Funding for the Center for Accelerated Technology Training.** One of the largest drivers for companies to expand or locate in South Carolina is the worker training program that is coordinated through our Technical College system and the Department of Commerce. The latest annual data indicates that 5,900 students were trained for over 100 different employers. Because of the success of this program, we propose new **recurring funding** of **\$1.5 million** for this work force training program.

**Recurring funding for the International Center for Automotive Research (ICAR) at Clemson University.** This project is a successful example of South Carolina's efforts to focus on building knowledge-based industry clusters. The private-public partnership has created an opportunity for the state to become a leader in the United States for automotive research. Because of the current and expected economic impact of the partnership, we support the goals of the program and, therefore, propose

maintaining **recurring funding of \$1.5 million** for personnel and equipment for the campus.

**Start-up and ongoing expenses for a statewide Hydrogen Fuel Cell Coalition.** The coalition is made up of the five regional hydrogen research organizations. It would be housed at the Department of Commerce. We propose maintaining **recurring funding of \$367,640.**

**Local work force investment** to meet the employment, training, and labor market needs of businesses, job seekers, and at-risk youth. These federal dollars are spent in coordination with the state's economic development activities to help recruit high-paying jobs. The training programs are in areas of industries and companies that the Department of Commerce has targeted. **Projected FY 2007-08 federal funding is \$60 million.**

***Our Plan Saves By:***

**Directing gasoline tax revenue to the petroleum inspection and testing program.** The Department of Agriculture is charged with inspecting and testing gas pumps for accuracy and suitability for service. The current state law provides that, "For the purposes of providing funds for inspecting, testing and analyzing petroleum products and for general state purposes, there must be paid to the department a charge of one-fourth cent a gallon..." Currently, the department runs this program with general fund dollars. We propose directing the state amount of funds from the gas tax to run this program because it is statutorily required. This will allow the agency to hire the needed inspectors to ensure this program is run as expected. This will generate **General Fund savings of \$390,606.**

**Directing the local government infrastructure grants at the Budget and Control Board to the Department of Commerce.** As lead agency on economic development for the state, the Department of Commerce should be the agency in charge of all funds directed at growing the economy of our urban and rural areas. Since taking office, this administration has had unmatched success in the state's rural communities. As an example, in an effort to continue improvements toward work force readiness in rural South Carolina, the Rural Infrastructure Fund helped create Northeastern Technical College Information Technology Laboratory classroom at its Dillon County Community Campus. Looking at the big picture, in 2005, rural capital investment in our state was \$1.33 billion, up from \$635 million in 2004. We believe even more success can occur by moving this program and all associated grant funds to the Department of Commerce and would generate **General Fund savings of \$137,771.**

***Making Tough Choices:***

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The follow reflects these difficult choices:

**Reducing pass through funding.** This administration has always believed that any public-private endeavor should employ an open and objective competitive process so that the most worthy projects receive public investment. We continue to believe a competitive grants program is a more fair way to fund these projects than with pass through funding. This will **save \$1,631,274**, but will allow these organizations to apply for funding through the competitive process.

**Clemson Public Service Activities reaching outside of their core mission of agriculture.** The administration continues to recognize the valuable role Public Service Authorities have played in our rural areas over the past several decades. However, as we mentioned before, we think that the agency should narrow its focus to more closely concentrate on its core mission of serving our state's agricultural community. Those non-core activities we identified are within the Rural Community Leadership Development program. These activities represent a general fund **savings of \$380,251**.

*Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.*

**Improve the Health  
and Protections of  
Our Children and Adults**



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## Improve the Health and Protections of Our Children and Adults

Helping South Carolinians maintain or regain their health, protecting vulnerable citizens from abuse, and providing opportunities for people keep their independence and dignity are core functions of a fiscally and socially responsible government. Done well, it will lead to a better quality of life for our citizens while lowering costs to society.

One out of every three South Carolina tax dollars goes toward health care. Historically, however, that significant investment has not led to satisfactory health outcomes in our state. To help South Carolinians get more value for their health care dollar, we are working to bring the benefit of marketplace principles to health care. South Carolinians deserve a health system that encourages cost-effective preventative care and offers a menu of health plans from which to choose for themselves and their families.

Governor Sanford's Goals for **Improving the Health and Protections of Our Children and Adults** are to:

- ✓ Increase the number of citizens leading healthier lives
- ✓ Increase access to health care
- ✓ Increase self-sufficiency
- ✓ Increase children living in a safe and stable living environment
- ✓ Reduce preventable injury, illness and death
- ✓ Reduce health disparities
- ✓ Reduce poverty

Another key ingredient of a good quality of life is the ability to live in a safe and stable environment. Improving the security of vulnerable citizens – reducing child poverty, finding permanent homes for foster children, decreasing rates of child abuse and neglect, improving the living conditions of our seniors and adults with disabilities, and improving rates of self-sufficiency among our low-income citizens – can lead to improvements in employment rates, educational performance, health status and quality of life. All of these outcomes can directly benefit our children and vulnerable adults and indirectly benefit our taxpayers and the state as a whole.

But these efforts will continue to be compromised until South Carolinians get the efficient and accountable service delivery system they deserve, and that we have called for each of the past four years. If the South Carolina government were to be created today, it is virtually inconceivable to believe anyone would recommend a health care delivery structure like the one that we currently have. The current management structure of our state's health and human services system includes eight different agencies, only three of which answer directly to the governor. The other five agencies

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## IMPROVE THE HEALTH AND PROTECTIONS OF OUR CHILDREN AND ADULTS

answer to a series of part-time boards. This structure diffuses accountability and sets the executive branch up to look more like a patchwork of competing special interest fiefdoms rather than like a unified team looking out for the good of the state.

When the MAP Commission first called for health agency restructuring in 2003, 21 other states were also considering, planning or executing health agency restructuring initiatives. Four years later, several of those states have completed those restructuring plans, while South Carolina remains at the starting gate. It is time to get moving and implement the kind of effective, efficient, accountable government structure South Carolina taxpayers deserve.

### **Developing Our Purchasing Priorities**

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently meeting its goal to improve the conditions for the health of our citizens. We have found some modest progress; however, there are many areas that need improvement. This section identifies the measures that help explain our state's level of progress in achieving our goal for a healthy citizenry.

#### ***Where We Are Succeeding***

Reduce preventable injury, illness or death – screening. One area where we have seen success is in our rate of women receiving mammograms. South Carolina ranks ninth in the nation for the percent of women receiving mammograms at appropriate ages and intervals. However, we still have racial disparities in this area that need significant attention. While white women in South Carolina contract breast cancer 19 percent more often than their African-American counterparts, African-American women are 42 percent more likely to die from the disease, largely because they tend to be screened and detected later. Our breast and cervical screening and early treatment expansion last year will help in this regard.

Living in a safe, stable environment. The rate of South Carolinians who live in a safe and stable environment is a direct indicator of economic and physical well-being of children and adults. Key measures of this indicator include lower rates of child abuse and neglect.

South Carolina is meeting some goals to ensure the safety of our children, adults with disabilities and seniors. According to the most recent Department of Health and Human Services Child Maltreatment Report, South Carolina's child victimization rate is consistently lower than the national rate, and has dropped to its lowest level this decade.

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**IMPROVE THE HEALTH AND PROTECTIONS OF OUR  
CHILDREN AND ADULTS**

Year	Child Victims	Total State Child Population	Victims Per 1,000 Children (SC)	Victims Per 1,000 Children (US)
2000	11,246	1,009,641	11.1	12.2
2001	11,199	1,018,000	11.0	12.5
2002	10,738	979,163	11.0	12.3
2003	11,143	1,023,504	10.9	12.4
2004	9,950	1,024,700	9.7	11.9

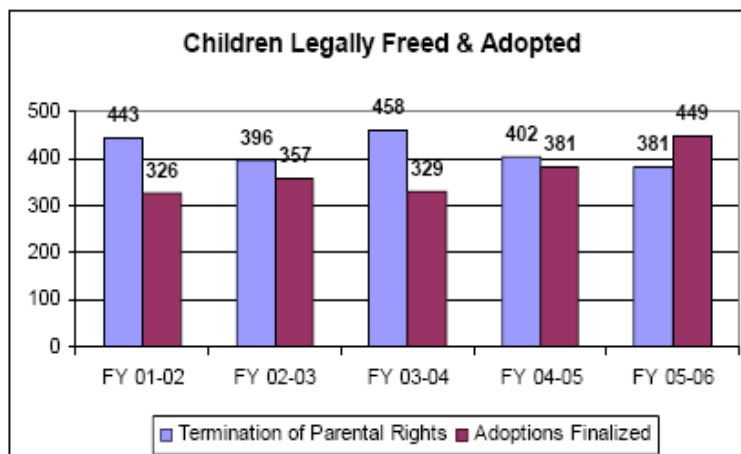
**U.S. Department of Health and Human Services Child Maltreatment Report**

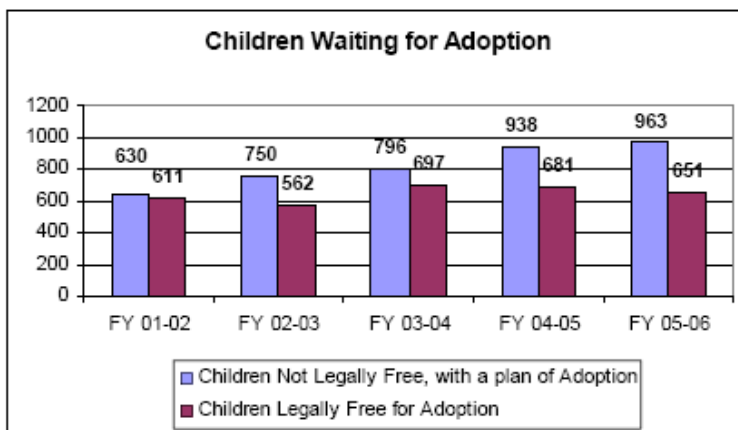
The number of children who are re-abused after the state returns them to the home is at 2.2 percent, down from 3.4 percent in 2002 and significantly lower than the national standard of 6.1 percent.

With regard to seniors, the rate of recurring abuse and neglect, self-neglect, and exploitation of seniors living at home is 3.2 percent, which is significantly lower than the state standard of 6.1 percent.

In the area of adoption, we have seen some improvement. In FY 2005-06, 449 children were adopted, up from 381 in FY 2004-05. This has resulted in the number of children waiting to be adopted peaking (and slightly dropping from 1619 to 1614) for the first time this decade.

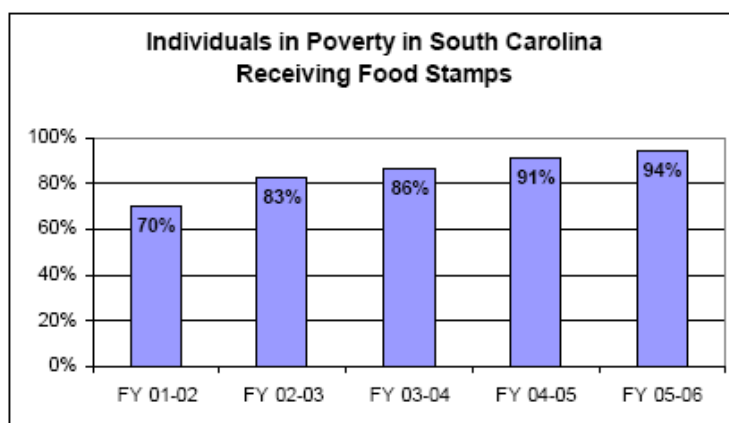
The amount of time it takes for a child to be adopted increased last year for the first time in five years. This was partially a function of DSS putting emphasis on finalizing adoption for some children aged 12-17 who had been in the care of the state for some time. We are having 20.3 percent of our children adopted within 24 months, which, while above the 15 percent number of FY 2003-04, remains well below the 32 percent national standard.



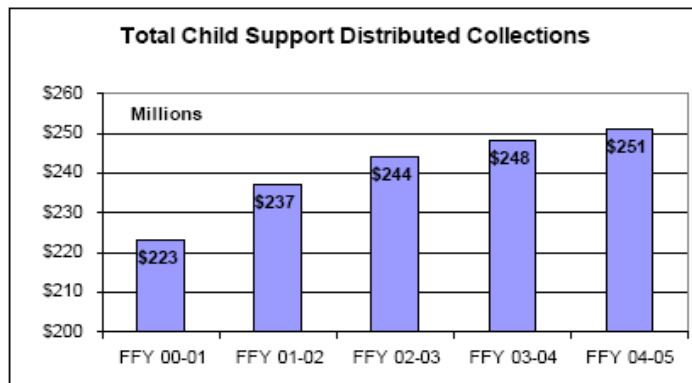


**Self-sufficiency rates.** Improved rates of self-sufficiency and independence are direct indicators of economic well-being. Key measures of this indicator include the percent of South Carolinians leaving state assistance (i.e., Temporary Assistance for Needy Families – TANF), the number of seniors and disabled persons able to remain in their own homes, and the unemployment rate, not only in general, but also for those with disabilities. Currently, families are the major providers of long term care for seniors providing 80 percent of care at home.

South Carolina is meeting some of its goals to increase opportunities for self-sufficiency among low-income families and adults with disabilities by providing basic needs. Efforts to maximize the eligible persons receiving food stamps in South Carolina have been very effective – approximately 94 percent of South Carolinians in poverty are receiving food stamps, up from 50 percent in FY2000-01. An average of 225,456 households received food stamps in FY 2005-06.



In addition, child support distributed collections have steadily increased since 1997 from \$142 million to \$251 million collected in 2005.



Success should not be measured simply in the number of South Carolinians receiving assistance, but also in the number of those who become able to leave the system. The number of South Carolinians leaving state assistance and remaining off assistance for at least one year due to employment has climbed over 80 percent for the first time this century.

**Percentage of mandatory TANF cases closed and remained off assistance for at least one year:**

<u>Exited in</u>	<u>Percent</u>
FY 2000 –	77.8%
FY 2001 –	74.6%
FY 2002 –	76.4%
FY 2003 –	78.9%
FY 2004 –	77.3%
FY 2005 -	84.1%

***Opportunities for Improvement***

While South Carolina does have areas of success, there is great room for improvement in addressing South Carolina’s health care challenge. While health outcomes are poor across the South, South Carolinians (48<sup>th</sup> nationally in overall health) generally fare worse than our neighbors in North Carolina and Georgia, who rank 36<sup>th</sup> and 42<sup>nd</sup> respectively. This is despite the fact that we outrank both states in per capita public health spending, rank 24<sup>th</sup> in total Medicaid spending, and the 2006 *Governing* magazine sourcebook ranks South Carolina 3<sup>rd</sup> in state and local health and hospital spending. We are clearly not getting enough value for our health care dollars.

**Increase the number of citizens leading healthy lives.** Unhealthy lifestyle choices made by too many South Carolinians contribute to the overall poor health of the state. The first table below, Health Risk Factors Rankings, indicates that we engage in behaviors that put our children and ourselves at risk. We now have the 15<sup>th</sup> highest smoking rate in the nation at 22.5 percent (an improvement from ninth two years ago at 25.0 percent) and the 12<sup>th</sup> highest rate of adults who engage in no physical activity. We rank among the worst of all states with regard to the number of women receiving appropriate prenatal care. These risk factors contribute to the poor health outcomes summarized in the second table, Health Outcomes Rankings. South Carolina's outcomes indicate poor health across the lifespan – from infancy to death.

<b>Health Risk Factors Rankings</b>			
Comparison between South Carolina, North Carolina, and Georgia			
<b>Indicator</b>	<b>Ranking Among 50 States + DC</b> (lower number indicates better health status)		
	<b>SC</b>	<b>NC</b>	<b>GA</b>
Women receiving prenatal care starting in first trimester	<b>45</b>	24	22
Smoking rate	<b>36</b>	37	34
Smokers who attempted to stop smoking	<b>16</b>	20	3
Adults engaging in physical activity	<b>38</b>	32	39

Source: Kaiser Family Foundation

<b>Health Outcomes Rankings</b>			
Comparison between South Carolina, North Carolina, and Georgia			
<b>Indicator</b>	<b>Ranking Among 50 States + DC</b> (higher number indicates better health status)		
	<b>SC</b>	<b>NC</b>	<b>GA</b>
Percent of preterm births of all live births	<b>5</b>	T10	T13
Infant death rate	<b>T4</b>	T13	7
Child death rate	<b>T11</b>	23	22
Cancer death rate	<b>13</b>	19	21
Prevalence of diabetes in adults	<b>2</b>	11	12
Stroke death rate	<b>2</b>	5	8
Adult obesity rate	<b>T6</b>	T21	T13
Percent of adults reporting no poor mental health days in previous month	<b>33</b>	3	T29

Source: Kaiser Family Foundation

**IMPROVE THE HEALTH AND PROTECTIONS OF OUR CHILDREN AND ADULTS**

Access to care. Our state has significant room for improvement in the area of health care coverage. Overall, the uninsured rate in South Carolina has risen above the national average, and our neighboring states, North Carolina and Georgia. In addition, there are several counties that have few or no specialty health care providers such as OB/GYN or Geriatric physicians.

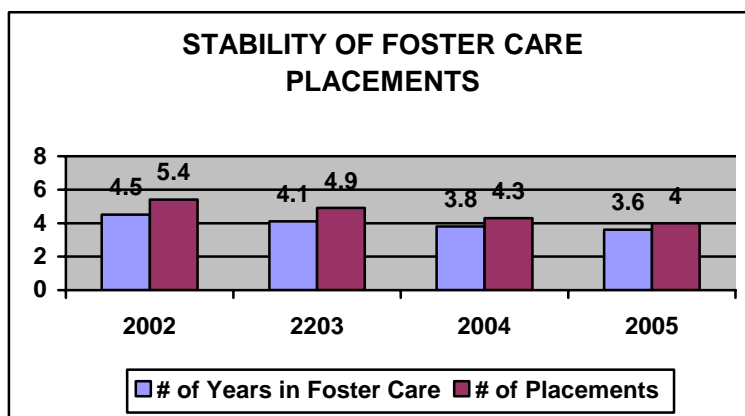
<b>Lack of Health Insurance (Overall State Population)</b>	
<b>State</b>	<b>% Uninsured</b>
Virginia	13.6
Alabama	15.4
<u>U.S. Average</u>	<u>15.9</u>
North Carolina	16.0
<b>South Carolina</b>	<b>17.7</b>
Georgia	18.9
Florida	20.7

One of the sectors that is particularly hard-pressed to afford health insurance is small business employees, and we will seek to alleviate this problem through legislation authorizing the creation of association health plans, as addressed in the “Meeting the Health Care Challenge” portion of this budget.

Increase the number of children living in a safe and stable environment – Foster Care. The national standard/state objective to measure how well the state determines safety in the home when re-unifying foster children with their families is the following: We should not have more than 8.6 percent of children entering foster care that had been returned home from a previous foster care placement re-entering foster care within a 12 month period. In South Carolina for 2004, the percentage of children who re-entered care due to re-abuse was 7.9 percent which, while meeting the national standard, was up from 7.4 percent in 2003.

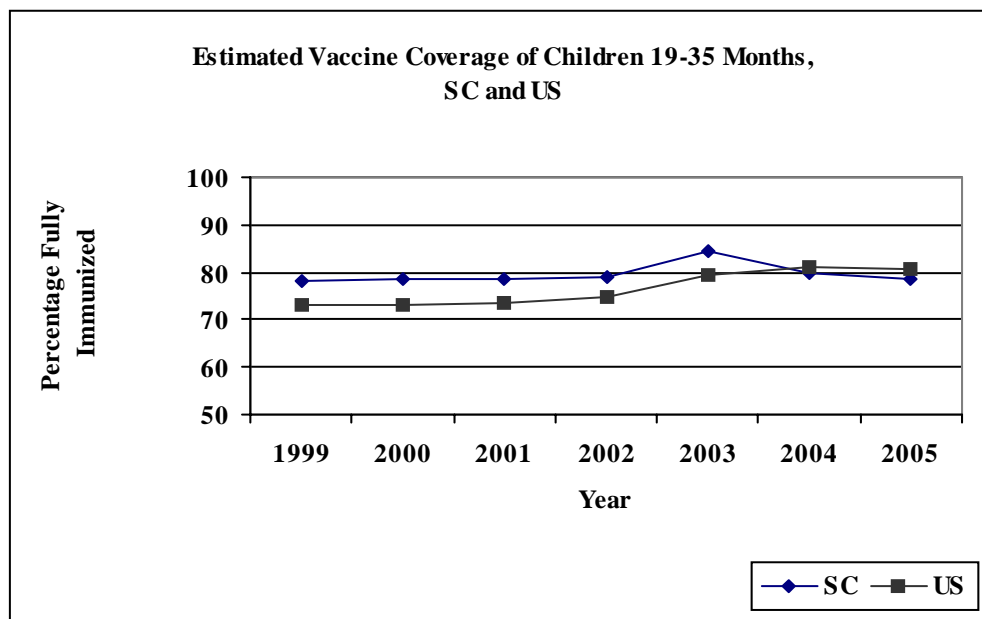
In addition, we are struggling with the stability of foster care placements. The national standard for stability is that of all the children who have been in foster care less than 12 months, 86.7 percent or more have two or less placement settings. South Carolina is currently at 81.5 percent, still short of the national standard.

There has been some progress in this area, however. The overall length of time children spend in foster care has decreased by roughly 20 percent since 2002 (from 4.5 years to 3.6 years), and between 2002 and 2005, the number of placements experienced by children remaining active in foster has decreased by more than 25 percent (from 5.4 to 4.0).



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**Reduce preventable injury, illness and death.** Immunization against diseases is a cost effective strategy for improving the health of our citizens. South Carolina is currently 35<sup>th</sup> in the nation as 78.5 percent of South Carolina's children 19-35 months were immunized in 2005, as opposed to 85.2 percent in North Carolina, 84.7 percent in Georgia and the national average of 80.8 percent.



Unintentional injuries, or accidents, killed more than 2,000 citizens in South Carolina and this number has been increasing every year since 1997. In 2005, our state had 6.7 occupational fatalities per 100,000 workers, an increase from 5.8 per 100,000 workers in 2004. Accidents are the number one cause of death among children in South Carolina. Increased awareness of and compliance with safety laws and standards, appropriate vaccinations for major diseases, and increased emphasis on curbing domestic violence are all potential ways to improve South Carolina's performance in this area.

**Decrease health disparities.** Disparities in health outcomes continue to be a significant problem in South Carolina. The National Institute of Health has defined health disparities as "differences in the incidence, prevalence, mortality and burden of diseases and other adverse health conditions that exist among specific population groups in the United States." The conditions that disproportionately affect minorities living in South Carolina included cancer, cardiovascular disease, diabetes, kidney disease, HIV/AIDS, immunizations and infant mortality. Large health disparities exist in our state in numerous indices of health such as prenatal care, certain cancers, obesity and rates of death from diabetes, stroke and heart disease.

One example of our attempts to deal with this problem is with Kidney Disease. Our Department of Health and Human Services, in partnership with the National Kidney

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Foundation, launched its Chronic Kidney Disease (CKD) awareness campaign in Kershaw, Lexington and Richland counties. The program is designed to inform physicians and the public about CKD, which affects about one in eight people in South Carolina, and disproportionately affects our African-American community. In 2006, together with the General Assembly, we passed a bill to create the Chronic Kidney Disease Task Force to conduct a study and provide the General Assembly with recommendations on how best to address this disease in the coming year.

Reduce poverty. Poverty rates are direct indicators of economic well-being of children and adults and are closely linked to physical well-being as well. In South Carolina, 16 percent of the people were living below the poverty rate, above the Southeastern average of 15 percent and the U.S. average of 13 percent. The percent of South Carolina children under age 18 living below the poverty line is 23 percent, above the Southeastern average of 21 percent and the national average of 19 percent. The percent of South Carolina seniors living below the poverty line is equal to the Southeastern average of 12 percent and above the national average of 10 percent.

### **Purchasing Priorities**

We developed this purchasing plan by taking proven and promising strategies and then prioritizing them in a way that will achieve the best results. The key strategies we identified are as follows:

Provide incentives to promote healthy lifestyles. Improved quality and length of life among South Carolinians begins with citizens making better choices about their own health. Engaging in unhealthy habits such as eating a poor diet, leading a sedentary life, and smoking cigarettes results in significant health care costs to our state. For example, the prevalence of adult obesity in South Carolina costs \$1 billion in medical expenditures, with about half of the costs being funded by Medicare and Medicaid. Obesity-related expenditures represent approximately six percent of SC's annual health care bill.

In addition, there is the challenge of teen pregnancy. Children of teen mothers are twice as likely to be victims of abuse or neglect. Teen mothers are more likely to have low birth weight babies. Fewer than one third of teen mothers finish high school. Seventy-five percent of unmarried teen mothers will go on welfare within five years of the birth of their first child.

Dr. William Galston, Director of the University of Maryland's Institute of Public Policy and formerly President Clinton's assistant for domestic policy, has said that there are basically three things a person has to do to lift that person's children out of poverty: graduate high school, get married before having a child, and have that child after the age of twenty. The rate of poverty for children of parents who do these three things is eight percent. The rate of poverty for children of those who fail to do these things is 79

percent. South Carolina's rate of success on all of those three measures is poor, and so, predictably, are our results in health, education, and economics.

Provide increased access to insurance and private payment for health care. Access to appropriate health care in South Carolina is significantly impacted by uninsured citizens. Many South Carolinians are either underinsured or have no insurance. Health insurance coverage increases the likelihood that people will receive the preventive care they need to stay healthy. A high rate of uninsured individuals puts a strain on emergency care and increases the likelihood that health issues will go unaddressed until they are at a critical point. It has been estimated that the cost of un-insurance, nationally, is between \$65-130 billion dollars.

Provide for an increased number of providers in underserved areas. There is a shortage of trained professionals in several health care areas. This is particularly true in rural areas. Since South Carolina is a rural state, improved access to rural health care services is an important part of meeting our public health needs.

Provide for measures to increase the number of individuals with an identified primary care physician or medical home. People with a regular provider of health care are more likely than those without a usual source of care to receive a variety of preventive health care services. An estimated 15 percent of adults in the United States lack a usual source of care. Thus, more than 40 million persons have no particular doctor's office, clinic, health center, or other place where they go for health care advice.

Provide disease prevention and disease management. Many of the health care and societal costs associated with physical and behavioral disorders can be reduced through improved disease management and prevention programs. The health outcomes in South Carolina clearly demonstrate that we fall short in the area of prevention and management of disease. Cardiovascular disease, cancer, and diabetes are among the leading causes of death. In South Carolina, the total direct and indirect costs of hospitalizations and emergency room visits were more than \$928 million for diabetes in 2001. Some of these costs could be reduced through improved blood sugar control and control of elevated blood pressure and high cholesterol and other disease management techniques.

According to the National Institute of Mental Health, over 15 percent of all adults in the U.S. meet criteria for at least one alcohol, drug abuse, or mental disorder. The prevalence of diagnosable mental disorders in children and adolescents has been estimated to be between 14 percent and 20 percent; among the elderly, it has been estimated at 15 percent to 25 percent. When mental illnesses are not well treated and managed, they result in staggering costs to society. The indirect cost of mental illness was estimated to be approximately \$80 billion in the U.S. in 1990. With recent gains in mental health treatment, recovery has become a reality for many individuals suffering from a mental illness. Providing access to appropriate treatment could reduce the large indirect costs to society imposed by mental illness.

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Provide adequate food and nutrition. Undernutrition can have lasting negative effects upon the physical and cognitive development of children. The Food Stamp Program is the first line of defense in ensuring that low-income families receive adequate nutrition. Programs like the Summer Food Program, Child and Adult Care Food Program and the Emergency Food Assistance Program help families provide nutritional meals. Additionally, providing adequate food and nutrition, through programs like Meals on Wheels, encourages independent living for home-bound adults and seniors.

Provide opportunities for employment and independence. In order to improve the economic well-being and self-sufficiency of our low-income population and our state's adults with disabilities we must find ways to increase opportunities for employment. For adults and seniors, adequate supports (such as homemakers, personal care aides, Meals on Wheels, transportation) can prevent or delay nursing home institutionalization. Maximizing living choices for adults and seniors, especially if they choose to stay in their own homes or be cared for by family as long as possible, is a win-win strategy for state government and for South Carolina citizens.

Provide for child support collections. In order to reduce the rate of poverty of South Carolina's children, we must find ways to increase child support collections. "Analyses of increases in child support enforcement strongly suggest that it has played a role in decreasing child poverty – one study estimated that child support lifted about a half million children out of poverty." [*Child Trends, 2002*]. Children in poverty are more likely to suffer poor health, more likely to die in childhood, more likely to be developmentally delayed, more likely to repeat a grade, more likely to drop out of high school, more likely to become pregnant during adolescence, and less likely to be employed after high school.

Provide measures to reduce time for foster children to be adopted. By reducing the time for South Carolina children to be adopted, we can increase the number of children in stable and safe environments and reduce the number of children in institutional settings. Another long term consequence of children aging out of the foster care system with no permanent family is the high incidence of homelessness experienced by former foster youth. Across the nation, various studies indicate that as much as 30 percent of homeless persons have a history of being in foster care.

Provide timely and effective interventions when safety is compromised in the home or family environment. For children, the behavioral consequences of abuse and neglect include difficulties during adolescence – abused and neglected teens are 25 percent more likely to experience delinquency, teen pregnancy, low academic achievement, drug use and mental health problems. To reduce costs to society in the long term, children need to be protected from the effects of abuse and neglect. Psychological problems often manifest as high-risk behaviors, which in turn can lead to long-term health problems such as sexually transmitted diseases, cancer and obesity. For adults and seniors, timely and effective interventions will help prevent recurring abuse and improve the quality of care for residents in long-term care facilities.

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**Governor's Purchasing Plan – Highlights**

Our plan takes into account both the physical and fiscal health of our state. In our purchasing plan, we choose to fund or purchase those health and human services we believe provide the most value and do not purchase some other items that are identified as of lower priority. The following table identifies key purchases within our executive budget's total state health care spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

<p><i>Improve the Health and Protections of Our Children and Adults</i></p>	
<p><b>Purchasing Plan:</b></p> <p>\$1,516,917,102 General Funds</p> <p>\$8,367,651,579 Total Funds</p>	<p><b>Examples of what our plan buys:</b></p> <ul style="list-style-type: none"> <li>▪ Increased emphasis on prevention and disease management through grants and better coordination.</li> <li>▪ Disease immunization for children and seniors.</li> <li>▪ Clinic Services for 200,000 South Carolinians.</li> <li>▪ Long Term Care waiver programs for 11,500 seniors.</li> <li>▪ Nursing home services for approximately 16,000 citizens.</li> <li>▪ Long-term psychiatric and short-term community mental health services.</li> <li>▪ Services at community training homes for over 2,200 citizens with mental retardation, autism or head/spinal cord injuries.</li> <li>▪ Nursing home care for more than 500 South Carolina veterans.</li> <li>▪ Chemical dependency community-based treatment services for citizens with substance abuse issues.</li> <li>▪ Child protective services for more than 17,00 children and adult protective services for more than 6,000 vulnerable adults.</li> <li>▪ Adoption services, incentives and subsidies to place more children in a safe home.</li> <li>▪ Job placement services to over 16,000 eligible adults with disabilities and 400 eligible blind and visually-impaired individuals.</li> </ul>
<p><b>Savings Proposal:</b></p> <p>\$21,044,453 General and Other Funds</p>	<p><b>Examples of what our plan does not buy:</b></p> <ul style="list-style-type: none"> <li>▪ Duplicative administration for eight different health and human services agencies.</li> <li>▪ Salary supplements for non-state employee local providers.</li> <li>▪ Special projects earmarks that interfere with the state's ability to draw down federal Medicaid matching funds.</li> </ul>

**Our Plan Buys:**

**Increased emphasis on prevention and promoting healthy lifestyles**

Immunizations for polio, measles and other contagious diseases. Many serious childhood diseases are preventable through routine childhood vaccination. Diseases such as polio, whooping cough, and measles are easily spread through communities. Individuals who are not immunized increase the risk that they, and others in their community, will contract a contagious disease. The flu and pneumonia are among the

leading causes of death in the senior population. Both are easily preventable through either an annual flu shot or a one-time pneumonia vaccine. To prevent disease, disability, and death from vaccine-preventable diseases and to avoid the exorbitant public health costs associated with these illnesses, **we propose to increase recurring funding for this activity by \$1 million** amounting to \$5,128,561 in general funds and \$8,182,184 in total funds.

Funding for maternal and infant health. This funding seeks to improve the health and well being of children in the state with an emphasis on eliminating health disparities. Activities include family support services, newborn screening and home visits, medical home partnerships, family planning, and nutrition. These activities also further our goals of promoting healthy behaviors and improving access to comprehensive quality health care. This funding will help increase the percent of very low birth weight infants delivered in Level III hospitals, which is tied to reducing infant mortality. We propose to **increase funding for this activity by \$500,000**, amounting to \$3,938,310 in general funds and \$122,485,149 in total funds.

#### **Access to insurance and private payment for health care**

Further emphasis on verifying eligibility (including citizenship) for Medicaid benefits. To be faithful stewards of the taxpayers' dollars, we are working on making sure that those receiving Medicaid benefits are actually eligible for those benefits. To fund additional costs for new citizenship verification requirements and other related items mandated by the Federal Deficit Reduction Act, we propose to **increase funding for this activity by \$500,000**, amounting to \$11,233,671 in general funds and \$46,524,805 in total funds.

Grants to improve rural hospitals. Rural hospitals play an important role in ensuring access to care in all parts of our state. We are requesting **\$1.5 million in recurring funding** to assist small public hospitals in rural counties in enhancing and expand preventive health programs that improve the quality of life for their citizens. Hospital receiving funds will use them for preventive health programs, programs to divert inappropriate use of emergency rooms, physician recruitment and retention activities, and/or utilization of electronic records.

Options for Medicaid coverage for enrolled beneficiaries in South Carolina. The state reimburses the Managed Care Organizations an actuarially sound, capitated reimbursement rate for enrolled members. These organizations will generally provide a coordinated system of primary care aimed at establishing beneficiaries in a medical home. Additionally, they provide other health services such as health education and home visits. For this service, we propose to **maintain current funding for this activity** amounting to \$47,969,145 in general funds and \$209,752,796 in total funds.

In addition, as indicated in the “Meeting the Health Care Challenge” section of this budget, we support the creation of Association Health Plans to give small employers the same purchasing power for health insurance that large employers have.

**Disease prevention and disease management**

Cancer research and treatment. Cancer is the second leading cause of death in South Carolina, claiming the lives of nearly 8,000 citizens each year. Our state will likely have over 17,000 new cancer cases diagnosed in the next year. A study released in November 2005 by a team from the Harvard School of Public Health, University of Auckland in New Zealand and University of Queensland in Australia found that up to a third of cancer deaths are actually preventable by changes in behavior. Hollings Cancer Center is a leader in cancer medicine, researching ways cancer can be prevented, diagnosed, treated and cured now and in the future. We, therefore, propose **devoting \$1 million in research dollars to the Hollings Cancer Center at MUSC** to help with their efforts to bring more research and treatment resources to our state. We are committed to assisting the Hollings Cancer Center in its efforts to secure accreditation with the National Cancer Institute as a Comprehensive Cancer Center.

While we are increasing funding to prevention related activities, our state must still deal with the reality that we remain among the unhealthiest populations in the United States and that this reality costs us every day – in terms of both dollars and lives.

Our budget proposes to continue purchasing many activities that manage illness. A significant portion of these activities are purchased through the state’s Medicaid program. Growth in this program was held to less than six percent in FY 2005-06, and the program ended the year balanced for the first time in several years. The growth the program experienced was well below the national average for Medicaid programs, but increases in costs and utilization will make controlling Medicaid costs a continuing struggle. Because managing illness among the poor and disabled is so vitally important to our state, this budget proposes to significantly increase funding for these activities so that continued health care cost increases can be absorbed without services having to be reduced. Important activities include:

Inpatient and outpatient hospital care. Our prevention, pharmacy, medical professional, and clinic services seek to reduce Medicaid recipients’ need for hospital care. Nevertheless, unforeseen circumstances arise, such as accidents, or illnesses become more severe and the best care can only be provided in a more specialized setting. We propose to **increase funding for Medicaid hospital services by \$14 million** in recurring funds **and \$10 million** in non-recurring funds, amounting to \$196,992,533 in general funds and \$744,259,039 in total funds to ensure that our fellow citizens who require this high-level care continue to receive the help they need. The \$10 million increase comes from the state’s deallocation.

Prescription drugs availability for South Carolinians on Medicaid. Today's pharmaceuticals are among the most advanced in history and produce noticeable results in terms of saving lives in emergency situations or during short-term illness, sustaining life in chronic or long term illness, or limiting the need for hospitalization. Medicaid's covered pharmacy services include the provision of most prescription and over-the-counter pharmaceuticals. Pharmacy utilization levels are growing in Medicaid just as they are in the State Health Plan and in other private insurance plans. But we will be able to save on pharmaceutical costs by pooling our buying power with several other states in the National Medicaid Pooling Initiative. Therefore, we intend to **maintain funding for this activity**, amounting to \$50,832,030 in general funds and \$449,953,550 in total funds.

**Clinic services to over 200,000 South Carolinians.**

While many private medical providers participate in the Medicaid program, a portion of Medicaid recipients are seen in Rural and Federally Qualified Health Centers. These centers provide primary medical care in underserved areas and are the backbone of our state's low-income health delivery system. Additionally, many Medicaid recipients have conditions such as kidney disease or HIV/AIDS that require specialized care in a clinical setting. Continued provision of these services is necessary if our state is to appropriately assist these individuals in managing their illnesses. To maintain this structure, we propose to **increase current funding for this activity**, amounting to \$28,972,664 in general funds and \$103,123,676 in total funds.

Hospice Care for over 600 South Carolinians in need. Hospice care is provided to eligible Medicaid recipients who have been certified as being terminally ill. A person is considered to be terminally ill if the individual has a medical prognosis that his/her life expectancy is six months or less if the disease runs its normal course. Services provided include nursing, medical social services, physician services, counseling, medical appliances including drugs and biologicals, and aide, homemakers and therapy services. We propose to **maintain current funding for this service**, amounting to \$4,665,799 in general funds and \$29,220,303 in total funds.

Acute Psychiatric Services for consumers whose conditions are temporarily severe enough that they are not able to be treated in the community. Services are delivered in a hospital setting with the intention of improving the functioning of the consumer and decreasing the number of consumers who have to return to a hospital setting for treatment. We propose to **increase recurring funding for this activity by \$2.625 million**, amounting to \$24,304,726 in general funds and \$44,188,957 in total funds.

Long-term inpatient psychiatric services for 300 adult consumers whose conditions are of such severity that they are not able to be treated in the community and are not expected to return to the community. Services for these individuals are provided by a multidisciplinary team in a hospital setting. We propose to **increase recurring**

**funding for this activity by \$1 million**, amounting to \$14,366,589 in general funds and \$24,020,726 in total funds.

This funding increase would go toward helping recruit more nurses at the Department of Mental Health and improve pay of existing nurses. The health care industry is facing a serious shortage of nurses. South Carolina today ranks 42<sup>nd</sup> in the number of registered nurses per 100,000 people, and there are nursing shortages across nearly all the geographic and practice areas of the state.

Crisis stabilization is a service that evaluates and treats individuals in crisis, thereby diverting them from the emergency room. This is very important due to the negative impact emergency room utilization by mental health patients has upon the functioning of that setting. Last year, we provided a significant increase to help with this problem. We propose to **increase recurring funding** for this activity by \$617,339 in general funds, amounting to \$11,989,586 in general funds and \$22,154,308 in total funds.

The need for mental health and substance abuse treatment is closely linked as many individuals with mental illness abuse alcohol and other drugs. The rate of co-occurrence of substance abuse and mental illness is extremely high. Furthermore, individuals who abuse substances are likely to neglect their health and have numerous co-occurring physical complaints. To meet the needs of this population, we propose the following support:

Chemical dependency community-based treatment services. Services for individuals with chemical dependency range from locally available outpatient treatment to higher levels of specialized treatment such as detoxification, adolescent inpatient services and residential services. This funding would go toward evidence-based prevention for adolescents to prevent alcohol use or to stop alcohol dependency early. Second, it would be used for low-end treatment services within the community. The idea is to reach individuals early in the dependency cycle in order to reduce the need for more expensive, episodic treatment in residential facilities and hospital emergency rooms. We propose to **increase funding for this activity by \$325,000**, amounting to \$9,379,758 in general funds and \$25,986,781 in total funds.

### **Adequate food and nutrition**

Food stamps and other food programs to more than 600,000 South Carolinians. Food stamps are cash benefits paid out to low-income families and individuals through the use of debit cards. For those who qualify, the Food Stamp program must provide work-related activities that will lead to employment and decrease dependency. The provision of funding to pay for food helps safeguard the health and well-being of the state's population. We propose to **maintain current funding for this activity** amounting to \$11,077,123 in general funds and \$694,037,418 in total funds.



To help people on Food Stamps make healthier choices with regard to their diet, our Department of Social Services is working with the United States Department on a pilot project providing nutrition education to low-income families to change their eating habits (including increasing consumption of fruits and vegetables) and to make healthier lifestyle choices. The U.S. Agriculture Department is paying 50 percent of the funding to run the project and 100 percent of the evaluation cost, leveraging our state's own efforts.

### **Opportunities for employment and independence**

Home health services for more than 8,000 recipients. Home health services include part-time or intermittent nursing aide services and therapies (i.e., physical, speech or occupational) and supplies. We propose to **increase funding for this activity by \$1 million**, amounting to \$4,746,075 in general funds and \$15,898,099 in total funds. The new funds will be used to provide funding for new home health telemonitoring services, which allow individuals to maintain their independence by providing for communication of their medical information with their health care provider. The program will increase access and decrease costs because a phone call will replace in-home visits with no loss of quality.

Child care vouchers for over 37,500 children in families transitioning off of welfare and other low-income families. Eligible low-income families become and remain employed with the help of available, affordable, quality child care. This way, children's well-being is protected while their parents work or attend school or training. **We propose to increase funding for this activity by \$5,609,474**, amounting to \$10,072,737 in general funds and \$90,760,943 in total funds.

Vocational Rehabilitation Direct Client Services to more than 16,000 persons with disabilities. This activity provides assessment, counseling, guidance, and placement services as well as academic training, assistive technology, mobility and transportation, and retention services to eligible adults with disabilities to prepare for, achieve and maintain competitive employment. Successfully employed clients become taxpaying members of the work force rather than relying on Social Security disability benefits, Medicaid, and other public assistance. The cost of their rehabilitation is paid back through their taxes in an average of 5.4 years. We propose using administrative savings derived from restructuring the Vocational Rehabilitation Department and the Commission for the Blind to **increase recurring funding** for this activity by **\$500,000** amounting to \$10,675,557 in general funds and \$42,902,202 in total funds.

Rehabilitation Services for over 400 eligible blind and visually impaired individuals. Vocational rehabilitation services led 250 blind and visually impaired citizens to competitive job placements in FY 2005-06. We propose to **maintain current funding** for this activity amounting to \$790,302 in general funds and \$6,271,254 in total funds.

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Long-term care services for 12,000 seniors. South Carolina now has the fifth fastest growing population of seniors 85 or older, and many are finding it harder to live on their own. Long Term Care Services allow Medicaid recipients to get needed personal care services, like bathing and meal preparation, in their own homes rather than moving into nursing facilities. Last year, in order to give our elderly population more choice and independence, we provided 500 new slots for our Community Long Term Care program. Demand for these services continues to increase, so this year, we propose to **increase funding for this activity by \$2.5 million**, amounting to \$36,086,492 in general funds and \$122,861,605 in total funds. This will help DHHS add 500 news slots to the elderly/disabled waiver, along with additional registered nurses to help with the increase, so more seniors can choose to receive long-term care at home. Bolstering the community long-term care program is a good investment for taxpayers since it can serve 2.5 seniors for every one person served in a nursing home.

Community training homes for more than 2,200 vulnerable South Carolina citizens. Community training homes offer the mentally challenged the opportunity to live in a homelike environment under the supervision of qualified trained caregivers. We propose to **provide \$1.968 million in additional recurring funding to help reduce the waiting list for the mentally challenged**, amounting to \$38,712,263 in general funds and \$172,340,658 in total funds. This funding replaces supplemental funding provided in last year's budget.

Assistance for our state's group homes for emotionally disturbed children. The federal government has stated that group homes with more than sixteen beds which are providing services to emotionally disturbed children would qualify as an Institution for Mental Disease (IMD) and, thus, be ineligible for Medicaid reimbursement. In South Carolina, approximately 60 percent of the group homes now serve more than sixteen children. The Department of Health and Human Services has developed a three-year transition plan to bring the state into compliance with federal regulations. In the meantime, we are requesting **\$13 million** in general funds to replace the loss of federal Medicaid dollars associated with these services.

Temporary Assistance to over 18,000 needy families per month. This program provides assistance to needy families with children and provides parents or caretaker relatives with job preparation, work experience, job placement, and support services to enable them to leave the program and become self-reliant. This activity assisted clients in finding over 11,000 jobs last fiscal year. We propose to **increase funding for this activity by \$2,635,377**, amounting to \$21,297,099 in general funds and \$111,710,562 in total funds.

### **Child support collections**

Child Support Enforcement for more than 180,000 children receiving support from a non-custodial parent. Child Support Enforcement establishes paternity for children born out of wedlock, establishes and enforces orders for child support, and collects and

distributes the support. Support collected from non-custodial parents totaled \$244 million in FY 2002-03. In actual performance, for every \$1 spent in child support activities, the return on that investment equals \$7. **We propose to increase recurring funding for this activity by \$222,271, amounting to \$5,545,738 in general funds and \$64,159,367 in total funds.** Included in total funds is a request for \$16 million in capital reserve funding to develop a statewide automated Child Support Enforcement System as mandated by the federal government, and to help cover one fiscal year of a longstanding federal penalty related to the implementation of the child support enforcement system.

### **Measures to reduce time for foster children to be adopted**

Foster care services for nearly 5,000 children who have been abused or neglected and are no longer able to safely stay with their families and are taken into the custody of the state. Foster care is the temporary placement of a child with a licensed foster family or group home. Foster care workers monitor the children in the foster or group home and arrange needed medical, educational, vocational, social, treatment, and rehabilitative services. Foster care workers also identify needed services for the birth family if reunification is the plan. These services protect the child and provide them with a temporary home environment. We propose to **increase recurring funding for this activity by \$1,178,687** amounting to \$7,227,187 in general funds and \$48,253,223 in total funds.

Adoption services for 1,500 children with a plan of adoption to find safe, loving, and stable families for foster children, which includes recruiting parents, performing or contracting for home studies, placing children in families, and stabilizing placements after the adoption. We propose to **increase recurring funding for this activity by \$473,194**, amounting to \$3,851,824 in general funds and \$14,943,326 in total funds.

Adoption subsidies for 4,555 special needs children. This program provides a monthly subsidy payment to adoptive parents based on the needs of the child up to the amount the child received in foster care. We propose to **increase funding for this activity by \$2.1 million**, amounting to 11,966,719 in general funds and \$26,084,563 in total funds.

Adoption Incentives of up to \$1,500 per child to families to cover part of the legal costs to adopt a child. We restored this incentive in the past two years to help further our goal of finding permanent, stable homes for our state's 1,500 foster children with a plan for adoption. We propose to **maintain current funding at \$750,000** for this activity amounting to \$1.5 million in total funds.

### **Timely and effective interventions when safety is compromised**

Child protective services for over 17,000 children when child abuse or neglect is suspected. CPS workers investigated over 17,000 reports of child abuse and neglect in

FY 2004-05. When abuse is confirmed, treatment services are provided to the family, allowing the child to remain in the home when possible. These services protect the children and prevent them from being removed from their families. We propose to **maintain current funding for this activity**, amounting to \$8,634,746 in general funds and \$33,918,085 in total funds.

Adult protective services for 6,000 vulnerable adults living in a non-institutional setting. This service identifies and corrects conditions of actual or potential abuse, neglect, or exploitation of persons eighteen years of age or older who are disabled or incapacitated. We propose to **increase recurring funding for this activity by \$308,622**, amounting to \$2,565,460 in general funds and \$9,554,297 in total funds.

***Our Plan Saves By:***

**Restructuring our health care agencies.** In the budget section “Fix the Structure,” we laid out in detail our plans for consolidating five health services agencies, which answer to four different authorities, into two agencies, each more directly accountable to the governor and ultimately to the citizens of South Carolina. It is our expectation that creating an efficient health services delivery system will yield approximately **\$15 million in general fund savings in the first fiscal year**. The administrative savings are delineated as follows:

- Department of Health and Environmental Control: \$5,839,407
- Department of Mental Health: \$6,360,367
- Department of Disabilities and Special Needs: \$2,171,659
- Department of Alcohol and Other Drug Abuse Services: \$414,122
- Continuum of Care: \$140,269

**Making our Human Services agency structure more efficient by merging the Vocational Rehabilitation Department and Commission for the Blind.** The Legislative Audit Council recommended in 2002 that the General Assembly merge the Commission for the Blind and Vocational Rehabilitation Department to realize increased efficiency and lower costs. The LAC report found that this could be done without adversely affecting the quality of services provided by both agencies. The report further found that 1) both agencies’ core missions and number one goal are to place clients in competitive employment; 2) over 50 percent of the commission’s budget is spent on competitive job placement; 3) ours is one of only 12 states with a stand-alone commission; and 4) the rehabilitation rate for merged agencies is higher than stand-alone Commissions for the Blind. We propose merging these two agencies **saving \$467,424 in the first year and redirecting those savings to fund direct client services at both agencies.**

**Moving to a pharmaceutical reimbursement rate closer to the Southeastern average**, and shifting the resulting savings toward providing services for more citizens in need. Currently, the pharmacy ingredient portion of the reimbursement rate we pay for Medicaid prescription drugs [Average Wholesale Price (AWP) minus ten (10) percent] is among the highest in the Southeast. Florida's rate is AWP-15.4 percent; Georgia's is AWP-11 percent. Tennessee's rate is AWP-13 percent, while Louisiana pays independent pharmacies AWP-13.5 percent and chain pharmacies AWP-15 percent. Seventeen of 43 states responding to a 2003 survey by the United States Department of Health and Human Services' Office of the Inspector General had recently reduced their Medicaid reimbursement formulas for prescription drugs. South Carolina has persisted in using the AWP-ten percent standard, at significant cost to the taxpayers.

This persistence is all the more remarkable when one realizes there is a federal class action lawsuit ongoing in Boston against the major pharmaceutical companies alleging that the companies defrauded consumers by illegally inflating the cost of prescription drugs. The suit targets the companies' practice of inflating the Average Wholesale Price (AWP) they reported through publications for certain drugs. In turn, Medicare, Medicaid and insurance companies reimburse pharmacies and physicians for drugs they provide based on the AWP. Remarkably, the companies' defense has centered on the idea that "everybody knows that 'Average Wholesale Price' does not *really* mean average wholesale price, but is just a marketing tool." That is not how we see it. If the AWP does not reflect the actual market price of the drugs we buy (and Congressional investigations, a GAO report, and both sides of this lawsuit appear to indicate that), then we support doing away with the AWP model and moving to a more open, accurate, accountable, market-based reimbursement model that is fairer to the taxpayers. In the meantime, we believe that moving to an AWP-12 standard will at least leave South Carolina competitive with the other Southeastern states, while **achieving more than \$2.3 million in savings** which can be used on services for more needy South Carolinians.

**Making Tough Choices:**

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

**Redirect a salary supplement for non-state employees toward increasing access at Community Training Homes.** The Department of Disabilities and Special Needs has used contract workers at several local facilities with the intent to provide more cost-effective services. However, these workers have been automatically receiving the same cost-of-living adjustments (COLAs) as state workers, defeating the

purpose of contracting the work in the first place. We believe that rather than continuing this automatic increase, taxpayers are better served by **redirecting \$2,759,066** toward increasing access to the department's Community Training Homes for citizens with mental retardation, autism or head/spinal cord injuries. Proposals for COLAs for contract workers are better left as an important part of future contract negotiations.

**Make contributions to the Special Olympics Program voluntary.** Special Olympics is a grassroots movement that provides year-round sports training and athletic competition to children and adults with intellectual disabilities through more than 200 programs in 150 countries around the world. Special Olympics chapters are not-for-profit organizations funded primarily through individual and corporate contributions. The Special Olympics organizations have a significant independent fundraising apparatus. We propose the program in South Carolina be self-funded, **saving taxpayers \$200,000**. Voluntary donations, in lieu of compulsory taxpayer funding, are to be admired and encouraged.

**Redirect funding for the ReGenesis Center to fund an increase in maternal and infant health.** In 2005, the General Assembly included a brand new earmark in the budget for the ReGenesis Center in Spartanburg. This reportedly was to be used for fighting breast cancer, although no mention was made of breast cancer in the bill. The state's efforts to fight breast cancer should be directed toward the effective programs we currently have that, unlike ReGenesis, also qualify for a 3-to-1 federal match rate. We believe that this funding would be better utilized by **redirecting \$100,000 toward maternal and infant health** which will benefit low income women and children throughout the state.

**Radio Reading funds diverted to prevention of blindness and rehabilitation services.** The Commission for the Blind funds broadcasting fees and staffing for a radio program which reads newspapers and other materials to blind and visually-impaired persons in South Carolina. The Radio Reading Program is duplicative of other readily available radio and television news outlets that can provide similar information. In 2005, the General Assembly, while not eliminating funding, reduced the level of funding to a degree that the director said it could not effectively operate. While we understand this program is valuable to its listeners, we believe this funding is better utilized to support the commission's Prevention of Blindness Program. This program needs additional funding to meet the needs of identified individuals who are among South Carolina's poorest citizens. These individuals have no medical insurance and have been found to need medical eye care, which can prevent blindness or stabilize existing limited vision. We propose **diverting \$129,990** from the Radio Reading Program to the Prevention of Blindness Program and the fund to rehabilitate.

*Please see the Appendices for a complete listing of the Governor's Purchasing Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.*

# **Improve the Quality of Our Natural Resources**

## Improve the Quality of Our Natural Resources

Quality of life here in South Carolina is inexorably linked to the quality of our natural resources. Examples of this link between life and land abound – the retiree in the Low Country guiding his Sunfish sailboat across Charleston Harbor; the family of four from Rock Hill canoeing together down the Catawba River; even the out-of-state tourists hiking around Moonshine Falls in Greenville. If you were to ask any of these folks what they enjoy about South Carolina, one thing you would surely find out is that natural resources help give our state that special sense of place.

We are blessed as a state with both valuable and vulnerable timberland, miles and miles of shoreline and wildlife of all shapes and stripes. But this blessing can become a burden if we fail to preserve and protect our natural resources – if we choose ill-planned construction over pragmatic conservation and short-term gain over long-term benefit.

Nearly a century ago, President Theodore Roosevelt – seen as America’s first conservationist president – warned us that, “we have to, as a nation, exercise foresight...and if we do not exercise that foresight, dark will be the future.” Roosevelt’s words lose none of their luster today. If we desire this land of plenty – its lakes and trees, beaches and marshland, red drum and black bear and Carolina wren – to exist for future generations, preserving our natural resources must remain a state priority.

Of course we cannot forget that protecting and preserving the environment does indeed have its benefits. There is always a balance – between infrastructure needs and environmental protection, between construction and the God’s creation – and finding this balance is the key to South Carolina’s natural resources not only surviving but thriving.

Natural resources provide both an immediate economic benefit and a lasting quality of life to the citizens of South Carolina. Look, for example, at the timber industry in the Upstate or the shrimpers and fishermen in the Low Country and it is clear that natural resources serve as the foundation for much of our

Governor Sanford's Goals for **Improving the Quality of Our Natural Resources** are to provide for the:

- ✓ Marketing and enhancement of the economic and social value of SC’s natural resources.
- ✓ Production of statewide outcome-driven policies, incentives and programs aimed at ecological sustainability.
- ✓ Minimization of negative effects related to business and population growth, industrialization and development.
- ✓ Regulation and enforcement of quality standards.
- ✓ Expansion of programs aimed at individual-level citizen stewardship and education.
- ✓ Prevention and response to irresponsible human behavior related to natural resources or the destruction thereof.



state's commerce and way of life. While we have talked a lot over the years about economic development being the key to keeping our state home to future generations, that belief is based on the assumption that South Carolina will continue to be a unique and desirable place to live. Accordingly, our budget priorities will focus on those activities that deliver meaningful outcomes and ultimately enable our children to call South Carolina home.

### **Developing our Purchasing Priorities**

In order to develop our purchasing priorities, we first looked at the major indicators of success to determine whether state government is currently reaching its goal of improving the quality of South Carolina's natural resources. We have found that South Carolina continues to make progress, but the road ahead is lined with challenges. Whether it is the accelerating pace of suburbanization, the flagrant abuse of our environment by litterbugs and arsonists, or simply public malaise when it comes to recycling and community conservation, the future of South Carolina's natural beauty may become an endangered species unless we take concrete steps to ensure its protection.

In looking at the current condition and sustainability of our environment, it becomes necessary to craft a budget that realistically and functionally addresses the state's top priorities when it comes to natural resources.

This fundamental strategy has two components – adequacy and effectiveness. In other words, we need to make sure that our budget, 1) provides enough in the way of financial and personnel support to protect our natural resources in the near and long term, and 2) allots these funds to the most efficient and effective activities so that state dollars can be maximized to affect the greatest amount of change possible.

### ***Where we are succeeding***

With tourism as our state's top industry, and tourism relying heavily on the appeal of our state's natural resources, it is imperative that we continue to invest in our natural resources just like we would invest in other high-yield economic development projects. For instance, South Carolina has been a trail-blazer in its pursuit of alternative fuels. Two significant examples of these alternative energy sources are nuclear power and hydrogen fuel cells. Projects like Clemson's partnership with ICAR, MOX and the Savannah River Site will lay the groundwork for South Carolina to become a key contributor to energy innovation in the future and result in up to \$10 billion in capital investment and tens of thousands of well-paying jobs over the next two decades.

Additionally, the Palmetto State Clean Fuels Coalition and the South Carolina Energy Office have aggressively marketed alternative transportation fuels through their education and outreach efforts, with the dual goals of reducing the amount of energy used for transportation and improving the quality of life for all South Carolinians.

Progress on this front will likely include the expansion of ethanol production and consumer use here in South Carolina.

Natural resource improvement comes not only in the form of innovation and discovery, but also sustainability and preservation in our constant struggle to deal with the massive amounts of spent natural resources and its accompanying waste. In this regard, the South Carolina Recycling Market Development Advisory Council, an agency within the Department of Commerce, recently reported that recycling in South Carolina has a \$6.5 billion economic impact. Furthermore, the study suggests that the recycling industry could grow 12 percent annually – an impressive growth rate with both economic and environmental benefits.

South Carolina is also one of the largest states participating in the Energy Star Program. Calhoun County is a standout example, as it recently received an Energy Star rating of 90 out of 100 for its county administration building and rating of 88 for its county courthouse. Calhoun County estimates an annual savings of \$20,000 on utility bills from the two building projects.

### ***Opportunities for Improvement***

According to a multi-agency study encompassing the Environmental Protection Agency and the South Carolina Department of Health and Environmental Control, the state of South Carolina has maintained a “good” air quality rating – the highest rating possible.

This positive news on the air quality front serves to highlight the challenges we face in maintaining and improving our state’s water quality and quantity. Water pollution is a serious problem in South Carolina and it affects the quality of life of all our citizens, not just those with waterfront property.

Recently, an estimated 25 to 50 gallons of diesel fuel were spilled into the May River in the Low Country. Many Beaufort County residents believe this disaster was only exacerbated by the delayed response time and questionable coordination efforts of the emergency-response crews and environmental agencies involved. As a result, the May River, long noted for its abundance of oyster beds, is now experiencing a decline in oyster numbers, since oysters serve as nature’s barometer of water quality – akin to the “canary in the coal mine” – and once exposed to pollution or hazardous waste, they are severely affected and usually die. The South Carolina Department of Health and Environmental Control recently reported that southern Beaufort County’s Shellfish Management Area 18, containing about 12,000 acres of shellfish, has now had its status downgraded to “restricted.” When a shellfish management area becomes restricted, it means it can only be harvested with a special permit, and any shellfish caught must be transferred to cleaner water to allow for decontamination before human consumption.

Public water use for recreation and fishing is an important staple of life for many South Carolinians. This is borne out in the fact that, year to date, state boat registrations with the Department of Natural Resources are up more than 16 percent. Still, we can

increase the quantity and improve the quality of public access points to state waterways, including repairing damaged public boat ramps/landings and building new ones.

We noted last year that experts predicted South Carolina's population would swell by more than one million people in the next twenty years, a third of whom will make their home along the coast. To accommodate this massive growth, we are converting productive timber and agricultural land to urban and suburban uses at a rate of 200 acres per day. While this may not directly affect our situation in the here and now, it will affect our future, the future of our children and the future of our children's children.

South Carolina reportedly has the 9<sup>th</sup>-highest rate of land conversion in the country, and this development is unlikely to slow. With this in mind, land conservation is vital in our effort to enjoy the present and preserve for the future. We believe it is important to minimize the negative effects of development and industrialization by initiating and organizing "Smart Growth" plans across the state, with special attention paid to high-growth regions. Accordingly, Representative Ben Hagood introduced the Priority Investment Act two years ago in an effort to promote deliberate, efficient infrastructure investments in areas best suited for growth by encouraging local communication in the development planning process. We believe that more disciplined planning can reduce sprawl and save tax dollars on infrastructure.

When facing these and other challenges when it comes to our state's natural resources, we should ask ourselves one overarching question: in fifty years, do we want our beautiful state to look like southern Florida or South Carolina?

### **Purchasing Priorities**

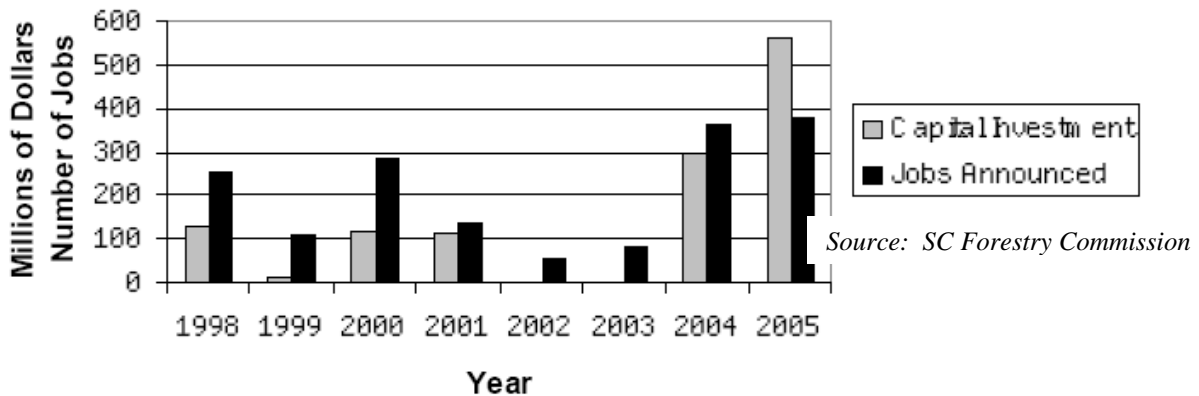
Having determined where we are succeeding and where opportunities for improvement exist, we will now identify some proven or promising strategies that will determine our purchasing priorities and best achieve our stated objectives.

The state's role in protecting our natural resources is six-fold:

1. to market the socioeconomic value of South Carolina's natural resources;
2. to produce statewide outcome-driven policies aimed at ecological sustainability;
3. to minimize the negative effects related to industrialization and population growth;
4. to regulate and enforce quality standards;
5. to provide programs aimed at individual-level citizen stewardship and education; and
6. to prevent and respond to irresponsible human behavior resulting in natural resource destruction.

To provide for the marketing and enhancement of the economic and social value of SC's natural resources. Natural resource-related industries contribute billions of dollars to SC's economy annually. It is essential to foster an environment which allows for maximum economic and social use – without detriment to the resources – of South Carolina's agriculture, forestry, aquaculture, parks and tourism-related resources. In sum, it is vital that we market the value of SC's natural destinations and products, consider possible long-term cost-savings from proactive measures in the short-term and increase public accessibility of natural resources for responsible recreational/commercial use. As the chart below shows, natural resources such as forest-based industry have a direct economic and employment impact on South Carolina.

Forest Based Economic Development Impact



To provide for the production of statewide outcome-driven policies/incentives/programs aimed at ecological sustainability. Ecological sustainability demands programs that offer flexibility, creativity and quicker response times for conservation and preservation efforts; pursue beneficial partnerships between citizens, nonprofits and the state (for example, conservation easements, conservation banks and land trusts, private land sales and gifts); enable landowners to manage responsibly and pursue conservation opportunities; and support – both financially and logistically – land use planning activities while working within landowner rights, because more often than not, the stewards of the land are the owners of the land. In sum, and with future generations in mind, natural resource conservation requires a dedication to policies and practices that sustain our ecosystem.

To provide for the minimization of negative effects related to business and population growth, industrialization and development. According to current estimates, South Carolina will have 916 square miles of new development to accommodate 1.1 million new people by 2025. This drastic expansion of man and concrete will demand that South Carolina pay close attention to land conversion rates, deforestation and the potentially negative impact of uncontrolled growth. In sum, it is vital that we carefully consider the long-term effects of current development patterns and adjust accordingly.

To provide for the regulation and enforcement of quality standards and the responsible use of natural resources. Compared to other regions in the country, South Carolina has been blessed with high quality water and air. But without constant and consistent efforts on behalf of the state, this boon could become a bane to our existence. It is vital that we regulate and enforce quality standards – through the use of permits, record-keeping, inspections and other means – to sustain the low impact use of our resources.

To provide for and expand programs aimed at individual-level citizen stewardship and education. Expanding public knowledge can considerably reduce negative human impact on natural resources. Educational opportunities would include those that provide public information to encourage environmental stewardship; educate youth on South Carolina's natural resources; promote best practices in forestry and agriculture; promote fire safety; and encourage the responsible use of all natural resources.

To provide for the prevention and response to irresponsible human behavior related to natural resources or natural resource destruction. Mankind may very well be classified as enemy number one to natural resources. By creating various measures that prevent and deter people from violating established rules and regulations, we can better preserve our natural resources.

**Governor’s Purchasing Plan – Highlights**

We address our state’s fiscal problems by purchasing only those activities that most directly address critical natural resources issues. To put it simply: we “buy” only those activities that can and have been proven to show results. We do not purchase some services that, while still considered valuable, have been identified as lower priorities. The following table identifies key purchases within our executive budget’s total state natural resources purchasing plan as well as examples of what is not being purchased. Detailed highlights of our purchasing plan are provided below the table.

<p><i>Improve the Quality of Our Natural Resources</i></p>	
<p><b>Purchasing Plan:</b></p> <p>\$88,542,853 General Funds</p> <p>\$322,540,507 Total Funds</p>	<p><b>Examples of what our plan buys:</b></p> <ul style="list-style-type: none"> <li>▪ Protection of expansive timber tracts</li> <li>▪ Development of the South Carolina Quality Program</li> <li>▪ State Parks asbestos abatement</li> <li>▪ The Marine Resources Monitoring Program Support</li> <li>▪ The enhancement of Water Quality</li> </ul>
<p><b>Savings Proposal:</b></p> <p>\$6,924,389 General and Other Funds</p>	<p><b>Examples of what our plan does not buy:</b></p> <ul style="list-style-type: none"> <li>▪ Non-core mariculture and aquaculture programs</li> <li>▪ Shifting the Natural Resources and Environmental Research and Education study on Recreation and Tourism</li> <li>▪ Forest Renewal Program Financial Assistance</li> <li>▪ Nuisance species abatement</li> </ul>

**Our Plan Buys:**

**Expanded funding for the South Carolina Conservation Bank.** In conjunction with ongoing efforts by both public and private entities, we believe a state Timber Conservation Fund that specifically targets large tracts divested by the major timber companies is a necessary step in a broader effort to preserve our state’s environment and our quality of life. Our plan **proposes \$20 million** to augment the Timber Conservation Fund, thus taking advantage of this unique opportunity and complementing the outstanding efforts already in place at the South Carolina Conservation Bank.

**State parks asbestos abatement.** We believe a safe working environment for those managing and protecting our more than 80,000 acres of South Carolina natural and cultural resources is crucial. State parks stimulate tourism, improve recreational and educational frameworks, and strengthen the economic development of our state. We propose **\$1 million of capital funds** for asbestos abatement projects across the state.

**Marine infrastructure and resources monitoring program support.** This program serves to strengthen and reinvigorate marine infrastructure in South Carolina. Marine monitoring provides South Carolina with the profitability of not only our seafood and tourism industries but also the sustainability of our ecosystem and marine aquaculture. We propose **funding of \$1 million in capital funds and \$250,000 in recurring dollars** to help preserve South Carolina's aquaculture.

**The enhancement of water quality.** South Carolina has 29,794 miles of rivers, 407,505 acres of lakes and 401 square miles of estuaries that would benefit from a complete and maintained monitoring network. Water is becoming a competitive resource – as recent disputes with Georgia and North Carolina bear out – and the monitoring and maintenance of water quality and

### **DNR biologists complete red drum stocking for 2006**

Biologists recently completed their restocking efforts of juvenile red drum for the year with a coordinated release of 3,000 13- to 15-inch fish around Little River and the Ashepoo, Combahee and May rivers.

South Carolina Department of Natural Resources' (DNR) biologists, along with the U.S. Fish and Wildlife Service, have worked diligently since August to produce and stock red drum, also known as spot-tail bass, into state waters. Through the collaborative effort, 48 million red drum larvae, (three days old), and two million small juvenile red drum, (20-30 days old), have been released along coastal waters as part of the South Carolina Saltwater Recreational Fishing License funded Red Drum Stocking Program.

"To meet this aggressive production schedule, biologists worked around the clock from August through early November to complete the steps necessary for releasing the fish into the water," said DNR biologist Wallace Jenkins.

In 1987, the DNR's Marine Resources Division began conducting intensive studies on recreationally important inshore fishes, including red drum. Research clearly demonstrated a decline in the number of red drum in South Carolina waters, and in 2001, changes in size and catch limits were enacted to protect this recreationally important species and allow for its population recovery. Currently, size limits for red drum have a minimum total length of 15 inches, a maximum total length of 24 inches, and a catch limit of two per person per day.

This year's releases through the Red Drum Stocking Program began in the spring of 2006 with 12,000 medium size juveniles released in Murrells Inlet and the Combahee River. This year's activities have been designed to focus on understanding the relationship between size and method of release on the species' recapture rate. Over the course of the year, red drum have been stocked at four life stages: three-day-old larvae; 20- to 30-day-old small juveniles, one to two inches; six-month-old medium juveniles, 5-7 inches; and one-year-old large juveniles, 13-15 inches. "The red drum releases will enhance fishing opportunities for recreationally licensed anglers in each area, and hopefully take some of the pressure off of the wild stock."

quantity will only increase in importance. Therefore, we propose \$500,000 in funding from the general fund.

***Our Plan Saves By:***

**Consolidating** select DHEC functions, DNR and Forestry into the newly formed Department of Environment and Natural Resources will allow for an adjustment for administrative savings. This **consolidation** will create efficiency within the newly formed agency, **freeing up \$932,077** of the general funds.

**Continuing to encourage the golf course industry to fund turf-grass research.** As the industry cites the value of this service, we feel they should fund the continued research accordingly, once again **eliminating** the need for a **state subsidy of \$145,200.**

**Making pesticide licensure programs self-sufficient.** Nearly all licensed professions under LLR are **self-sustaining**. In continuing this effort of creating a **self-sufficient** pesticide licensure program, we have pushed for contracting with LLR to provide more efficient online certificates and renewals and extending renewal cycles to two years. Fees for seminars and certification should only be increased if necessary after the program has been made more efficient. The **self-sufficiency** of this program **resulted in efficiencies** amounting to **\$187,732.**

**To produce efficient sustainable forestry, integration of PSA forestry efforts with Clemson academic programs becomes a necessity** – provided that the Forestry Commission is allowed to perform any outstanding activities, if considered a priority. **Integration** provides strengthening and efficiency for the program while **conserving \$1,883,839** in general funds for more core functions of government.

**Meat inspection**, such as testing and inspections of meat and poultry processing operations is a necessary activity to ensure the safety of South Carolina's food products. While these actions are of high importance in the health of our state's citizens, it remains unnecessary to duplicate an action over and over. This activity should be subsumed under current DHEC operations, thereby saving an estimated half of its current general fund needs. Our plan **saves \$612,001** of general funds.

**Reducing the impact of animal agriculture on the environment** reduces the environmental impact of animal waste through statewide research and education programs for animal agriculture producers. Though it is imperative that we reduce the effects of animal waste on the environment, we feel these activities should be supplemented by consumers. By creating a more fee-based system, we are able to **salvage \$100,000** of general funds.

**Agency consolidation** works to maintain administrative savings by **consolidating** select DHEC functions, DNR and Forestry into the new **Department of**



**Environment and Natural Resources.** Creating an integrated agency **saves** South Carolina **\$513,588**.

**Wildland firefighting** protects life, property and the state's natural resources. It also collaborates with various agencies in times of risk incidents such as hurricanes and natural disasters. This program maintains a vital role in the Forestry Commission, though it should be supplemented by a fee-based system. We feel this activity should be **decreased by \$1 million** and replaced by an increase in fees which would be assessed against private landowners in need of such services.

**Making Tough Choices:**

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcomes would be as effective in achieving our goal. The following reflects some of those difficult choices:

**Non-core mariculture and aquaculture programs.** We propose limiting DNR's role in mariculture and aquaculture to permits, compliance, and research of significant benefit to South Carolina taxpayers. We believe that research for species like red drum is related to a viable state industry, but other research efforts can be performed by the industries, states and nations that realize the benefit – allowing us to **rededicate \$418,816** in general funds to more critical needs.

**Shifting the Natural Resources and Environmental Research and Education study on Recreation and Tourism** opportunities in South Carolina funding from Clemson PSA to individuals and private industry would serve as a more appropriate source of funding. This **proposal saves \$66,012** of general funds.

**Nuisance species abatement.** South Carolina currently funds studies of the techniques for minimizing the impact of nuisance species such as beaver. We feel that, given our current budget situation, advancing the technology for eradicating nuisances is a lower level priority for government. DNR used to perform activities related to nuisance species; however, the agency now refers individuals to private Nuisance Wildlife Control Operators. In step with DNR, Clemson PSA should also defer to the private sector for related activities, **saving \$87,277** in general funds.

**Forestry enforcement.** Forestry officers conduct timber theft and fraud investigations. Wildfire prevention and suppression were more imminent needs for the Forestry Commission, so we were forced to choose between improving suppression measures and the **\$297,662** in general funds for this service. Fortunately, the strengthened force of DNR Wildlife officers is well-positioned to carry out this function.

**Television, web, print and radio entertainment.** Productions like “Making It Grow” and others are a difficult choice when compared to health care, law enforcement, corrections and other critical state functions. We believe it would be beneficial to coordinate outreach with the Department of Agriculture and reevaluate the PSA communications strategy to ensure that these efforts are focused on serving the core agricultural constituency. We propose a **1/3 reduction** in television, web and print of **\$410,790** and a **reduction** of **\$69,395** in radio, rendering a **comprehensive savings plan** of **\$480,185** in general funds.

**Forest renewal program financial assistance.** Financial assistance is provided for private, non-industrial landowners for the first 100 acres of a project. Critical needs in other budget areas took precedence over the state’s contribution of **\$200,000** for this landowner subsidy.

*Please see the Appendices for a complete listing of the Governor’s Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.*

# **Improve the Safety of People and Property**

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## Improve the Safety of People and Property

Whether it is Emily Smith from Lancaster being directed through USC football game traffic, Mike and Susan Rianetti from the Isle of Palms attending a seminar on emergency evacuations in the event of a hurricane, or Fred and Susan Taylor of Columbia searching for answers as to who recently stole their 2003 Honda minivan – citizens around South Carolina demand an effective statewide public safety network. While public safety statistics are often beyond the control of a state's public safety structure, and issues and concerns vary considerably from one person to the next, few dispute the linkage between an uncoordinated and ineffective public safety structure and diminished citizen confidence. The implications for this linkage are important in that other goal areas such as education, economic development, and quality of life often go hand-in-hand with perceived safety.

Unfortunately, in spite of its sizable efforts, South Carolinians remain vulnerable to crime, natural or man-made disasters, and accidents at rates higher than most of their Southeastern neighbors.

Crime continues to be a major concern for the citizens of South Carolina. For instance, the state was recently ranked as having the 5th highest crime rate in the nation as reflected by data compiled by the Federal Bureau of Investigation. While one should not singularly focus on a crime rate without regard to other factors (i.e., population density, composition of the population-particularly the concentration of youth, climate, economic conditions, strength of local law enforcement agencies, citizens' attitudes toward crime, cultural factors, education levels, crime reporting practices of citizens, and family cohesiveness), there nevertheless continues to be a pervasive crime problem within the state as evidenced by our sizable prisoner incarceration rate.

Additionally, South Carolina is threatened by natural and technological hazards. The threat posed by these hazards can be both immediate (e.g., hazardous chemical spills, hurricanes, tornadoes) and long-term (e.g., droughts, chronic chemical releases). These hazards have the potential to disrupt day-to-day activities, cause extensive property damage, and create mass casualties. Historically, the greatest risk was perceived to be from natural hazards (e.g., hurricanes, tornadoes, severe storms, floods, earthquakes). For instance, South Carolina has averaged 11 tornadoes each year since 1950, resulting in 47 fatalities and 1,057 injuries. Lately, however, the continued expansion of chemical

Governor Sanford's Goals for **Improving the Safety of People and Property** are to:

- ✓ Decrease personal injuries and property damage that result from natural and man-made disasters (non-criminal) and criminal activities.
- ✓ Increase the percentage of offenders managed successfully.
- ✓ Increase emergency response and recovery following natural and man-made disasters and criminal activities.
- ✓ Increase citizen confidence of their safety.

usage is raising the risk posed by technological hazards (e.g., hazardous chemical releases/spills) in South Carolina, such as the one experienced in Graniteville several years ago.

Finally, South Carolinians face numerous individualized hazards such as traffic collisions and hunting and boating accidents. In fact, South Carolina highways were recently cited as the 2<sup>nd</sup> most deadly roads in the nation with an average of three people dying on South Carolina roads each day.

Faced with such conditions and risks, it becomes apparent that an improvement for the safety of people and property is fundamental not only to the quality of life in South Carolina, but also to the vibrancy of its economy.

### **Developing our Purchasing Priorities**

In order to develop our purchasing priorities, we first established major indicators that we felt would quantitatively monitor the yearly progress being made toward the goal of improving the conditions for the safety of people and property within the state. These quantitative measures, as determined by the FY 2007-08 Safety to People and Property results team, are loosely assembled into one of four categories:

1. Decreasing personal injuries and property damage that result from natural and man-made disasters (non-criminal) and criminal activities.

Since personal injuries and property damage associated with natural or man-made disasters occur mainly within the realm of the state's transportation system, an understanding of major transportation safety rates is an important component in determining the progress of the state with regard to this indicator. The state of South Carolina has several standardized measures available to it to assess non-criminal injury and loss, including such measures as the mileage death rate and economic loss from collisions. These rates come primarily from the Department of Public Safety (DPS) and the Department of Natural Resources (DNR).

A comparison of yearly crime rates is the best method to determine whether progress is being made toward a decrease in the criminal component of this indicator. Like non-criminal activities, the state of South Carolina uses several standardized measures to assess crime rates. The primary measure for major crime categories is the Uniform Crime Rate provided by the State Law Enforcement Division (SLED). Other statistical data is readily available from DNR, DPS, and the FBI.

2. Increasing the percentage of offenders managed successfully.

For this indicator, we considered the term offender to imply both adult and juvenile inmates within the South Carolina Department of Corrections

(SCDC) and the Department of Juvenile Justice, as well as parolees and those on probation monitored by the Department of Juvenile Justice and the Department of Probation, Parole and Pardon Services (PPP). In having a large offender population, the state has an obligation to monitor the success of its activities devoted to offender management so that it may be good stewards of taxpayer funds as well as provide consistent treatment and opportunities to those offenders who are the concern of the state.

Additionally, this indicator is directly linked to the other criminal indicators in that the successful management of the offender population impacts both crime rates as well as citizen confidence. Noting this, primary measurables for offender management are the recidivism rate, and escape and assault rates. Other pertinent statistical data is readily available from SCDC, DJJ, and PPP.

3. Increasing emergency response and recovery following natural and man-made disasters and criminal activities.

Response and recovery is the end product of preparation for and/or the prevention of criminal and non-criminal activities. Successful measures for this indicator include response times to emergencies as well as the limiting of personal and property damage associated with criminal and non-criminal catastrophic events.

A measure of recovery is the successful completion of investigative work, apprehension rates, and prosecution following criminal activities. Statistical data for this category is readily available from SLED, DNR, DPS, and the FBI.

4. Increasing citizen confidence of their safety.

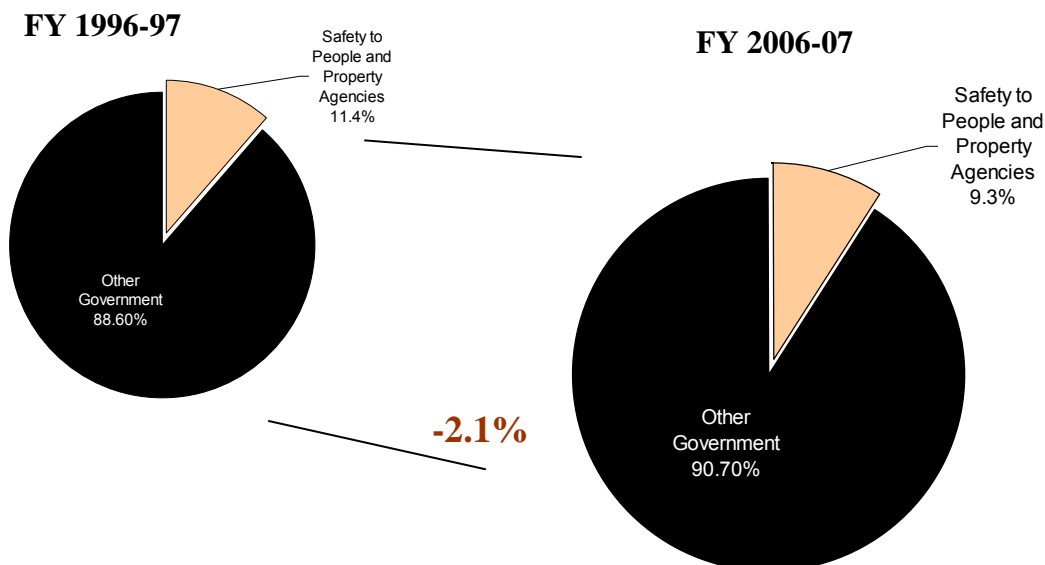
Increasing citizen confidence considers whether or not citizens perceive themselves and their belongings as being free from harm. Thus, if the above indicators represent actual improvements regarding case management, escape rates, response times, etc., citizen confidence seeks to measure perceived improvements. The implications for perceived safety are important in that other goal areas such as education and economic development often go hand-in-hand with perceived safety.

The results team determined that the best way to measure citizen confidence is through the use of opinion surveys, the tabulation of written comments to agencies, and other tools which measure the citizen's perception of service delivery. Unfortunately, with difficulties often associated with obtaining such feedback data, it was acknowledged that the next best way of establishing success regarding citizen confidence is through the measurement of outcomes which typically imply citizen confidence. Such primary measures include response rates, escape rates, case closure rates and prosecution rates. Other

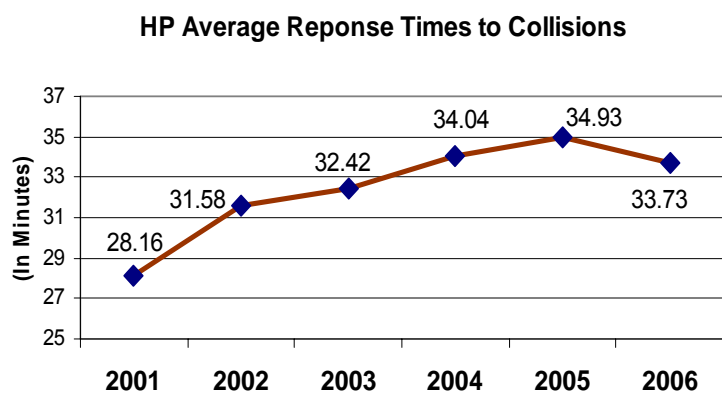
measures were input in nature and included a “presence” factor that related to the number of law enforcement officers available for a specific patrol.

### ***Where we are succeeding***

From FY 1996-97 to FY 2006-07, the major law enforcement and correctional agencies (SLED, SCDC, PPP, DJJ, DMV, DPS, and DNR) saw their budgets – as a percentage of the overall state budget – decline by over two percentage points.



This reduced percentage of the overall budget resulted mainly from a “crowding out” of funds available to the major law enforcement and correctional agencies due to significant growth in the state’s other core areas – primarily, health and education. This reduction is felt most noticeably with the retention of staff and the breakdown of older equipment.



Despite commanding a smaller portion of the state’s budget, South Carolina continues to make gains within several key measurements that pertain to the safety of people and property. These include improvements in the following major indicators: *preventable injury and loss, emergency response and recovery, and citizens’ confidence* as reflected in the Highway

Patrol’s average response time to collisions, the mileage death rate and drunk driving to

fatality death rates. Additionally, improvements within the indicator, *offender management*, are reflected in the state's inmate escape rates and juvenile offender GED and diploma obtainment rates.

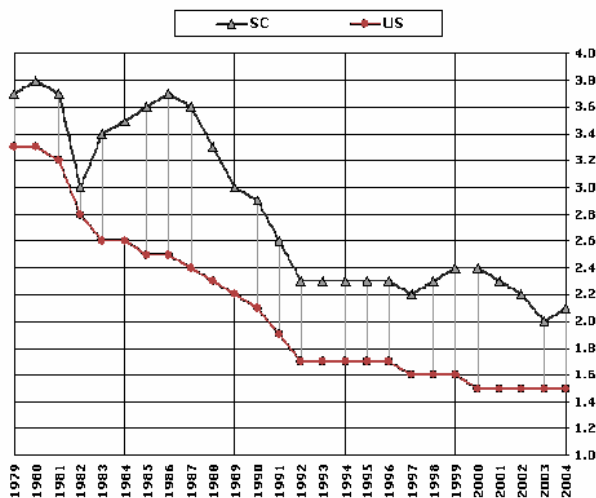
With regard to *preventable injury and loss, emergency response and recovery and citizens' confidence*, in 2006, the average trooper response time to collisions fell by over a minute to 33.73 minutes – the first reduction in five years. This reduction stems in large part from the administration's efforts to combat slow response times through the funding of additional trooper classes during FY 2005-06 and FY 2006-07. Prior to the decrease in 2006, the Highway Patrol's response time to collisions had increased over 20 percent from 2001 to 2005 – from 28 minutes in 2001 to nearly 35 minutes last year.

Similar improvements were seen in South Carolina's 2004 (the latest year for National Highway Traffic Safety Administration statistics) mileage death rate (MDR) is defined as the number of traffic fatalities per 100 million vehicle miles of travel. While continuing to be higher than the national average, the state's MDR showed a declining long-term trend similar to the national results.

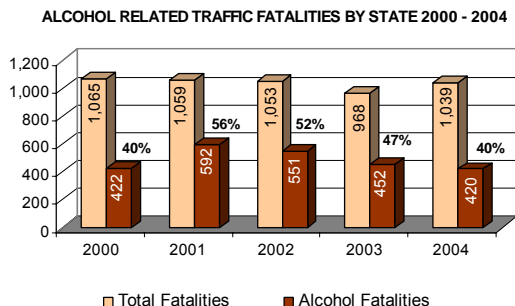
For instance, in 2004, the MDR was at its second lowest level in the state's history at 2.11 deaths per 100 million miles of travel. While there was a slight increase of 4.9 percent in the rate for 2004, vs. 2003 (2.01), the four-year trend reflects generally improving conditions within the state in relation to the factors which contribute to roadway fatalities.

The 2004 MDR rate increase may be partly explained by a rapid increase in the number of licensed drivers from 2003 to 2004. For example, in 2003 the state had 2,982,986 licensed drivers, while in 2004 this number had advanced to 3,341,153, a 12 percent increase. This significant enlargement of the driver pool took place in the midst of a stagnant level of road miles available to citizens of the state. For example, while licensed drivers increased dramatically from the prior year, the state's total roadway miles (state and local) remained nearly constant as miles increased from 66,231 in 2003 to 66,252 in 2004, a 0.03 percent increase.

MILEAGE DEATH RATE  
SOUTH CAROLINA vs. NATIONAL AVERAGE  
1979-2004





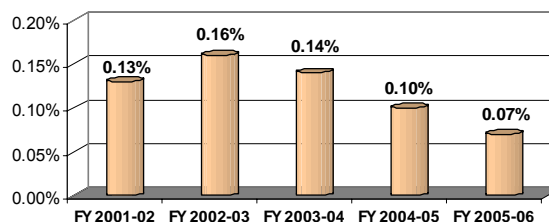


Much like Highway Patrol average response times to collisions and the state's mileage death rate, the state experienced an improvement with its alcohol-related fatalities during 2004. From 2001 through 2003, South Carolina had ranked in the top three states in the U.S. for percentage of highway fatalities which involved alcohol. We were #1 in 2001 and #3 in

2003, with 47 percent of our 968 traffic fatalities being alcohol-related versus the national average of 40 percent during that year. During 2004, the percentage of traffic fatalities caused by alcohol impaired drivers decreased to 40 percent. Because of this decline, we were tied for 9th with two other states.

South Carolina is also making slight gains in terms of *managing offenders* based on decreases in the state's inmate escape rates. These gains come even though South Carolina is ranked 7<sup>th</sup> in the nation for its prisoner incarceration rate with 539 prisoners per a 100,000 population – 10.9 percent higher than the national average of 486 prisoners per a 100,000 population. Regardless of our substantial

**Escape Rate**  
(as a percentage of the Average Daily Institutional Population)



inmate population, as a result of managerial and policy changes, the state's inmate escape rate further declined to 0.07 percent of the average daily institutional population for FY 2006. This continued decline is in contrast to the sharp increase in inmate escapes which occurred from FY 1999-00 to FY 2002-03. As discussed earlier, improving inmate escape rates often has an impact on the perceived safety of citizens within the state.

Additional offender management successes are reflected in DJJ's School District again receiving "excellent" absolute and improvement ratings on its recent Department of Education report card, resulting in its receiving a Palmetto Gold Award. This is the third consecutive year DJJ's School District has received this award.

Finally, the favorable conclusion of a 13-year old federal class action lawsuit signified official recognition that DJJ has put measures in place to not only ameliorate overcrowding, but also to meet minimal constitutional standards to ensure the safety of juveniles within its facilities.

### ***Opportunities for Improvement***

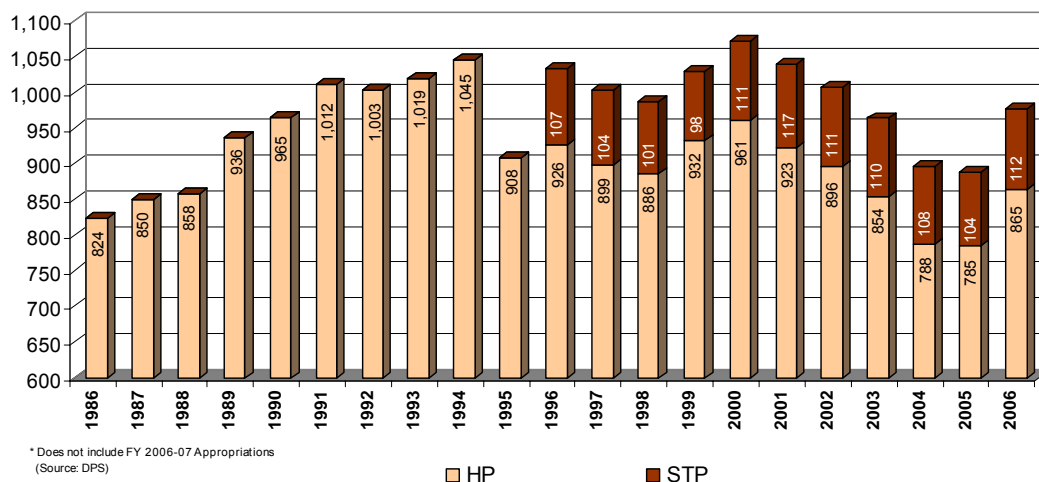
There is still a great need for improvement in a number of key measurements that can advance our goals for public safety. These include needed improvements in *preventable*

*injury and loss, emergency response and recovery, and citizens' confidence* as reflected in drunk driving to fatality death rates and the yearly increases in economic loss associated with vehicle collisions, as well as *offender management* as reflected in the state's combined assault rates and adult recidivism rates.

With regard to *preventable injury and loss, emergency response and recovery and citizens' confidence*, while the number of alcohol-related fatalities has fallen over the past several years, the state is still experiencing a spike that began in the late 1990's. Even though 40 percent – as described earlier – represented a significant improvement over the 47 percent experienced in 2003, it still was well above the U.S. average of 35 percent for 2004. This differential between the state and the national average provided South Carolina with a ratio of alcohol-related fatalities to overall fatalities that was among the highest in the nation – again 9th. Further, when considering the impact of the increase in the state's total fatalities (MDR) for 2004, the alcohol-related fatalities statistic is not as favorable as it appears at first glance. As such, we remain committed to an even greater reduction in alcohol-related traffic deaths and have taken steps toward reducing such deaths.

First, to strengthen our drunk driving laws, we will encourage the General Assembly to pass legislation which closes the loophole related to a motorist's protected rights while, at the same time, we use a 0.08 per se standard. Second, we plan to improve our ability to enforce drunk driving laws by continuing to increase highway traffic enforcement through the funding of new officers for the third year in a row. This year, we intend to fund 100 additional Highway Patrol officers and 25 new State Transport Police officers. Within the FY 2005-06 and FY 2006-07 Executive Budgets, we funded 200 new Highway Patrol officers and 45 additional State Transport Police officers. These increases will reverse years of field officer declines at the Department of Public Safety. For example, the number of commissioned Highway Patrol and State Transport Police officers decreased from 1,072 (HP: 961, STP: 111) in FY 1999-2000 to 889 (HP: 785, STP: 104) in FY 2004-05, a reduction of 17.1 percent in merely five years.

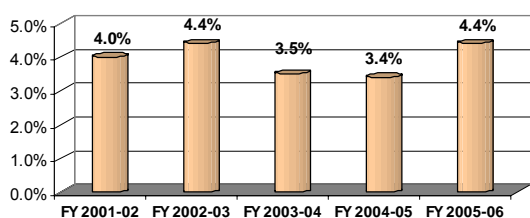
HP and STP Commission Officers  
(1986 - 2006)



The above officers currently must patrol over 66,252 miles of state roadways and are responsible for enforcing traffic laws, investigating collisions, assisting motorists, and providing a safe motoring environment for the public. An increase in the level of troopers will help combat the state's high drunk driving rate as well as continually improve the response time to collisions.

An expansion in enforcement efforts, coupled with greater individual practices from our citizenry, must occur if we are to prevent the state from subjecting itself to even greater levels of economic loss related to collisions. Since 2002, economic loss from vehicle collisions has increased by over 12 percent, and in fact, last year expanded from \$2.62 billion to \$2.70 billion.

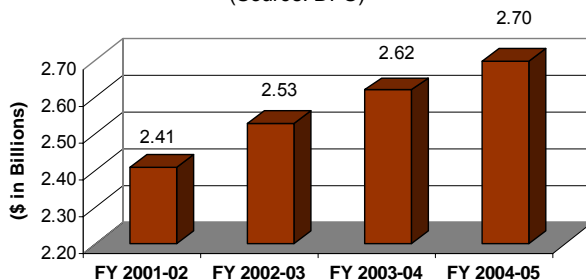
**Combined Assault Rate**  
(as a percentage of the Average Daily Institutional Population)



number of inmate assaults on fellow inmates, inmate assaults on guards and inmate assaults on other persons – while declining from 4.4 percent in FY 2002-03 to 3.4 percent in FY 2004-05, increased significantly to 4.3 percent during FY 2005-06. This expansion resulted primarily from an increase in inmate-on-inmate and inmate-on-guard assaults during FY 2005-06 and is being addressed by the administration's increased funding of additional correctional officers to speak to the state's high inmate-to-correctional staff ratio of 9.6:1 versus the national ratio of 5.8:1.

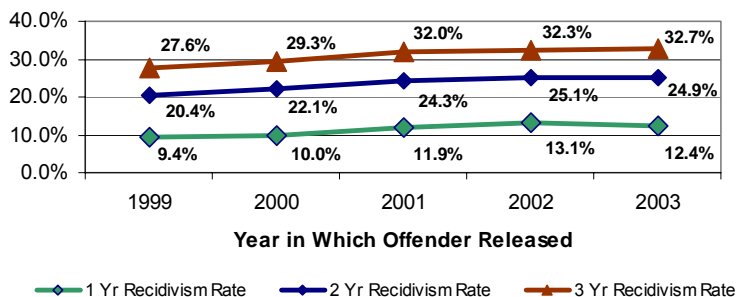
South Carolina also has room for improvement in terms of *managing offenders*. The combined assault rate – the

**Economic Loss from Vehicle Collisions**  
(Source: DPS)



Improvements are also needed in terms of South Carolina's adult recidivism rates. The percentage of re-offenders from those that have spent time in the state's correctional system has risen steadily since 1999. While the state's three-year recidivism rate (32.7 percent) in 2006 is slightly lower than the national three-year recidivism rate (33.8 percent) of the same period, it remains too high, particularly when compared with earlier statistics.

**1 Year, 2 Year, & 3 Year Recidivism Rates since 1999**



**Purchasing Priorities**

The major funding priorities are those that best achieve the results needed for our goal. The four key purchasing strategies, as determined by the FY 2007-08 Safety to People and Property results team, are defined as follows:

To provide for the preparation and prevention of criminal activities and natural and/or man-made events. Preparedness for either a criminal activity or a natural or man-made disaster is achieved when an agency is properly staffed, equipped, trained, and has a proven, executable plan in place to deliver its services. The goal in preparing for either criminal or non-criminal events is to reduce the risk of harm to people and property that are either associated with or come in contact with these events. Prevention is an additional step to preparedness that can mitigate the factors which encourage criminal activities or man-made disasters.

To provide for the effective management of the state’s offender population. Effective offender management is directly related to the strategy of criminal prevention due to the direct removal or monitoring of actual offenders by SCDC, DJJ, and PPP. As such, the goal of effectively managing offenders is the same as the crime prevention goal – reduce the risk of harm to people and property that are either associated with or come in contact with criminal activities.

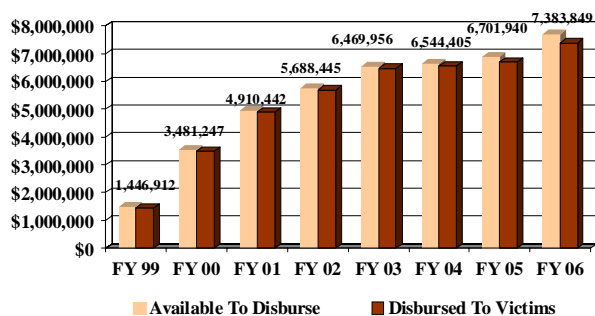
To provide for the enforcement of state laws. Having more law enforcement officers can help prevent crime and result in greater compliance with state laws. Thus, while directly linked to the prevention of criminal activities, the primary focus of this strategy is “point-of-contact” as it pertains to the enforcement of state laws. Examples of this strategy include traffic and commercial motor vehicle weight enforcement.

To provide for response and recovery activities following criminal activities and natural or man-made events. Response and recovery is the end product of preparation for and/or the prevention of criminal or non-criminal activities. This strategy includes components of response, such as criminal investigations and traffic accident response; and recovery, such as victims’ restitution and disaster clean up. For instance, regarding victims’ restitution, the Department of Probation, Parole, and Pardon Services has steadily increased the total dollar

amount of restitution payments collected and disbursed to victims. Effective response and recovery provide for a higher level of not only perceived but also actual safety for the citizens of the state.

**PPP Restitution to Victims**

FY 1998-99 to FY 2005-06



**Governor’s Purchasing Plan – Highlights**

We address our state’s fiscal problems by purchasing only those public safety services most needed by citizens. We do not purchase services that, while still considered valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget’s total state public safety spending plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

<p><i>Improve the Safety of People and Property</i></p>		<p><b>Examples of what our plan buys:</b></p>
<p><b>Spending Plan:</b></p>		<ul style="list-style-type: none"> <li>▪ An additional 125 troopers and officers that, along with existing troopers and officers, will assist nearly 100,000 motorists and enforce commercial motor vehicle laws.</li> <li>▪ Increased resources for incarceration of 22,905 violent and non-violent adult criminals and 1,867 juvenile offenders.</li> <li>▪ Supervision of 47,420 jurisdictional offenders upon orders of the courts or Parole Board.</li> <li>▪ Over 4,525 requests statewide for investigative services, including 189 fugitive cases.</li> </ul>
<p>\$599,572,251 General Funds</p>		<p><b>Examples of what our plan does not buy:</b></p>
<p>\$1,059,322,963 Total Funds</p>		<ul style="list-style-type: none"> <li>▪ Reduced food service expenses at the Department of Corrections associated with the implementation of the Egg-laying/Pullet House, the Freezer Warehouse, and the Dairy Operations projects.</li> <li>▪ Duplicative administration services for the Department of Probation, Parole and Pardon Services and the Department of Corrections.</li> <li>▪ Duplicative parole boards for youth and adults.</li> </ul>
<p><b>Savings Proposal:</b></p>		
<p>\$3,752,619 General Funds and Other Funds</p>		

***Our Plan Buys:***

**Troopers to patrol over 66,252 miles of state (and local) highways and to be responsible for enforcing traffic laws, investigating collisions, assisting motorists, and providing a safe motoring environment for the public.** During FY 2005-06, these troopers assisted 84,615 motorists, issued 7,414 DUI tickets,

and investigated 75,697 collisions. We propose to **increase recurring funding** for this activity by **\$5,341,920** in general funds. This increase will purchase an additional one hundred highway troopers representing a 10.4 percent increase over the current level (965) of troopers. In addition to the recurring funds, we propose an **increase of \$3,828,085 in non-recurring funds** to provide the necessary vehicles and ancillary equipment required of these troopers. An increase in the level of troopers will help combat the state's high drunk driving rates as well as lower the Highway Patrol response time to collisions.

**Enforcement of commercial motor vehicle laws by State Transport Police resulting in 64,560 driver and vehicle violations with 7,214 drivers and/or commercial motor vehicles placed out-of-service.** During FY 2005-06, 505,295 commercial motor vehicles were weighed by fixed, semi-portable and portable scales, a 25 percent increase from FY 2004-05, while 2,181,122 were weighed by weigh-in-motion (WIM) scales, a five percent increase from the previous year. While both of these figures represent a material increase over the previous year – primarily as a result of the additional officers added during this administration – they are far from what they could be as a result of aging equipment and the relatively few officers available to patrol the secondary roads often used by unscrupulous carriers seeking to evade enforcement. This is unfortunate because the weighing of these vehicles is a factor in reducing the deterioration of the state's roads and bridges. By prolonging the life of these roadways, we can delay the costly and inconvenient repaving jobs that too often are needed throughout the state.

STP is currently operating a statewide law enforcement entity with 112 uniformed officers. Thirteen are administrative or first line supervisory positions, leaving only 99 officers to provide manpower for a multiple function commercial motor vehicle law enforcement agency responsible for operating on a 24-hour day, 365-days per year basis in the state's 46-county area. The Division is significantly understaffed to perform its mandated mission. STP has exclusive statewide responsibility for enforcing federal and state laws covering safety inspections, size and weight, traffic enforcement, drug interdiction, commercial vehicle accidents, hazardous materials, radioactive shipments to the Savannah River Site, dyed fuel inspections and carrier commercial vehicle investigations. At the current staffing level, excluding the special operations unit charged with conducting federally-mandated compliance reviews, STP has less than two officers per county, making it nearly impossible to enforce motor carrier laws effectively, particularly in rural areas.

To accomplish the administration's STP goal, we propose an **increase in recurring funding** for this activity by **\$1,416,989** in general funds. In total, these funding sources will purchase an extra twenty-five STP officers representing a 22.3 percent increase over the current level (112) of officers. In addition to the recurring funds, we propose an **increase of \$1,361,325 in non-recurring funds** to provide the necessary vehicles and ancillary equipment required of these troopers.

To provide for the increased enforcement, **we are seeking a one-time infusion of \$5,541,103 million to cover the cost of weigh station improvements and expansions** – for instance, only six of the state’s nine operational weigh stations have WIM technology. Within the FY 2007-08 Executive Budget, we fund 100 percent of these improvements through the Contingency Reserve Fund. With the weigh station improvements in place, the department should be able to cover the yearly expenses associated with its existing STP officers through increased fine activity.

**Officers to patrol and maintain security around state house and judicial complexes in Columbia resulting in one hundred and twelve criminal incidents being addressed by the Bureau of Protective Services (BPS).** The goal of the BPS division of the Department of Public Safety is to ensure the safety of top-level government officials, visitors from all over the world, state employees, tour groups (3,084 tours at the State House during FY 2005-06), and the overall general public at or near the Capitol Complex for the State of South Carolina.

Currently, the Capitol Complex does not have any law enforcement security assigned to the interior nor exterior of the underground facility and some of the buildings at the complex area (i.e., the Edgar A. Brown, Wade Hampton, and Rembert C. Dennis Buildings).

BPS has been working with the State House Security Committee (SLED, House/Senate Sergeant of Arms, Budget and Control Board, and BPS) in formulating the Security Assessment and Recommendations for the State House Building Complex plan. This plan outlines that, once the security levels have been approved by the State House Committee, BPS’s security and manpower will increase. The state Legislature approved \$6 million for this plan; however, these funds are for construction only and do not include security personnel. The result of a recent BPS manpower study indicates that an additional twenty (20) officers are required.

Therefore, we propose to **increase recurring funding** for this activity by **\$241,091** in general funds to fund five additional BPS officers – a portion of officers recommended in the BPS manpower study. In addition to the recurring funds, we propose an **increase of \$39,148 in non-recurring funds** to provide the necessary equipment required of these officers. An increase in the level of BPS officers will help to ensure the day-to-day continuity of government.

**Motor vehicle compliance through 228,000 violations and suspensions** recorded on individual driving records. The motor vehicle compliance unit of the Department of Motor Vehicles (DMV) is charged with administering laws, policies, and procedures that relate to state motor vehicle and drivers’ license laws. Specific duties for this unit include the posting of violations and suspensions to driver files, correcting information on driver files, and maintaining inventory of uniform traffic tickets for the state. We propose to **maintain recurring funding** for this activity by providing **\$4,113,811** in total funds during FY 2007-08.



**Motor vehicle compliance through 600,000 notices of insurance cancellation** distributed to the DMV. Specific duties for this unit of the motor vehicle compliance unit of DMV include the administration and enforcement of laws related to the Financial Responsibility Act, Uninsured Motorist Act, the Registration and Financial Act and the Uninsured Motorists Database Act. We propose to **maintain recurring funding** for this activity by providing **\$4,685,059** in total funds during FY 2007-08.

**Response to over 4,525 investigative services requests, including 189 fugitive cases.** These services – provided by the State Law Enforcement Division – allow for extensive investigative and technical assistance, upon request, to local, state, and federal agencies. We propose to **increase recurring funding** for this activity by **\$526,195** in general funds to provide eight additional SLED officers who will be distributed across the state where an increase in complexity and demand for SLED services has occurred.

**Arson/bomb investigations totaling 529 of which over 30 percent of cases are cleared by arrests.** The Arson/Bomb unit at SLED is responsible for assisting local law enforcement and fire services with the investigation of suspicious fires, explosives and related incidents. We propose an **increase of \$131,548 in recurring general funds** for this activity to provide two additional officers to address an increase in casework and calls for assistance.

**Narcotic, alcohol, and gaming inspections and investigations resulting in 271 narcotic arrests, 907 alcohol related arrests, and the seizure of 1,223 illegal gaming devices.** The goal of the VICE unit at SLED is to enforce state laws regarding narcotics, alcohol, tobacco, and gaming. This unit also provides background investigations for alcohol licenses and provides technical assistance to law enforcement agencies. We propose to **increase recurring funding** for this activity by **\$30,854** in general funds to address the increased workload and reporting associated with the newly established methamphetamine and underage drinking initiative.

**Maintenance of over 63,300 criminal DNA profiles** through the Combined DNA Indexing System Database. These services perform serological and DNA analysis of biological evidence. The overall purpose of the DNA/Serology laboratory is to manage, coordinate and provide DNA/Serology services through a partnership with local, state, and federal criminal justice agencies to improve law enforcement's capacity to assist in the detection, capture, and prosecution of criminal suspects, and ultimately, to assist crime prevention efforts. To expedite the cases during FY 2007-08, we propose an **increase in recurring funding** for this activity by **\$511,704** in general funds.

**Incarceration of 22,905 adult offenders at the state's seven high-security, eight medium-security, eleven minimum-security, and three multi-female institutions.** These services provide for the proper housing, care, treatment, feeding, clothing, and supervision of inmates within a controlled and structured environment. We propose to **increase recurring funding** for this activity by **\$4,263,586** in general funds in order to provide 23 additional correctional officers plus other operating



expenses for a 256 bed lock-up unit at Broad River Road, 18 officers plus other operating expenses for a 16 bed lock-up unit at MacDougall/Wateree, and to annualize the cost associated with the 192 bed lock-up unit at Turbeville. In addition to recurring funds, we propose an **increase of \$190,000 in non-recurring funds** to provide the necessary equipment required of the correctional officers.

We are also proposing an **increase of \$8.5 million in nonrecurring funds** to maintain and renovate projects around the Department of Corrections. Currently, the department maintains around 6.3 million square feet, most of which are in twenty-nine aging institutions and various support facilities. Noting this, the agency has identified over \$25 million of deferred maintenance/renovation projects that need to be implemented. Our funding represents a portion of the deferred maintenance/renovation needs and adheres to one of the department's strategic goals of providing a safe, secure and suitable environment for inmates and employees.

We are also seeking an **increase of \$1.36 million in nonrecurring funds** to replace several institution perimeter fences and purchase X-Ray equipment. Specifically, this funding will allow the agency to install stun fences at three of its highest security prisons at a total cost of \$1 million, while X-Ray equipment (similar to scanning machines utilized at airports) will be purchased for all Level II and Level III institutions at a cost of \$360,000. The X-Ray equipment is being sought to control contraband which continues to be one of the agency's major problems.

**Cost effective medical, clinical, dental and mental health services for the 13,159 inmates served by the Department of Corrections' inmate health care services division.** We propose to **increase recurring funding** for this activity by **\$1,500,500** in general funds to provide an expansion in the department's mental health services. We are also proposing an **increase of \$700,000 in nonrecurring funds** to replace the HVAC, the Fire Alarm System, as well as perform inside renovations at Gilliam Mental Health Hospital. During FY 2006-07, the agency received \$489,850 to replace the hospital's roof system. The proposed nonrecurring funds will complete projects at Gilliam.

We are also proposing an **increase of \$600,000 in nonrecurring funds** to purchase two pharmaceutical dispensing and packaging machines to be utilized in the agency's pharmacy. Currently all medications are manually counted and distributed and not prepackaged/sealed. The utilization of these automated dispersing and packaging machines will improve efficiencies in a number of ways: decrease waste, reduce errors, shorten medicine pass time for nurses, improve medication security, improve inventory control, enhance inmate compliance, support variable service intervals, and improve accountability.

**Incarceration of 1,867 violent and non-violent juvenile offenders at the Department of Juvenile Justice.** These services provide around-the-clock custodial care to committed juveniles. We propose to **increase recurring funding** for this activity by **\$374,504 in general funds**. This funding will be used to annualize the

girls' transition home that we funded last year (\$164,334), to replace the agency's 163 outdated radios – which are over 15 years old – and upgrade to the state's 800 MHz standards (\$75,000), to provide staff positions in association with the recently passed Senate Bill 601 (Act 309) which granted DJJ limited releasing authority over certain juveniles (\$65,170), and to provide staff associated with new legislation adopted in FY 2006-07 related to the Interstate Compact (\$70,000).

We are also proposing an **increase of \$7,660,374 in nonrecurring funds** to replace existing dormitories on DJJ's Broad River Road Complex (BRRC). Specifically, we are proposing to replace two living units this year and over a multiple-year period replace the remaining six dorms. The design of new dorms will permit maximum flexibility for the purpose of resident classification, separation and special programming. The unit will permit staff efficiency, improved supervision and safety. The construction of these beds is not to expand DJJ's secure bed space, but to ensure that the population is housed under constitutional conditions and to enhance juvenile and staff safety.

**Placement of 1,426 juvenile offenders in alternative community residential beds.** These community-based services provide 24-hour care that includes treatment services, skill building, crisis stabilization, independent living, and education for non-violent juvenile offenders and juveniles on parole or probation. We propose to **increase recurring funding** for this activity by **\$280,320** in general funds to provide 16 transitional living/step down beds in a community setting where male juveniles leaving the BRRC can be effectively transitioned back into the community. DJJ will contract with Clemson University's Youth Learning Institute to provide these beds, where juveniles will receive the intensive services and support they need to be successfully reintegrated into their communities. In addition to the recurring funds, we propose an **increase of \$200,000 in non-recurring funds** to provide the necessary equipment required of this activity.

**Intensive probation and parole supervision of juvenile offenders leading to 39,310 community service hours being performed.** These services help to reduce juvenile crime and enhance community safety by focusing intensive services on juveniles who pose the greatest risk to the community: serious, violent and chronic offenders. We propose **increasing recurring funding** for this activity by **\$1,783,783** in general funds in order to hire 21 intensive probation and parole officers to expand this program from the current 23 counties to additional counties which will be able to serve over 1,000 juveniles in total. Additionally, we are proposing an **increase of \$42,671 in nonrecurring funding** to provide the ancillary equipment required of these probation and parole officers.

**Community supervision leading to 76 percent fewer juvenile parole revocations than during FY 1998-99.** While the agency provides intensive supervision of its juvenile offenders, supervision alone cannot address the underlying factors that place them at high risk for involvement in the juvenile justice system. Therefore, we propose to **increase recurring funding** for this activity by **\$778,000**

in general funds to provide weekly drug screenings, life-skills and social-skills training, individual counseling, family counseling, substance abuse counseling, and mentors for each juvenile.

**Community Supervision of 46,410 adult jurisdictional offenders.** These services include the regular supervision of adult jurisdictional offenders upon the orders of the courts or the Department of Probation, Parole and Pardon Services' Parole Board. Supervision plans establish the offender's financial obligations and coordinate the referrals for alcohol and drug abuse, education, employment, and life-skill services. We propose to **increase recurring funding** for this activity by providing **\$1,455,607** in general funds during FY 2007-08. This funding will be used to provide GPS monitoring of non "Jessie's Law" offenders through the addition of twelve officers and other recurring expenses (\$878,056), to provide for the recurring costs associated with the department's 800 MHz radios (\$135,681), and to convert 10 FTE's from Other Funds to General Funds (\$441,870). Additionally, we are proposing an **increase of \$62,604 in nonrecurring funding** to provide the ancillary equipment required of the twelve probation and parole officers.

**Intensive community supervision of 2,342 adult jurisdictional offenders.** These services include the intensive supervision of adult jurisdictional offenders upon the orders of the courts or the Department of Probation, Parole and Pardon Services' Parole Board. This is accomplished through the use of enhanced interventions such as electronic monitoring, GPS monitoring, home detention, and increased interaction with agents based on the risk and needs presented by the offender. We propose **increasing recurring funding** for this activity by **\$1,263,089** in general funds in order to provide for sex offender programming and the implementation of Sex Offender Accountability and Protection of Minors Act of 2006. This programming includes the use of Global Positioning Satellite electronic monitoring, polygraph, and risk assessments to effectively supervise sex offenders. Specific uses of this funding include residential programs for homeless sex offenders required to be under GPS monitoring of non-"Jessie's Law" offenders (\$763,089) and a second year of funding for Act 342 and Act 346 of 2006 "Jessie's Law" (\$500,000). Additionally, we are proposing an **increase of \$192,868 in nonrecurring funding** to provide the ancillary equipment associated with the recurring needs.

**Our Plan Saves By:**

**Reducing expenses associated with food services** at the Department of Corrections. In the FY 2004-05 Appropriations Act, the General Assembly included a proviso that allowed the Department of Corrections to secure private funding to build three egg-laying houses so that the department could become self-sufficient with its egg-based needs. While the initial goal was self-sufficiency, early estimates pointed to a project that would generate excess cash which could then be used to reduce the general fund needs of the agency.

In addition to the egg-laying operation, the agency has sought to achieve self-sufficiency in its dairy operations. In the FY 2005-06 Appropriations Act, the General Assembly included a proviso which would allow the Department to secure private funding to construct and maintain a dairy operation. Noting these initiatives, our budget proposes a two year phase-out of the general fund needs for agricultural operations at the Department. Currently, the department uses \$500,000 in general funds for agricultural operations out of \$3.23 million in total funding for the activity. When factoring in the projected annual cost of production and estimated debt service for these projects, we feel that the agency should be able to **save at least \$250,000** annually in general funds.

**Combining parole boards at the Department of Juvenile Justice and the Department of Probation, Parole and Pardon Services.** Currently, the state has separate boards at PPP and the Department of Juvenile Justice. The parole board at PPP has seven members and a budget of \$753,347 while the DJJ board has a budget of \$721,561 with ten members. Regardless of similar-sized budgets, the DJJ board hears far fewer cases per year. Because these two parole boards have very similar missions, we feel this presents an opportunity to gain efficiencies and savings by merging them. Combining the two boards will **save around \$425,000** annually in general funds.

***The DMV:  
A Case for Accountability***

In June 2003, the Department of Motor Vehicles (DMV) became a cabinet agency, making it directly accountable to the Governor. Since that time, the DMV has focused on delivering quality services to the citizens of South Carolina with less funding from the general fund.

From fiscal year 2004 through fiscal year 2006, the DMV proposed – and the General Assembly adopted – recurring general fund reductions of \$16 million. In the FY 2006-07 Appropriations Act, the DMV returned its remaining \$11 million of appropriated recurring general funds.

In addition to the voluntary reductions in recurring general funds, the DMV has returned \$10 million in one-time cash to the general fund for allocation to other agencies and/or programs.

These reductions in recurring general funds of \$27 million and contributions of one-time cash of \$10 million are a result of legislation that has allowed the DMV to establish a sufficient funding base from operating revenue funds.

This strong financial management has not jeopardized the agency's efforts to deliver quality service. The agency has made great strides in reducing wait times and providing customers with alternatives to visiting field offices to complete their transactions. Additionally, the DMV has focused much effort on creating partnerships with other agencies as well as the private sector to further improve the quality of the services provided to its customers.

***Making Tough Choices:***

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

**Seeking alternative funding** for the Adjutant General's Operations and Training and Public Information activities will result in a **reduction of \$116,822** in recurring general funds. We encourage those maintaining this unit to seek other funding in order that this service may continue.

**Reducing law enforcement expenses associated with the H. L. Hunley** will result in **savings of \$130,039** annually in general funds. We encourage the Hunley Commission to retain the services of local law enforcement or a private security firm to provide for the security of this important state artifact through admission or other revenue associated with the Hunley.

*Please see the Appendices for a complete listing of the Governor's Purchasing Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.*

# **Improve Central State Government Support and Other Governmental Services**

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## Improve Central State Government Support and Other Governmental Services

South Carolina's government agencies are often hampered by their outdated and cumbersome policies and structures, which prevents them from providing more efficient and effective services to taxpayers. We think it is past time to unburden government from these counterproductive practices and restraints by changing policies and structures of specific agencies as well as statewide practices applying to all of state government.

Some of these practices may have made sense in a historical context, but our ever-changing global business environment and modern technology have made many of them obsolete. Some outdated examples include an executive branch structure where only 14 of more than 70 executive agencies report to the governor; more than 2,000 different, uncoordinated computer servers spread across state agencies; a vast multitude of separate accounting systems used by each of the cabinet, non-cabinet and higher-ed agencies that take additional technologies to communicate effectively; and a Chief Information Officer who reports to a board of five different elected officials and has little authority to effectively manage information systems in this state.

This administration continues to strive for a government that is accountable to the people who pay for it – the taxpayers – and to push for policies that will provide an efficient and effective government that maximizes value to the taxpayers. Making the executive branch of government more accountable by replacing the antiquated Budget and Control Board structure with a Department of Administration within the Cabinet, would be a step in the right direction toward providing better results at a lower cost. If we are to give the best value to the taxpayer, such improvements must be made. In this section of the budget, we look at ways to improve the structure and policies of central state government and other governmental services in order for them to operate more efficiently and effectively.

Governor Sanford's Goals for Improving Central State Government Support and Other Governmental Services are to:

- ✓ Reduce fractured lines of responsibility in the executive branch of government.
- ✓ Modernize state information technology regulations to improve cost efficiency to state agencies.
- ✓ Manage state-owned assets more cost effectively.
- ✓ Centralize state accounting systems to improve productivity.
- ✓ Fix our retirement system so it can meet its obligations.

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**IMPROVE CENTRAL STATE GOVERNMENT SUPPORT AND OTHER GOVERNMENTAL SERVICES**

**Developing our Purchasing Priorities**

In order to develop our purchasing priorities, we first determined major indicators of success related to the goal of improving the structures and policies of central state government. These indicators measure whether state government is currently reaching its goal of operating efficiently and effectively. We found South Carolina is performing well in some areas; however, there are many opportunities for improvement. Some of the indicators of success as determined by the FY 2007-08 Central State Government Support and Other Governmental Services results team, are defined as follows:

1. Reduce the number of separate accounting systems used across state government

In 2003, the Governor's Commission on Management, Accountability and Performance (MAP) reported that agencies use a multitude of systems and codes that take additional technologies and considerable manual manipulation to communicate effectively. Developing a statewide financial accounting system would increase administrative efficiency and provide overall savings.

2. Reduce the vacancy rates on leased facilities

There are no centralized controls for the proper use or maintenance of state assets. Current, compiled data of ownership and leasing records is unobtainable, making it virtually impossible to determine whether state-owned or leased assets are being managed efficiently and effectively. This is unheard of in the private sector. Current vacancy rates on leased facilities must be compiled, and then kept to a minimum.

3. Reduce the unfunded liability in the state retirement system

One measure of the overall health of the state is the financial stability of the state retirement system. Our retirement system's unfunded liability has skyrocketed largely due to: 1) the addition of the TERI program, 2) the reduction of the years of service required to retire from 30 years to 28 years, and, 3) the payment of cost-of-living increases.

As early as 2004, this administration estimated that the minimum cost of unfunded retiree benefits was over \$5.8 billion, based on a 2001 actuarial valuation of the state's health insurance benefits for retirees conducted by Watson, Wyatt & Company. Last year, the Government Accounting Standards Board issued new accounting standards relating to Other Post-Employment Benefits (OPEB) which must be implemented and applied to the State's Comprehensive Annual Financial Report (CAFR) issued for FY 2007-08.

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**IMPROVE CENTRAL STATE GOVERNMENT SUPPORT AND  
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According to the OPEB Actuarial Valuation Results as of June 20, 2005, the unfunded actuarial accrued liability is over \$9 billion.

4. Increase the accountability of non-cabinet agencies

Many agencies are still operated by free-standing boards, commissions and authorities, without oversight by any of the three branches of government. Higher education agencies remain exempt from most, if not all, oversight policies and procedures currently in place. The result is massive expenditures across state government that are not evaluated, reviewed or approved by an entity accountable to the taxpayers. By increasing the number of agencies that report directly to the governor, and by reducing the number of agencies with virtually invisible spending powers, central state government can be run more efficiently and effectively.

***Where we are succeeding***

This administration has continued to push for ways that will make government operate in a more effective and efficient manner. In fact, over the past few years many recommendations from this office have been adopted that would save the state money and ultimately the taxpayer. A recent vehicle study by Mercury Associates takes one such recommendation and moves it one step closer to becoming reality. The study suggests that we can save the taxpayers' money – approximately \$52 million over five years – by having a more centralized fleet management system and implementing a lease-purchase finance program to acquire vehicles. We continue to urge the General Assembly to review this study and adopt as many savings as possible in the upcoming session. Similarly, we have repeatedly suggested that renegotiating the contract for state phone rates would lead to a 30 percent reduction in state phone charges, while new Internet access contracts for agencies that are connected to the CIO's network would lead to a 50 percent reduction in Internet charges.

Our Department of Revenue continues to excel when it comes to efficiency in collecting revenues. We are one of the top two states in the percentage of returns received that are filed electronically by collecting over 64 percent of tax dollars through this method. For the first time, the DOR also had over 50 percent of individual income taxes filed electronically with over one million electronic returns – ranking us third in the nation. Our tax administration has also done a good job in the category of enforced collections by exceeding projected estimates.

In addition, DOR, working with Commerce and other key agencies, has done an outstanding job in implementing and being the primary operator of South Carolina one-stop for business (SCBOS). This administration realizes the need to equip the small business community with the necessary tools to succeed in this global economy. Specifically, in one central electronic location, SCBOS guides potential new business

owners through the process of starting a business while making it easier for existing business owners when filing and paying for business licenses.

South Carolina is also moving in the right direction on the technology front. In 2005, the Budget and Control Board hired South Carolina Interactive to develop a new portal for state government – at no cost to the taxpayers. The service requires no upfront tax dollars and is paid through a self-funded system of a nominal transaction fee assigned to the online purchase of drivers' records. The Ethics Commission was one of the first agencies to take advantage of this service. Due to efforts within this administration, the public can now view campaign finance reports of candidates for statewide office online. We urge all state agencies to take an in-depth look at the benefits of this new portal service – with the hope of agencies saving time and money from not having to design and operate their own website. The new portal agreement will help improve South Carolina's national ranking, as *Governing* magazine currently ranks us only 43<sup>rd</sup> when it comes to effective government websites.

This administration has also stated the need for better management of state-owned facilities. There are currently many vacant offices throughout the state that should be filled or consolidated to save agency operating dollars. Last year, we estimated almost \$1.4 million in savings from this process just for the Columbia area. However, we know office space across the entire state can be used more efficiently. To this end, we are glad this push is moving us in the right direction – as the state received a real estate management system proposal last year that recommended a system now being implemented by the Budget and Control Board to achieve maximum efficiency for our state-owned properties. We look forward to the roll-out of this system by the Board and hearing which best practices the Board will be adopting so that each office throughout South Carolina may be used in the most productive manner possible.

### ***Opportunities for Improvement***

There are many areas in government where we can be better stewards of the taxpayers' money by providing services in a more effective and efficient manner. We continue to believe there are many inefficiencies regarding state travel. The Legislative Audit Council report on state travel reveals numerous areas where we are not being as cost efficient as possible. Currently, our state has no centralized office to manage travel. Such an office would ensure more cost effective travel arrangements. For instance, with a centralized office, we would be able to negotiate and purchase bulk travel from hotels, conference centers, and airlines. In fact, the Legislative Audit Council report claims if the state were to use its bulk purchasing power to obtain contracts with airlines, we could save the taxpayers \$1.6 million.

South Carolina also lacks regulations for reimbursement of lodging. Other states and the federal government have implemented limits on the amount that can be spent on a hotel. In South Carolina, there is no limit; therefore, state employees and agencies are not effectively protecting the taxpayer's dollar. The LAC travel report showed several

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## **IMPROVE CENTRAL STATE GOVERNMENT SUPPORT AND OTHER GOVERNMENTAL SERVICES**

examples of employees taking advantage of the system. The Governor's Office has led by example on this front. We urge the General Assembly to adopt better practices because, whether it be implementing new regulations or sharing a hotel room with another employee, there are better ways to spend the state's finite tax dollars.

We will continue our efforts in reducing the fractured lines of responsibility across state government by providing more accountability within the executive branch. The federal government and most other states do not have this disconnect between the chief executive and the other branches of government. In fact, South Carolina state government ranks almost last in the nation for single-source accountability for the day-to-day operations of state government. South Carolina elects eight statewide constitutional officers, other than the governor and also has 70-plus agency directors. The governor appoints only 14 of these directors, meaning only 18 percent of all agencies are accountable to the executive branch. This is a problem because it leaves the majority of state government unaccountable to the people who pay for it – the taxpayers. The bottom line is that a decentralized system of government leads to duplication and higher spending. South Carolina spends almost \$400 more than the average state in per capita government spending. Reducing the counterproductive entities of the state and putting more responsibility in the hands of the executive branch will put us more in line with other states and decrease the tax dollars we spend to operate such a system.

As an administration, we continue to push for more flexibility in our human resources policies of state government. Currently our managers do not have the tools to run the administration of an agency effectively. Outdated and archaic regulations tie the hands of directors, preventing them from getting the most out of their employees. In fact, we have a system that – after an employee serves a standard probationary period – makes it is virtually impossible to remove that employee from the state payroll. This has created a government with only two percent of employees being “at-will” – almost unheard of in the private sector. Inefficient human resources policies have led to our state having a higher number of state workers than the nation and our neighboring states. A recent *Governing* magazine comparison of state employees showed that South Carolina had 234 employees per 10,000 in population placing us 16<sup>th</sup> highest in the country – 34 percent more than the national average of 174. By comparison, North Carolina had 229, Georgia 179, and Florida only had 120 employees per 10,000 in population – almost half of South Carolina. We believe updated human resources regulations and more efficient administrative policies are needed to put us in line with the rest of the nation and our counterparts.

One such policy that we believe is vital to bringing the number of state employees in line with the rest of the nation is to address the re-hiring of prior employees enrolled in the Teacher and Employee Retention Incentive (TERI) program. Agencies have an opportunity to demonstrate fiscal prudence with the taxpayers' money by re-hiring TERI employees only in extreme cases. By the end of FY 2007-08, almost 800 state employees will be set to leave the TERI system. But, current law allows the former TERI

employee to be hired back by that agency if he or she is separated from the agency for only one day. If this scenario were to happen, the taxpayer would then be forced to pay an employee's salary and an employee's retirement package. As we mentioned in last year's budget, this situation already happened for one of the highest paid employees in state government. For this reason, we are recommending that agency directors evaluate former TERI employee job duties to determine if they may be distributed among others in the agency, while also looking to hire qualified individuals that may be trained for the long run. Finally, if a TERI employee must be re-hired, he or she should only receive 75 percent of his or her previous salary.

It is our goal for the lottery to generate the maximum amount of money for our education system. However, this administration is concerned with particular operational practices within the South Carolina Education Lottery. During our budget hearing last year with the lottery, it was discovered that lottery employees were paid salaries that were much higher than the average state employee – \$17,000 higher. If lottery employees were paid the average state employee salary, \$2 million more could have been dedicated to increase teacher pay or improve our schools. When looking at top management of the lottery, the situation is not any better. The executive director and five upper-level managers all received pay increases averaging more than 20 percent while other state employees only saw their paychecks increase 7.7 percent for the same time period. A recent Legislative Audit Council report reviewed the salaries for executive directors of lotteries in 18 states across the nation. The LAC discovered that our executive director was paid more than 16 of the 18 directors. In fact, South Carolina's director is paid \$74,000 (or 60 percent) more than the median salary of the states reviewed. We will continue to push for policies that will produce the maximum amount of dollars for our children – and unwarranted salaries do not fit in this category.

### **Purchasing Priorities**

Having determined where we are succeeding and where opportunities for improvement exist, we next identified some proven or promising strategies to determine our purchasing priorities and best achieve our goals. The key strategies we identified are as follows:

**Provide effective and efficient central state human resources support.** Managers and employees need more flexibility to provide effective service to citizens in the 21<sup>st</sup> century. Our proposed changes to human resources regulations and staffing will save taxpayers money and increase managers' ability to change their agencies' staffing plans as changing circumstances require. We would push to modernize state human resources regulations to improve efficiency.

**Provide effective and efficient central state information technology support.** Many agencies across the state are not using the most efficient means in maintaining their websites and with other technological operations. With the recent contractual

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agreement between South Carolina Interactive and the state, it is essential that South Carolina Interactive effectively market the benefits of online services that will save the state and taxpayers money. We would push to reduce technology costs that all state agencies are forced to pay.

Provide effective and efficient central state finance support. We need to collect debts owed to the state and spend less money where possible to bring in revenues. With a keen eye on the start-up of the North Carolina lottery, we propose significant savings in retailer commissions and more efficient means for the lottery to operate, which should redirect additional dollars into K-12 education without impacting overall lottery revenues. We would push to make revenue collections more efficient – especially by continuing to increase electronic filing.

Provide effective and efficient central state administrative support. By disposing of excess property and co-locating state agencies that deal directly with the public, citizens can take care of state business without having to search through a myriad of locations. We will also continue our efforts to push for a more cost efficient method to operate our fleet of vehicles across the state – including cost savings from recommendations in the recent vehicle study. We would push to create a system that is more efficient regarding state-owned assets.

Provide accountability to the citizens of South Carolina in all state government services. We need to pass restructuring legislation to make the executive branch more accountable to taxpayers. We currently have over 50 agencies with little accountability to the people of this state. Our restructuring proposal is a step in the right direction toward making key functions of state government, primarily health care, education, and administration, answer to the Governor's Office, and, thus, to voters. It is imperative that we reduce the fractured lines of responsibility in the executive branch of government.

**Governor’s Purchasing Plan – Highlights**

We address our state’s fiscal problems by purchasing only those administrative services most needed by citizens. We do not purchase some services that, while still considered valuable, have been identified as lower priority. The following table identifies key purchases within our executive budget’s total state administration purchasing plan as well as examples of what is not purchased. Detailed highlights of our purchasing plan are provided below the table.

<p><i>Central State Government and Other Governmental Services</i></p>		<p><b>Examples of what our plan buys:</b></p>
<p><b>Purchasing Plan:</b></p> <p>\$830,899,489 General Funds</p> <p>\$1,067,590,367 Total Funds</p>		<ul style="list-style-type: none"> <li>▪ Employee merit and other pay increases totaling \$52 million.</li> <li>▪ No increase in non-tobacco using employees’ health care premiums.</li> <li>▪ Prepayment of over \$21 million in bonds to lower our debt liability and save recurring dollars.</li> <li>▪ Funding for the creation of a Sunset Commission.</li> <li>▪ Creation of a Central State Travel Office to save travel expenditures statewide.</li> <li>▪ A statewide accounting system (with reform to the current IT structure)</li> </ul>
<p><b>Savings Proposal:</b></p> <p>\$30,593,890 Total Funds</p>	<p><b>Examples of what our plan does not buy:</b></p>	
		<ul style="list-style-type: none"> <li>▪ Lottery retailer commissions in excess of the national average</li> <li>▪ Administrative excess in the CIO’s office</li> <li>▪ Agency premiums paid into the Unemployment Compensation Fund in excess of maintenance levels</li> </ul>

**Our Plan Buys:**

**Increased pay for state employees** to allow state agencies to address critical needs and provide incentives to their best employees. Unlike the norm seen in the private sector, South Carolina government has avoided performance-based pay-plans in past years. Instead, across-the-board pay increases have been the standard. We discussed in last year’s budget that a one-size-fits-all compensation package does not produce the most effective results throughout our agencies and is, in fact, fundamentally flawed. However, by proposing a tiered structure coupled with agency director discretion for targeted employees, we can provide a true motivation to state employees which in turn will produce better results. We are providing **\$52 million in new funding**, which would roughly be the equivalent of a three percent across-the-board pay raise.

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However, we propose targeting our available dollars so that we can provide a bigger pay increase to those employees where it will be the most effective.

Targeted pay increases are becoming more common across the country as federal agencies, states, and local governments look to provide incentives for hard work. Denver, Colorado, recently became the largest school district in the country to switch to paying teachers based on their students' achievement, and for years the state of Florida has allowed teachers to earn five percent of their pay through performance. Targeted pay will also help state agencies that experience high levels of turnover – such as the Department of Corrections where a 65 percent turnover rate of correctional officers has been seen in past years. This type of turnover is expensive and costs the Department of Corrections an average of \$3,500 per new hire for training. Other agencies have a similar need to maximize funding to their front-line employees. **We propose a graduated or tiered structure** in which pay-plan dollars are steered toward those services with the greatest turnover rates and toward those employees with the highest performance ratings by their agency director.

Employee salary	Cost-of-living adjustment	Performance-based	Total
\$100,000 or greater	1.0 %	.5 %	1.5 %
\$75,000 – \$100,000	1.5 %	.5 %	2.0 %
\$50,000 – \$75,000	2.0 %	.5 %	2.5 %
\$50,000 or less	2.5 %	Agency head's discretion	Governed by pay plan residual

We would push for a proviso that provides greater and more efficient incentives to retain employees who provide services in the areas where we see the largest turnover. Performance-based pay increases are more effective on the lower end of the pay band. Here, the agency director has the discretion to award employees and, in essence, prevent the loss of good workers to the private sector. The bottom line is our agency directors need the tools to get the most out of their employees, and providing a pay-plan that treats everyone equally will not get this done. A more flexible salary increase will allow agencies and agency heads the freedom to direct dollars to their areas of greatest need so that a state employee may work more efficiently and provide the services that all taxpayers of this state deserve.

Lastly, the state does not currently provide pay increases to employees of most vendors who have a relationship with the state; however, we increase the salary for non-state employees who receive compensation from the agencies of DDSN, DAODAS, and the Office on Aging. As these are not employees of the state but rather of entities that have a contractual relationship with the state, we think it should be the duty of those contracting entities to provide pay increases to their employees. Therefore, we propose

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reallocating the **\$2.8 million** equivalent of a cost-of-living increase to non-state employees to fund new and existing activities for those three agencies.

**Continued health care coverage with no increase in non-tobacco using employees' premiums.** In recent years, state employees have seen significant increases in the cost of their health insurance as the state has failed to fund its portion of premium increases. But in last year's budget, this administration made it a priority to relieve this burden from our hard-working state employees by providing adequate funding to avoid premium increases. We again feel that this is a priority in the upcoming budget year. We, therefore, propose a net funding increase of **\$37,524,000** in general funds toward the state employees' health plan. This increase in funding will allow non-tobacco using employees to receive the same health care coverage *with no increase in premiums* after years of double-digit increases.

In our FY 2005-06 Budget, we addressed the State Health Plan's precarious position as a result of nearly all the cash reserves being raided with an actuarially unsound zero-day reserve. We commend the General Assembly for implementing our proposal to restore the Plan's cash reserves. In fact, today the Plan has surplus cash reserves of \$136.8 million, which is the equivalent of an 85-day reserve, well above the conservative 45-day reserve we have pushed for in years past.

**Addressing the retirement system liabilities.** As noted in the Executive Summary, the State faces serious unfunded liabilities associated with its retiree health insurance coverage. We feel that it is important to limit the growth of government spending so that any dollars in excess of the limit may be used to address this liability. Other Post-Employment Benefits (OPEB) has an unfunded liability of \$9.2 billion with no current or proposed funding stream. **We propose using \$194.1 million to establish an OPEB trust fund** by removing \$23 million in one-time funds from the Unemployment Compensation Fund, shifting \$136.8 million from the State Health Plan, and using \$34 million in lapsed unobligated Competitive Grant Program funds and \$250,000 recouped from the State Ethics Commission's set-aside for its electronic filing system.

In addition to the OPEB crisis, the South Carolina Retirement System currently faces payouts of defined benefit pension plans – those plans with a guaranteed benefit – that will break state budgets, making it fiscally unsound and unconstitutional to the tune of about \$9 billion. To alleviate the problems associated with these defined benefit plans, **we support legislation that expands the current Optional Retirement Program, and we propose that this expanded plan be the only one offered to state employees.**

**Prepayment of bonds.** This administration has always strived for policy changes and proposals that will strengthen the fiscal backbone of South Carolina. As in last year's executive budget, we believe it is important to concentrate on our state's outstanding deserves our attention – as reducing this amount will only strengthen the state's fiscal



debt. Our annual obligation for debt service has increased from \$142 million in FY 1996-97 to an estimated \$232 million in the coming FY 2007-08, an increase of nearly \$90 million. The recurring dollars that we are spending toward this debt are dollars that could be dedicated toward higher teacher salaries, more troopers, or improving the economic environment across the state. The current \$232 million in annual debt service integrity in the eyes of credit-rating agencies. A significant amount of one-time money gives us an excellent opportunity to do just that. We propose the **appropriation of \$21.2 million from one-time revenue sources to pay down \$16.4 million in outstanding debt** to promote long-term savings and free up recurring dollars for our other needs. The elimination of this debt will result in savings in today's dollars of more than \$8.3 million (or almost 51 percent of associated debt) over the life of these bonds.

Specifically, we recommend using up to \$21.2 million to retire the following outstanding obligations:

South Carolina Resources Authority Revenue Bonds:

Series 1990 (\$3.5 million to permanently retire remaining \$3.0 million)  
– \$420,000 annual savings

General Obligation State Economic Development Bonds:

Selected Maturities of the 2004 and 2005 Series (\$17.7 million to retire \$13.4 million)  
– \$1.5 million annual savings

The State Treasurer's Office has estimated that this early retirement will generate about \$1.9 million in gross savings annually. Though these early payments will only have a small impact on the state's overall debt burden, it is a down payment on a policy we believe is critical to making us more competitive and easing the overall burden to South Carolina's taxpayers. The recurring appropriations freed up by this debt repayment will only be available in future years, assuming the General Assembly does not authorize the state to take on future debt to replace the debt we propose paying off.

**Carry-forward dollars.** Over \$52 million have been carried over by agencies in the past two years under the 10 percent carry forward Proviso 72.30. In concept, we are fans of the Proviso 72.30, which allows for the carry forward of up to 10 percent of unused agency funds from one year to the next. (Please note that this initiative does not impact "Special Provisos" which are established by the Legislature for particular purchases.) It is often cited that this is a far better method than the prior model which had agencies spending their "surplus" funds on frivolous items in the waning days of a fiscal year. Therefore, in concept, we are happy that the 10 percent surplus Proviso seeks to incentivize agencies to prevent such occurrences. Unfortunately, we do not really think this method solves the problem because agencies continue to accrue serious general fund surpluses to use for pretty much any purpose they see fit within the procurement rules of the state and agency. Whether to hire overpaid contract

employees or purchase questionable items, this proviso does not really get away from the frivolous spending of an agency. In fact, it could be argued that it makes it more difficult to assess such spending as these types of purchases now occur in a more “rolling” manner versus confined to the last several months of a fiscal year. As an example, abnormal increases within various object codes during the final quarter of a fiscal year are fairly easy to track by auditors.

It is often cited that Proviso 72.30 provides agencies with an incentive to run their operations efficiently, thereby accruing the benefits – i.e., profits – of such efficient operations, much like the private sector. While we are certainly fans of agencies running their operations more efficiently, the “profit” comparison to the private sector in this instance is primarily a faulty one. First, these agencies belong to the taxpayers, much like businesses are often owned by shareholders. Second, notwithstanding some reinvestment back into its operations (R&D, new initiatives and some retention of capital), a business’s residual earnings are returned to the shareholders in the form of dividends.

Citing these two points, while we do not propose removing these “dividends,” – the general fund carry forward dollars – from agencies, we do propose that agencies offset budget cuts with these carry-forward dollars, in essence, mitigating the cuts.

**Establishment of a Sunset Commission to evaluate whether government programs should be continued.** In the past, the House of Representatives has adopted a measure which would have created a Sunset Commission as described earlier in our “Fix the Structure” section. Unfortunately, this legislatively-controlled division of the Legislative Audit Council was not adopted by the Senate. Our budget provides **new funding of \$585,570** for the creation of a Sunset Commission next year.

**Tax collections, compliance, and processing.** In recent years, our cost to collect taxes has been reduced to \$.00678 per dollar. At the same time, enforced collections now exceed \$300 million, with total collections exceeding \$6 billion. Noting this, we propose to **maintain funding at \$21,575,601** in general funds for tax collections, compliance and processing during FY 2007-08.

**Taxpayer assistance.** Taxpayer assistance includes the Contact Center as well as regional and satellite offices that provide statutory compliance with registration, licenses, and explanation of correspondence and forms. Taxpayers need a clear, trustworthy channel of communication to answer their questions about the taxes they pay. We propose to **maintain funding at \$3,663,781** in general funds for taxpayer assistance during FY 2007-08.

**Statewide budget development analysis and implementation.** The Budget and Control Board’s Office of State Budget assists the governor and General Assembly in the preparation and implementation of the annual state budget. We propose to **maintain funding at \$2,726,408** in general funds for the OSB during FY 2007-08.

**A Central State Travel Office.** The Legislative Audit Council recently reported that inefficiencies in managing state travel are a result of our state not having a centralized office responsible for ensuring that agency travel expenditures are cost effective. This type of office will use the state's high volume of travel to reduce costs and oversee each agency in being efficient in its travel practices. Specifically, the newly created Central State Travel Office within the Comptroller General's Office will make sure that each agency adheres to the contractual agreements established with airlines and hotels. It will also be the responsibility of this new office to make sure that hotel stays remain within a newly created limit for lodging reimbursement. We propose working with the state's hotel/motel associations to create a regional rate structure similar to the one used by the federal government. Savings from bulk airline purchases and capped lodging rates will be discussed later in this section.

Other states, such as Louisiana and Mississippi, and the federal government have a central office that handles travel. Currently, Mississippi's central travel office consists of one employee. We believe it is time for South Carolina to fall in line with the travel practices of other states and the federal government – as a centralized travel office will produce more efficient agency travel and save the taxpayer money. Our budget provides **new funding of \$50,000** for the creation of a Central State Travel Office.

**An integrated financial reporting and management system for the state, which is essential to standard and meaningful multi-year technology planning.** Last year, we indicated our concerns with implementing the South Carolina Enterprise Information System (SCEIS) without reforming the structure of the Chief Information Officer's (CIO) office. A Chief Information Officer in our proposed Department of Administration would lead to innovation in technology, strategy, and oversight. A strengthened CIO could ensure cost-effective, reliable delivery of technology infrastructure and services, as well as governance that involves all stakeholders in technology decision-making in state government. A CIO accountable to one person rather than a board is also critical to successful implementation of the SCEIS project.

While this project offers a potential of up to \$120 million dollars in annual work process savings after five years of implementation, it also brings the potential for significant cost overruns and failure if not managed properly. Given our state's difficulties in recent years with managing large information technology (IT) projects such as DMV's "Project Phoenix" and the "SCECIS" project at DSS, we should all be concerned about attempting this large project spanning across most state agencies with our current IT structure.

An additional concern regarding SCEIS is that, last year, the Budget and Control Board had to pull out of its contract with a primary contractor for the project, *BearingPoint*, due to financial difficulties within the company. This has delayed the project by approximately six months; however, the first phase was supposed to be completed last fiscal year. But, because of running into problems with vendors and with no current

restructuring in the CIO's office, we still have concerns regarding the efficiency of the project over the long run.

Under the current structure, the CIO answers to the Director of the Budget and Control Board, who, in turn, answers to five separately elected officials. In a report assessing the state's management of IT, the Gartner Group finds South Carolina to be the only state in the Southeast or the Middle Atlantic with a CIO position with narrow influence and with structurally deficient depth of support.

If a restructuring plan to make the CIO more accountable to the governor is adopted by the General Assembly next legislative session, we will support **new funding** in the amount of **\$3.2 million in capital funds** for the continuation of completing the five-year SCEIS project. Like last year, we believe this is a significant opportunity to reform South Carolina's government and make it more efficient.

**Presidential/General Election in 2008.** Every two years, the Election Commission is tasked with ensuring that every citizen is given an opportunity to participate in a fair and honest General Election. Our state conducted a successful Presidential/General Election over two years ago when a record number of South Carolinians cast votes – 1.6 million. This administration continues to believe in the core values that are associated with the democratic process – the notion that the people should have the right to rule themselves. We encourage the over 2.3 million voters of this state to participate in this process in the 2008 election. This budget provides funding of **\$3.473 million in non-recurring funds** for the 2008 Presidential/General Election.

**Our Plan Saves By:**

**Restructuring for a more accountable executive branch.** There are many services throughout state government that are being duplicated. This is not only inefficient but it also costs the taxpayers. Legislative Audit Council, members of the MAP Commission, and participants of the budget hearings all agree that restructuring is needed. The bottom line is our state government can function better and in a more efficient manner. Restructuring will allow for this to happen by holding agencies more accountable and in turn provide better results at a lower cost. Specifically, the primary elements of our restructuring proposal are 1) Reducing the number of elected constitutional officers, 2) Consolidating agencies that deliver health care services into one Cabinet-level agency, 3) Restructuring the Department of Transportation into a Cabinet-level agency such as has been done in the majority of other states in the nation, and 4) Moving administrative functions of the Budget and Control Board into a Cabinet-level Department of Administration, as is the structure for all other states in the country.

The **total dollar savings over five years – \$95 million in state funds** – from adopting our restructuring proposals are recognized in the separate budget goal areas that would be impacted.

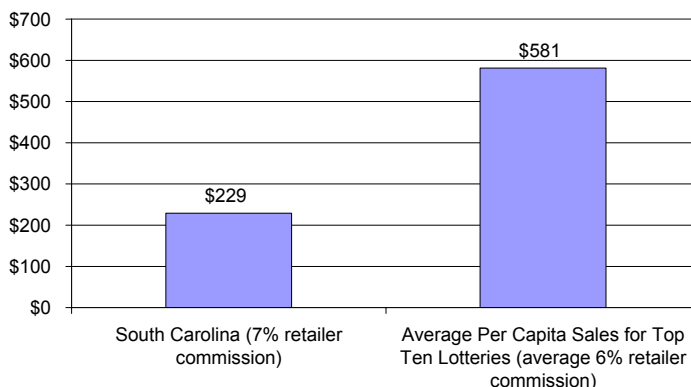
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**IMPROVE CENTRAL STATE GOVERNMENT SUPPORT AND  
OTHER GOVERNMENTAL SERVICES**

**Reducing lottery commissions to approximately the national average** is an idea that we have proposed in our last two budgets to provide significant new dollars for education in our state. This policy decision is particularly relevant considering the start-up of a North Carolina lottery in the next year. When fully operational, the North Carolina lottery is expected to take 10 percent (or almost \$30 million) away from our lottery. To this end, it is important that we make every effort to run our lottery as efficiently as possible so maximum dollars can go to educating our children.

Data from lotteries across the country show there is no correlation between a higher retail commission and higher lottery sales. In fact, the top ten lotteries across the nation in sales had average per capita sales of \$581. But, their average retail commission was one full percentage point less than ours and one-tenth lower than the national average of six percent.

Per Capita Lottery Sales for the Top Ten State Lotteries vs. South Carolina



When the Education Lottery was established, retailer commissions were set at a minimum of seven percent. Had sales for the lottery's first year been the \$500 million that was predicted, retailers statewide would have shared in commissions of approximately \$35 million. As the lottery sales are now over \$950 million annually, commissions are over \$66 million. In other words, retailers signed up to a program that projected average annual commissions of \$10,000 but have been rewarded with average annual commissions of over \$19,000 per retailer. A reduction of retailers' commissions from seven percent to the approximate national average of six percent will still leave retailers making an average of over \$16,000 per store – 60 percent more than the initial projections. More importantly, paying retailers a six percent commission will **free up an estimated \$9.5 million** annually that can be used for education in our state.

**Savings from rent reductions related to matured bonds.** Bonds for Museum/DOR building will be fully paid off this fiscal year so there should be savings of approximately \$1 million annually as a result of the Budget and Control Board dropping their rent from the amount needed to service the bonds to the standard rate of \$11.32 a square foot. We propose reducing those agencies' budgets by their pro-rata rent savings amount as the Budget and Control Board simultaneously reduces the rent billed to the agencies.

<b>Budget and Control Board</b>	<b>139,788</b>
<b>Department of Revenue</b>	<b>1,003,779</b>
<b>State Museum</b>	<b>1,726,833</b>
<b><i>Total rent reductions</i></b>	<b><i>\$2,870,400</i></b>

**IMPROVE CENTRAL STATE GOVERNMENT SUPPORT AND  
OTHER GOVERNMENTAL SERVICES**

We have deducted these bond portions from the noted agencies' rent expenditures as a result of these bonds maturing. It is important to recognize these are not budget cuts for these agencies.

**Savings from a Central State Travel Office and instituting travel guidelines.** The recent Legislative Audit Council report on state travel shows that our state can do a better job when it comes to managing its travel. This is why we have recommended the creation of a Central State Travel Office. With no current centralized travel agency, we have over 70 agencies making travel decisions with no standard regulations – resulting in a very inefficient system. We believe it is reasonable for each agency to save at least 15 percent of their lodging travel budget by implementing a hotel limit. This administration and the agencies within our cabinet have already led by example on this front.

In addition, we propose that members of the Workers' Compensation Commission, the Employment Security Commission, and the Public Service Commission be covered by the same guidelines as other state employees when traveling 50 or more miles from their homes.

The newly created Central State Travel Office within the Comptroller General's Office will make sure that each agency adheres to the state's provisions for travel. This management, coupled with savings from bulk airline purchases, will provide an **annual savings of \$824,000** during FY 2007-08.

**Removing funds for increased enforced collections.** During the first year of funding the program, the Department of Revenue received \$3 million in appropriations to purchase one-time infrastructure needs to increase collections. In our executive budget last year, we recommended these dollars be returned to the general fund since the infrastructure had already been purchased. However, at the end of the budget process, these additional dollars remained in the Department of Revenue's budget. We again believe that it is only fair to recommit these dollars back to the general fund. Returning these dollars back to the general fund will provide **annual recurring savings of \$3,000,000** during FY 2006-07.

**Savings from TERI employees leaving state government.** In many instances, the Teacher and Employee Retention Incentive (TERI) program has accomplished its goal – retaining experienced teachers and good people in critical positions of government. However, in many other instances, it has prevented qualified individuals from entering the state's work force at lower rates of pay. The TERI program has in essence been unfair to the taxpayers of the state because it asks them to contribute more tax dollars to high-salaried managers simply because they were able to take advantage of a system. In fact, TERI employees are paid \$17,000 more than the average non-TERI state employee.

The first class of TERI participants has hit the five-year mark. We recommend that agencies re-hire these employees only in extreme circumstances, and at 75 percent of their previous salary. Instead, agencies should disburse job duties among remaining employees and concurrently look to hire and train qualified, new, and presumably younger individuals to be trained for succession so that the agency will be better prepared for the long run. This type of management will not only reduce duplication and create a more efficient office, but will also create a savings for all agencies with TERI employees leaving. According to numbers from the Human Resource Office in the Budget and Control Board, as of January 31, 2008, approximately 798 TERI employees will have retired. The combined salaries of those current employees equal \$24.5 million. We propose that if an agency feels that it must retain a TERI employee, that the employee would receive 75 percent of his or her previous salary. This modest change would result in an **annual savings of almost \$10.4 million**. We want to make it clear that this proposal is not about terminating any current employees but instead represents the natural process of replacing most positions with less tenured individuals at lower pay.

**Adopting more efficient practices for our fleet management program.** This administration has constantly said there is a better way to operate the management of our state's vehicles. As a result, the consultant group, Mercury, released specific recommendations on how to provide more effective vehicle services for state employees. The consultant group found that these recommendations, if adopted, will lead to significant opportunities to achieve cost savings in the upcoming budget year and in the future. The Mercury study projects savings over a five-year window to be almost \$52 million dollars, however, we did not take these savings in this year's budget.

**Reduced premium payments to unemployment trust fund.** The State Unemployment Compensation Trust Fund has a projected balance of about \$27 million at June 30, 2007, which is a result of approximately \$8 million in premiums being paid annually, while historical pay-out amounts have been between \$4-5 million. We propose that agency billings be cut in half to the appropriate maintenance level. The unemployment trust fund has been overfunded by almost \$3 million each year since 2000. The Fund has a projected balance of about \$27 million at June 30, 2007, while the pay-out amount over the past five years has only been between \$4-5 million. The Budget and Control Board staff should be able to cut nearly in half the agency billings for next fiscal year and still adequately maintain the Fund. We propose: 1) Board revisit the formula (175 percent) for calculating premiums, in order to close the gap between the pay-in and pay-out amounts and restore maintenance levels, and, 2) Reallocating \$23 million in surplus funds to the newly created OPEB trust fund.

**Making Tough Choices:**

Given the state's finite amount of resources, we had to make some difficult choices regarding which activities to fund or not fund. While the activities listed below may well

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have merit, when comparing them with other activities, we did not think their anticipated outcome would be as effective in achieving our goal. The following reflects some of those difficult choices:

**The Civil Contingency Fund** is a reserve fund at the Budget and Control Board that is used to help an agency cover unplanned expenses. Over the past two years, payments from the fund have averaged only \$43,000 per year. Therefore, during FY 2007-08, we propose cutting recurring general fund dollars in the amount of **\$161,902** to the fund.

**Making ancillary human resources functions self-sufficient.** The Budget and Control Board provides a number of human resources services such as training and development, temporary employment services, and recruiting services to various state agencies. The Board charges agencies a fee for these services. In addition to the fees they collect, these services also receive a general fund appropriation. We propose removing the general fund appropriation for these ancillary services and require the Board to justify their expenditures entirely in terms of services provided to agencies. Removing the general fund supplement for Training and Development Services, Temporary Employment Services, Recruitment Services, Workforce Planning, and Executive Education Training will **save a total of \$1,041,813** next fiscal year.

*Please see the Appendices for a complete listing of the Governor's Purchase Plan for this goal area and for a detailed listing of what our plan saves and what our plan does not buy.*



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# APPENDICES

# Revenue and Allocation Summary

# Revenue and Allocation Summary

## FY 2007-08 Governor's Purchase Plan

<b>FY 2007-08 BEA Estimate Gross General Fund Revenue</b> (Nov. 9, 2006)	7,103,000,000
<b>Less:</b> Tax Relief Trust Fund	(521,643,795)
<b>Plus:</b> Tax Relief Trust Fund Carryforward	<u>13,797,464</u>

**Net General Fund Revenue Estimate FY 2007-08** **6,595,153,669**

**Revenue Adjustments:**

Nonrecurring Revenue - BEA Certified Surplus Revenue (FY 2006-07)	306,929,588
Business License Tax - Reduction from decline in demand due to increase in Cigarette Tax	(2,182,000)
Nonrecurring Revenue - Ethics Commission Excess Agency Cash	250,000
Taxes and Fees Redirected from Economic Impact Zone	8,800,000
Taxes and Fees Redirected from RDA's to General Funds	<u>2,824,632</u>

**Adjusted General Fund Revenue Estimate** **6,911,775,889**

**Spending Limit = Base \$6,108,004,521 \* Pop. (1.413%) + Infl. (4.09%) = (5.503%), plus exemptions** **6,506,699,775** 398,695,254 Amount Available Above \$6,108,004,521 Beginning Base

**Difference of Adjusted Revenue and Spending Limitation** **405,076,114**

**General Funds Available from Medicaid Shift to Other Funds Generated by Cigarette Tax Increase of 30¢** **107,270,000**

**Total in Excess of Spending Limit**

**512,346,114** Available for:  
 205,166,526 Permanent Tax Rate Reduction  
 21,175,000 Debt Repayment  
 41,338,714 Tuition Prepayment Program Elimination of Unfunded Liability

**Other Fund Revenue Transfers to OPEB Trust Fund:**

Unemployment Compensation Fund	23,000,000
Lapsed Unobligated Competitive Grants Revenue FY2006-07	34,355,384
State Health Plan - Excess IBNR Reserves Equivalent to 40.7 day reserve	<u>136,800,000</u>

**Total OPEB Trust Fund** **438,821,258**

**Incremental Statewide Items:**

General Reserve Fund	19,048,978
Capital Reserve Fund	12,699,319
Local Government Fund	30,823,468
Debt Service	4,050,654
Employee Pay Plan - Variable 3% Excluding Local Health Care Providers	52,494,423
Employee Health Insurance - Annualization & Growth	37,524,000

**Total Statewide Items** **156,640,842**

**Spending Limit Less Incremental Statewide Items** **6,350,058,933**

RESULT AREA	FY 2006-07 General Funds	% of General	FY 2006-07 Total Funds	% of Total	FY 2007-08 Executive Budget	% of General	FY 2007-08 Total Funds	% of Total
Improve K-12 student performance	2,180,413,078	35.7%	3,676,730,810	18.8%	2,333,251,643	37.4%	3,865,496,411	19.3%
Improve the health and protections of our children & adults	1,540,478,745	25.2%	7,960,379,473	40.6%	1,516,917,102	24.3%	8,367,651,579	41.7%
Improve our higher education system & cultural resources	796,901,187	13.0%	3,714,916,216	18.9%	785,856,934	12.6%	3,768,189,871	18.8%
Improve the safety of people and property	578,724,864	9.5%	1,017,782,926	5.2%	599,572,251	9.6%	1,059,322,963	5.3%
Improve the quality of our natural resources	92,491,895	1.5%	307,289,359	1.6%	88,542,853	1.4%	322,540,507	1.6%
Improve central state government support & other governmental services	622,791,978	10.2%	872,640,890	4.5%	601,803,778	9.6%	938,494,656	4.7%
Debt Service	228,393,608	3.7%	228,393,608	1.2%	226,473,608	3.6%	226,473,608	1.1%
Improve the conditions for economic growth (incl. transportation)	67,809,166	1.1%	1,826,945,917	9.3%	90,370,764	1.5%	1,535,514,143	7.7%
<b>TOTAL</b>	<b>6,108,004,521</b>	<b>100.0%</b>	<b>19,605,079,199</b>	<b>100.0%</b>	<b>6,242,788,933</b>	<b>100.0%</b>	<b>20,083,683,738</b>	<b>100.0%</b>

# **Executive Budget Purchase Plan**

FY 2007-08 Executive Budget New Funding - Cost Savings Overview Document	FY 2007-08 Recurring Base	New Funding	Cost Savings								FY 2007-08 Executive Budget	% Growth (GF)	% of Funds (GF)	FY 2006-07 CRF Appropriations	FY 2007-08 Contingency Reserve Fund Appropriations	
			General Funds	K-12 Education	Higher Education/ Cultural	Economic Development	Health	Natural Resources	Public Safety	Central State Government						Total Savings
A01 Senate	11,393,309							7,124	7,124	11,386,185	-0.1%	0.2%				
A05 House	13,044,338							3,770	3,770	13,040,568	0.0%	0.2%				
A15 Codification and Laws	2,854,026							1,515	1,515	2,852,511	-0.1%	0.0%				
A17 LPITR	3,921,074							896	896	3,920,178	0.0%	0.1%				
A20 LAC	1,254,164	585,000						1,342	1,342	1,837,822	46.5%	0.0%				
B04 Judicial	35,208,188							93,502	93,502	35,114,686	-0.3%	0.5%				
C05 Admin Law	1,966,289							1,329	1,329	1,964,960	-0.1%	0.0%				
D05 Gov Exec Ctrl	2,419,318	(74,502)						3,488	3,488	2,341,328	-3.2%	0.0%				
D10 Gov SLED	34,924,356	1,438,133						79,998	329,998	36,032,491	3.2%	0.6%	3,275,600			
D17 Gov OEPP	9,293,239	1,952,961					294,445	43,756	338,201	10,907,999	17.4%	0.2%	17,700			
D20 Gov Mansion	437,218							2,140	2,140	435,078	-0.5%	0.0%				
E04 Lt Gov	4,782,317	2,900,000						28,349	120,899	7,561,418	58.1%	0.1%				
E08 Sec of State	928,070							1,169	1,169	926,901	-0.1%	0.0%				
E12 Comp General	4,234,573	50,000						51,768	51,768	4,232,805	0.0%	0.1%				
E16 State Treasurer	2,807,907							202,835	202,835	2,605,072	-7.2%	0.0%				
E20 Atty Gen	7,128,103	634,864						24,574	24,574	7,738,393	8.6%	0.1%	67,821			
E21 Pros Coord Comm	11,213,065							1,837	1,837	11,211,228	0.0%	0.2%				
E23 Comm Indigent Def	6,620,491							190,846	190,846	6,429,645	-2.9%	0.1%				
E24 Adj General	6,245,201							37,595	234,417	6,010,784	-3.8%	0.1%		1,000,000		
E28 Elect Comm	1,797,900							2,395	2,395	1,795,505	-0.1%	0.0%	3,473,000			
F03 B&C Board	29,071,213				137,771			1,450,209	1,587,980	27,483,233	-5.5%	0.4%	3,200,000			
F27 State Auditor	3,331,402							3,309	3,309	3,328,093	-0.1%	0.1%				
F30 Employee Benefits** (See Below)	6,747,583									6,747,583	0.1%					
F31 Cap and Gen Res Fund** (See Below)	111,821,213									111,821,213	1.7%					
H03 Comm Higher Ed	91,257,578	2,924,000		2,518,626				27,332	2,545,958	91,635,620	0.4%	1.4%				
H06 Tuition Grants	19,692,556			17,780				1,231	19,011	19,673,545	-0.1%	0.3%				
H09 Citadel	15,285,183			442,191				147,594	589,785	14,695,398	-3.9%	0.2%				
H12 Clemson	100,476,486	1,500,000		2,981,777				1,182,988	4,164,765	97,811,721	-2.7%	1.5%				
H15 Univ of Charleston	30,317,308			986,033				270,611	1,256,644	29,060,664	-4.1%	0.4%				
H17 Coastal Carolina	12,667,571			356,297				183,347	539,644	12,127,927	-4.3%	0.2%				
H18 Francis Marion	16,413,177			398,074				108,481	506,555	15,906,623	-3.1%	0.2%				
H21 Lander	10,175,198			258,895				244,145	503,040	9,672,158	-4.9%	0.1%				
H24 SC State	21,769,768	748,365		658,541				394,095	1,052,636	21,465,498	-1.4%	0.3%				
H27 USC Columbia	170,355,770		500,000	3,872,611				2,107,470	6,480,081	163,875,689	-3.8%	2.5%				
H29 Aiken	10,381,262			126,562				9,157	135,719	10,245,543	-1.3%	0.2%				
H34 Upstate	12,696,259			214,342				12,733	227,075	12,469,184	-1.8%	0.2%				
H36 Beaufort	2,677,047			180,240				2,966	183,206	2,493,841	-6.8%	0.0%				
H37 Lancaster	2,554,105			52,933				1,814	54,747	2,499,358	-2.1%	0.0%				
H38 Salkehatchie	2,217,943			100,460				1,170	101,630	2,116,313	-4.6%	0.0%				
H39 Sumter	4,125,896			34,137				2,676	36,813	4,089,083	-0.9%	0.1%				
H40 Union	992,713							600	600	992,113	-0.1%	0.0%				
H47 Winthrop	21,732,096			372,573				128,150	500,723	21,231,373	-2.3%	0.3%				
H51 MUSC	88,969,156	1,000,000		3,287,422				552,596	3,840,018	86,129,138	-3.2%	1.3%				
H53 Cons Comm Teach Hosp	15,392,828							2,591	431,134	14,961,694	-2.8%	0.2%				
H59 Bd Tech and Comp Ed	161,411,264	5,000,000		1,745,252				1,626,060	3,371,312	163,039,952	1.0%	2.5%				
H63 Dept of Education	2,145,295,643	167,246,086	5,544,949					293,838	5,838,787	2,306,702,942	7.5%	35.5%		60,000,000		
H64 Gov's School - Arts & Humanities	6,735,928	469,290	268,802					268,802	6,936,416	6,936,416	3.0%	0.1%	1,575,000			
H65 Gov's School - Science & Math	3,592,290	460,474	27,525					27,525	4,025,239	4,025,239	12.1%	0.1%				
H67 ETV	13,750,506							138,563	725,992	13,024,514	-5.3%	0.2%				
H71 Wil Lou Gray	3,212,458							38,955	78,582	3,133,876	-2.4%	0.0%	312,500			
H73 Voc Rehab	13,719,984	500,000						143,881	486,158	13,733,826	0.1%	0.2%				
H75 School Deaf and Blind	15,114,915		1,914,938					102,393	2,017,331	13,097,584	-13.3%	0.2%	1,766,955			
H79 Archives and History	4,017,747	35,000		229,818				36,212	266,030	3,786,717	-5.8%	0.1%				
H87 State Library	12,807,806			85,230				1,429	86,659	12,721,147	-0.7%	0.2%				
H91 Arts Comm	3,624,120			830,191				12,165	842,356	2,781,764	-23.2%	0.0%				
H95 State Museum	4,875,506			101,634				1,730,380	1,832,014	3,043,492	-37.6%	0.0%				
J02 Health and Hum Svcs	906,852,228	(53,270,000)					2,475,000	137,754	2,612,754	850,969,474	-6.2%	13.1%				
J04 DHEC	124,807,152	8,734,060						1,106,927	7,740,732	125,800,480	0.8%	1.9%	4,365,000			
J12 Mental Health	197,308,072	12,820,612						1,362,981	8,563,348	201,565,336	2.2%	3.1%	7,062,673			
J16 DDSN	167,592,550	8,700,000						565,604	3,245,220	173,047,330	3.3%	2.7%				
J20 DAODAS	11,127,947	325,000						26,945	441,067	11,011,880	-1.0%	0.2%				
K05 Public Safety	78,980,325	7,785,200						68,724	198,763	86,566,762	9.6%	1.3%	10,500,000	5,541,103		
L04 DSS	130,155,206	15,827,826						784,729	784,729	145,198,303	11.6%	2.2%	16,000,000			
L12 John de la Howe	4,148,197	208,535						28,032	28,032	4,328,700	4.4%	0.1%				
L24 Comm for Blind	3,632,987	340,200						33,623	288,760	3,684,427	1.4%	0.1%	1,052,992			
L36 Human Affairs	1,924,459							85,342	85,342	1,839,117	-4.4%	0.0%				
L46 Minority Affairs	510,558							2,202	2,202	508,356	-0.4%	0.0%				
N04 Corrections	322,279,905	6,404,086						407,942	1,757,942	326,926,049	1.4%	5.0%	15,000,000			
N08 PPP	21,348,239	2,718,696						650,758	28,080	23,388,097	9.6%	0.4%	255,472			
N12 DJJ	90,911,022	4,897,363						425,000	289,040	95,094,345	4.6%	1.5%	9,346,500			
N20 Criminal Justice Academy	102,773									102,773	0.0%		2,000,000			
P12 Forestry	15,727,933							2,011,250	2,147,417	13,580,516	-13.7%	0.2%				
P16 Agriculture	4,827,142	400,000			390,606			65,511	456,117	4,771,025	-1.2%	0.1%				
P20 Clemson PSA	44,919,437		4,463,849		380,251		228,591	3,562,246	21,018	8,655,955	-19.3%	0.6%				
P21 SC State PSA	2,879,778							9,985	9,985	2,869,793	-0.3%	0.0%				
P24 Natural Resources	25,089,381	1,750,000						1,350,893	750,000	24,544,191	-2.2%	0.4%	2,000,000			
P26 Sea Grant Cons	560,836							1,719	1,719	559,117	-0.3%	0.0%				

FY 2007-08 Executive Budget New Funding - Cost Savings Overview Document		FY 2007-08 Recurring Base	New Funding	Cost Savings							FY 2007-08 Executive Budget	% Growth (GF)	% of Funds (GF)	FY 2006-07 CRF Appropriations	FY 2007-08 Contingency Reserve Fund Appropriations			
				General Funds	K-12 Education	Higher Education/ Cultural	Economic Development	Health	Natural Resources	Public Safety						Central State Government	Total Savings	
P28	PRT	35,470,771	13,350,000	598,701			1,333,586					127,092	2,059,379	46,761,392	31.8%	0.7%	1,000,000	
P32	Commerce	15,572,219	8,047,500				297,688					29,783	327,471	23,292,248	49.6%	0.4%	7,000,000	5,000,000
P40	Conservation Bank																20,000,000	
R08	Workers Comp	3,351,074										4,379	4,379	3,346,695	-0.1%	0.1%		
R20	Insurance	4,556,425	304,000									15,550	15,550	4,844,875	6.3%	0.1%	150,000	
R28	Consumer Affairs	2,062,925										3,348	3,348	2,059,577	-0.2%	0.0%		
R36	LLR	2,978,905										70,948	70,948	2,907,957	-2.4%	0.0%		
R40	DMV																	
R44	DOR	41,890,318										4,260,716	4,260,716	37,629,602	-10.2%	0.6%		
R52	State Ethics	485,496										599	599	484,897	-0.1%	0.0%		
R60	ESC	437,557										78,628	78,628	358,929	-18.0%	0.0%		
S60	Proc Review Panel	118,204										118,204	118,204		-100.0%			
U12	DOT	1,100,990										144,298	144,298	956,692	-13.1%	0.0%		
V04	Debt Service** (See Below)	228,393,608										1,920,000	1,920,000	226,473,608	-0.8%	3.5%		
X12	Aid to Sub - CG	2,813,358												2,813,358		0.0%		
X22	Aid to Sub - Treasurer** (See Below)	261,333,920												261,333,920		4.0%		
Y14	State Port Authority																2,400,000	100,000,000
<b>Statewide</b>																		
Permanent Reduction of Tax Rate			107,270,000											107,270,000				
Variable Employee Pay Plan (3% Alloc.)			52,494,423											52,494,423		0.8%		
Employee Health Insurance (Less: Tobacco)			37,524,000											37,524,000		0.6%		
Debt Service			4,050,654											4,050,654				
Capital Reserve Fund (Exempt)			12,699,319											12,699,319		0.2%		
General Reserve Fund (Exempt)			19,048,978											19,048,978		0.3%		
Local Government Fund (Exempt)			30,823,468											30,823,468		0.5%		
<b>Total</b>		<b>6,108,004,521</b>	<b>490,623,591</b>	<b>13,945,820</b>	<b>19,851,618</b>	<b>2,539,902</b>	<b>21,044,453</b>	<b>6,924,389</b>	<b>3,752,619</b>	<b>23,869,536</b>	<b>91,928,337</b>	<b>6,506,699,775</b>	<b>98.3%</b>	<b>111,821,213</b>	<b>171,541,103</b>			
												less: P+I, Plus Exemptions, FY 2007-08 Spending Li		<b>6,506,699,775</b>				
												= Surplus/Deficit:		<b>0</b>				

**SUMMARY OF FY 2007-08 BUDGET APPROVALS**

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Contingency Reserve Fund	Capital Reserve Fund	State	Federal	Other	Total	FTEs			
												State	Federal	Other	Total
A20	Legislative Audit Council	Statewide	Sunset Commission	Performance Auditing	NEW			585,000			585,000				
	Central Government		<b>Agency Total</b>					<b>585,000</b>			<b>585,000</b>				
D05	Governor's Office - ECS	Central Govt	Transfer FTE's to OEPP	Administration	27			(74,502)			(74,502)	(2.00)			(2.00)
	Central Government		<b>Agency Total</b>					<b>(74,502)</b>			<b>(74,502)</b>	<b>(2.00)</b>			<b>(2.00)</b>
D10	Governor's Office-SLED	Safety	Vehicle Replacement	Agency wide	28-50		1,875,000				1,875,000				
	Safety		Investigative Service FTEs	Invest Ser, Arson/Bomb, VICE	30-31, 38		432,500	688,597			1,121,097	11.00			11.00
	Safety		Forensic Services FTEs	DNA, Drug ID, Firearms, Latent Prints, Toxicology, Trace	50		963,100	511,704			1,474,804	9.00			9.00
	Safety		Sex Offender Registry	CJIS	36			200,000			200,000				
	Safety		Administration FTE	Administration	41		5,000	37,832			42,832	1.00			1.00
	Safety of People and Property		<b>Agency Total</b>				<b>3,275,600</b>	<b>1,438,133</b>			<b>4,713,733</b>	<b>21.00</b>			<b>21.00</b>
D17	Governor's Office - OEPP	Health	State Veterans' Cemetery	Program Management	1649		17,700	399,269			416,969	8.63			8.63
	Safety		Office of Crime Victims' Ombudsman	Formal Complaints	55			48,000			48,000				
	Health		New Nursing Home & Cemetery Visits	Program Management	1649			2,700			2,700				
	Health		Foster Care Review Board	Review cases of children in foster care	1635			173,490			173,490				
	Health		Guardian Ad Litem	Coordinate statewide system of volunteer child advocates	1640			1,100,000			1,100,000				
	Health		Veterans' Affairs War Roster	Program Management	1649			55,000			55,000	2.00			2.00
	Health		-	Children's Trust Fund	New			100,000			100,000				
	Central Govt		Transfer FTE's from ECS	Administration	78			74,502			74,502	2.00			2.00
	Health & Protections		<b>Agency Total</b>				<b>17,700</b>	<b>1,952,961</b>			<b>1,970,661</b>	<b>12.63</b>			<b>12.63</b>
E04	Lieutenant Governor	Health	Home & Community Based Services	Regional Activity Home & Community Based Services	1655			2,900,000			2,900,000				
	Health & Protections		<b>Agency Total</b>					<b>2,900,000</b>			<b>2,900,000</b>				
E12	Comptroller General	Central Govt	Statewide Travel Office					50,000			50,000	1.00			1.00
	Central Government		<b>Agency Total</b>					<b>50,000</b>			<b>50,000</b>	<b>1.00</b>			<b>1.00</b>
E20	Attorney General's Office	Safety	Internet Sex Predator Prosecutors	Internet Crimes Against Children	143			206,195			206,195	3.00			3.00
	Safety		Civil Environmental Attorney	Government Litigation	145			179,418			179,418	2.00			2.00
	Safety		Clerk of Court Personnel	State Grand Jury	142			57,243			57,243	1.00			1.00
	Safety		Special Litigation Attorney	Government Litigation	145			146,918			146,918	2.00			2.00
	Safety		Technology Enhancement Initiative	Agency wide	138-150		67,821	45,090			112,911	1.00			1.00
	Safety of People & Property		<b>Agency Total</b>				<b>67,821</b>	<b>634,864</b>			<b>702,685</b>	<b>9.00</b>			<b>9.00</b>
E24	Adjutant General's Office	Safety	Emergency Shelter/Disaster Upgrades	EMD-Natural Hazards Preparedness	183	1,000,000					1,000,000				
	Safety of People & Property		<b>Agency Total</b>			<b>1,000,000</b>					<b>1,000,000</b>				
E28	Election Commission	Central Govt	2008 Statewide Primary/Runoff Elections	Statewide Primaries	1537		3,473,000				3,473,000				
	Central Government		<b>Agency Total</b>				<b>3,473,000</b>				<b>3,473,000</b>				
F03	Budget & Control Board	Central Govt	SC Enterprise Information System Project	Enterprise Projects	253		3,200,000				3,200,000				
	Central Government		<b>Agency Total</b>				<b>3,200,000</b>				<b>3,200,000</b>				
H03	Comm. On Higher Education	Higher Ed	Ensuring Access to & Incr. Enrollment in Higher Ed	Administration	279			324,000			324,000	1.00			1.00
	Higher Ed		Ensuring Access to & Incr. Enrollment in Higher Ed GEAR-UP	Gear Up	288			600,000			600,000				
	Higher Ed		Statewide Electronic Library	Electronic Library	307			2,000,000			2,000,000				
	Higher Ed/Cultural		<b>Agency Total</b>					<b>2,924,000</b>			<b>2,924,000</b>	<b>1.00</b>			<b>1.00</b>
H12	Clemson University (E&G)	Economic	Clemson Univ. Int'l Ctr for Auto Research	CU - ICAR	1691			1,500,000			1,500,000	12.00			12.00
	Higher Ed/Cultural		<b>Agency Total</b>					<b>1,500,000</b>			<b>1,500,000</b>	<b>12.00</b>			<b>12.00</b>

**SUMMARY OF FY 2007-08 BUDGET APPROVALS**

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Contingency Reserve Fund	Capital Reserve Fund	State	Federal	Other	Total	FTEs					
												State	Federal	Other	Total		
H24	South Carolina State University (E&G)	Higher Ed	University Transportation Center	Transportation	455			748,365			748,365						
			<b>Agency Total</b>					<b>748,365</b>			<b>748,365</b>						
H51	MUSC	Health	Hollings Cancer Center	Hollings Cancer Center	1566			1,000,000			1,000,000						
			<b>Agency Total</b>					<b>1,000,000</b>			<b>1,000,000</b>						
H59	Technical & Comp. Education		Allied Health Care Initiative	Allied Health Initiative	1712			3,500,000			3,500,000	100.00					100.00
			Center for Accelerated Technology	Center for Accelerated Technology	661			1,500,000			1,500,000						
			<b>Agency Total</b>					<b>5,000,000</b>			<b>5,000,000</b>	<b>100.00</b>					<b>100.00</b>
H63	Department of Education		EFA & Employer Contributions	EFA and Fringe	675-676			93,950,869			93,950,869						
			School Transportation	School Transportation System	749-751, 708	60,000,000					60,000,000						
			Public School Child Development Education Pilot Program	Public School Child Development Education Pilot Program	1715			23,575,680			23,575,680	3.00					3.00
			Education & Economic Dev. Act (EEDA)	Education & Economic Dev. Act	1719			17,345,360			17,345,360						
			SC Virtual Learning Program	SC Virtual Learning Program	NEW			by proviso			-						
			Assessment for Learning Act 254 of 2006	Assessment & Testing Activities	759			3,950,000			3,950,000						
			Student Health & Fitness Act	Coordinated School Health Program	764			29,887,860			29,887,860						
			National Board Certification	Shift to EIA	688			(4,064,483)			(4,064,483)						
			High Schools That Work	High Schools That Work	700			1,000,800			1,000,800						
			Young Adult Education	Adult Education	740			1,600,000			1,600,000						
			<b>Agency Total</b>			<b>60,000,000</b>		<b>167,246,086</b>			<b>227,246,086</b>	<b>3.00</b>					<b>3.00</b>
H64	Governor's School for Arts & Humanities		Residential High School	Residential Life	806-812			469,290			469,290						
			Residence Hall Reconfiguration	Residential Life	806-812		1,575,000				1,575,000						
			<b>Agency Total</b>				<b>1,575,000</b>	<b>469,290</b>			<b>2,044,290</b>						
H65	Governor's School for Science & Mathematics		Student Health, Security & Operating Support	Life in Residence	814			123,074			123,074						
			Lease Required Chemistry Labs & Athletic Spaces	Academics, Outreach, Life in Res	813-815			55,000			55,000						
			Technology Replacement	Academics, Outreach, Life in Res	813-815			282,400			282,400						
			<b>Agency Total</b>					<b>460,474</b>			<b>460,474</b>						
H71	Wil Lou Gray Opportunity School		Computer Replacement	Academic Program	833		62,500				62,500						
			Asbestos Flooring	Support Service Program	837		250,000				250,000						
			<b>Agency Total</b>				<b>312,500</b>				<b>312,500</b>						
H73	Vocational Rehabilitation	Health	School to Work Transition Services	Direct Client Services	839			500,000	1,847,418		2,347,418						
			<b>Agency Total</b>					<b>500,000</b>	<b>1,847,418</b>		<b>2,347,418</b>						
H75	School for the Deaf & Blind		Safety/Accessibility/ADA	Education	851		690,742				690,742						
			Health Center	Student Support	852		1,076,213				1,076,213						
			<b>Agency Total</b>				<b>1,766,955</b>				<b>1,766,955</b>						
H79	Archives & History	Higher Ed	Preserving SC's African American Heritage	State Historic Preservation Program	860			35,000			35,000						
			<b>Agency Total</b>					<b>35,000</b>			<b>35,000</b>						
J02	Health & Human Services	Health	Medicaid Maintenance of Effort	All Medicaid Activities	894-899 925 932-934 938 942-943			20,000,000	68,554,534	10,000,000	98,554,534						
		Health	Cigarette Tax Increase - Shift Medicaid to Other Funds	All Medicaid Activities	894-899 925 932-934 938 942-943			(107,270,000)		107,270,000	-						



**SUMMARY OF FY 2007-08 BUDGET APPROVALS**

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Contingency Reserve Fund	Capital Reserve Fund	State	Federal	Other	Total	FTEs					
												State	Federal	Other	Total		
			Health	Rural Hospital Grants - Recurring Funding	Rural Hospital Grants	1586		1,500,000			1,500,000						
			Health	Prevention Partnership Grants	Prevention Partnership Grants	1585		4,000,000			4,000,000						
			Health	Community Long Term Care Expansion	Community Long Term Care	911		2,500,000	5,712,878		8,212,878						
			Health	Medicaid Eligibility - Additional Funding	Medicaid Eligibility	942		500,000	500,000		1,000,000						
			Health	Institutes for Mental Disease Liability	Emotionally Disturbed Children - Institutes for Mental Disease (IMD)	936		13,000,000			13,000,000						
			Health	Private Rehabilitative Therapy Liability	Private Rehabilitative Therapy	NEW		1,500,000	3,427,727		4,927,727						
			Health	Outpatient Hospital Rates	Hospital Services	901		10,000,000	22,851,511		32,851,511						
			Health	Home Health Telemonitoring Services	Home Health Services	913		1,000,000	2,285,151		3,285,151						
			<b>Agency Total</b>				-	<b>(53,270,000)</b>	<b>103,331,801</b>	<b>117,270,000</b>	<b>167,331,801</b>						
	Health & Env. Control		Natural Res	Improve Water Quality	Water Pollution Control Program	952		945,270			945,270	42.00				42.00	
			Natural Res	Contaminated Hazardous Waste Sites Cleanup Fund	Land & Waste Management	959		500,000			500,000						
			Natural Res	Mining Council	Mining Program	962		24,000			24,000						
			Health	Food Service Inspections & Dairy Product Testing	Infectious Disease Prevention	966		720,000			720,000	42.00				42.00	
			Health	Infectious Disease Prevention - Tuberculosis & Sexually Transmitted Diseases	Infectious Disease Prevention - Surveillance, Investigation & Control	967		509,000			509,000	63.72				63.72	
			Health	Aids Drug Assistance Program	Infectious Disease Prevention - Surveillance, Investigation & Control	967		1,300,000			1,300,000						
			Health	Infant Mortality Reduction	Maternal & Infant Health	970		500,000			500,000	16.00				16.00	
			Health	Vaccine Purchases for under-insured Children & adolescents	Infectious Disease Prevention	968		1,000,000			1,000,000	8.00				8.00	
			Health	Prevention of Diabetes and Other Chronic Disease Disparities	Chronic Disease Prevention; Assuring Public Health Services	973, 975		2,000,000			2,000,000	37.00				37.00	
			Health	Pandemic Influenza & Public Health Emergency Preparedness	Protection from Public Health Emergencies	978	1,000,000	203,468			1,203,468	26.60				26.60	
			Health	Hospital Infections Report	Hospital Infectious Disclosure Act	NEW		276,245			276,245	3.25				3.25	
			Health	Interstate Cooperation Monitoring Pgm	Water Management Drinking Water	951		756,077			756,077	2.00				2.00	
			Health	Facilities Improvements	Assuring Public Health Services; Water Mgt-Water Pollution Control; Land & Waste Mgt	975, 952, 959	3,365,000				3,365,000						
			<b>Agency Total</b>				<b>4,365,000</b>	<b>8,734,060</b>	<b>-</b>	<b>-</b>	<b>13,099,060</b>	<b>240.57</b>				<b>240.57</b>	
	J12 Mental Health		Health	Annualization of inpatient care and veterans home	Acute psychiatric care, Veterans Nursing Home	1003, 1008		5,025,000			5,025,000						
			Health	Nursing & Clinical Staff Recruitment & Retention	All except Administration			1,000,000			1,000,000						
			Health	Critical Outpatient mental health services	All except Administration			3,500,000		1,274,000	4,774,000						
			Health	Sexual Predator Program Growth	Sexual Predator Program	1009		3,295,612			3,295,612						
			Health	Bryan Renovation for Crisis Capacity	Acute Inpatient Psychiatric Care	1003		462,673			462,673						
			Health	Community Mental Health Center Deferred Maintenance	School Based/Employment/Crisis Stab./Intensive Family/Forensic..	997-1000, 1587-1592	2,005,000				2,005,000						
			Health	Inpatient Buildings Deferred Maintenance	Acute Psych, Long Term Psych, Nursing Care for Mentally Ill, Veterans Nursing Homes, Administration	1002-1003, 1007-1008	4,595,000				4,595,000						
			<b>Agency Total</b>				<b>7,062,673</b>	<b>12,820,612</b>	<b>-</b>	<b>1,274,000</b>	<b>21,157,285</b>						
	J16 Disabilities & Special Needs		Health	Annualization of Recurring Services funded with Supplemental Appropriations	Comm. Training Homes, Other Family Support, Waiver, Family Support, Adult Supported Employment	1016, 1018-1020, 1022, 1024-1025, 1027, 1029-1030		7,500,000			11,422,260					18,922,260	
			Health	Crisis Prevention: Individual & Family Supports	Other Family Support, Family Support, Waiver, Adult Supported Employment	1016, 1018-1020, 1024-1025		1,200,000			3,994,400					5,194,400	
			<b>Agency Total</b>				<b>-</b>	<b>8,700,000</b>	<b>-</b>	<b>15,416,660</b>	<b>24,116,660</b>						

**SUMMARY OF FY 2007-08 BUDGET APPROVALS**

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Contingency Reserve Fund	Capital Reserve Fund	State	Federal	Other	Total	FTEs					
												State	Federal	Other	Total		
J20	Alcohol & Other Drug Abuse Svcs	Health	Chemical Dependency Community Based Prevention & Treatment Services	Chemical Dependency Based Services, Community Based Prevention Services	1037-1038, 1035			325,000			325,000						
				<b>Agency Total</b>				-		<b>325,000</b>	-	-	<b>325,000</b>				
K05	Public Safety	Safety	Technology, Grants Pgms, and Human Resources	Core Admin., Off of Justice, Off of Highway Safety	1041, 1043-1044			785,200			785,200	9.00			9.00		
				Weigh Station Upgrades	1058	5,541,103			5,541,103								
				Fleet Rotation for Law Enforcement Officers	1058-1061, 1063, 1068-1069		5,271,442			5,271,442							
				New Law Enforcement Officers	1058-1061, 1063, 1068-1069, 1081-1083, 1085		3,828,085	5,341,920			9,170,005	100.00			100.00		
				New Law Enforcement Officers	1060		1,361,325	1,416,989			2,778,314	25.00			25.00		
				New Law Enforcement Officers	1081			39,148	241,091			280,239	5.00			5.00	
<b>Agency Total</b>						<b>5,541,103</b>	<b>10,500,000</b>	<b>7,785,200</b>	-	-	<b>23,826,303</b>	<b>139.00</b>		<b>139.00</b>			
L04	Social Services	Health	Federally Mandated Automation of CSE System	Child Support Enforcement	1101		16,000,000				16,000,000						
				Direct Services Staffing Initiative	1091-1092, 1094-1095, 1100-1101, 1104-1105, 1088			6,207,932	2,764,807			8,972,739	42.00		42.00		
				Direct Services Program Needs	1104, 1095, 1090			4,010,420	1,130,769			5,141,189					
				Child Care Vouchers	1103			5,609,474				5,609,474					
<b>Agency Total</b>							<b>16,000,000</b>	<b>15,827,826</b>	<b>3,895,576</b>	-		<b>35,723,402</b>	<b>42.00</b>		<b>42.00</b>		
L12	John de la Howe School	K-12	Compensation Adjustment	All Activities	1111-1124, 1593			188,535			188,535						
				Inflation Adjustment	1117-1121			20,000			20,000						
<b>Agency Total</b>								<b>208,535</b>	-	-	<b>208,535</b>						
L24	Commission for the Blind	Health	Rehabilitation	Vocational Rehab Services, Training & Employment	1128, 1126			285,000	140,000		425,000	5.00			5.00		
				Prevention	1129			55,200	44,800			100,000	2.00		2.00		
				Life Safety Upgrades	1594		1,052,992				1,052,992						
<b>Agency Total</b>							<b>1,052,992</b>	<b>340,200</b>	<b>184,800</b>	-	<b>1,577,992</b>	<b>7.00</b>		<b>7.00</b>			
N04	Dept. of Corrections	Safety	Facility Maintenance	Incarcerate Offenders	1155		8,500,000					8,500,000					
				Turbeville - Operating Funds Annualization	1155			767,754				767,754					
				Broad River 250 Bed Housing Unit-FTE's/Operating Funds	1155		150,000	2,535,832			2,685,832	23.00		23.00			
				Operating Funds - 16 Bed Lock-Up Units at MacDougall/Waterree Institutions	1155		40,000	960,000			1,000,000	18.00		18.00			
				Vehicle/Communication Equipment Purchases/Replacements	1155		3,000,000			3,000,000							
				Gilliam Hospital Renovations	1156		700,000			700,000							
				Improve Mental Health Services	1156			1,500,500			1,500,500	3.00		3.00			
				Incentive Pay for Correctional Officers	1155			640,000			640,000						
				Computer Upgrades Move From Mainframe to Web-Based	1170			650,000			650,000						
				Security Equipment Level II and III	1155			1,360,000			1,360,000						
				Institutions	1156			600,000			600,000						
Pharmaceutical Dispensing & Packaging Machines	1156			600,000			600,000										
<b>Agency Total</b>							<b>15,000,000</b>	<b>6,404,086</b>	-	-	<b>21,404,086</b>	<b>44.00</b>		<b>44.00</b>			
N08	Probation, Parole & Pardon Svcs	Safety	GPS Monitoring	Community Supervision - Regular	1172		62,604	878,056		412,048	1,352,708	12.00			12.00		
				Homeless Sex Offenders	1750		192,868	763,089			955,957	4.00		4.00			
				2nd Yr Funding for Jessie's Law	1750			500,000			750,000	5.00		5.00			

**SUMMARY OF FY 2007-08 BUDGET APPROVALS**

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Contingency Reserve Fund	Capital Reserve Fund	Total				FTEs					
								State	Federal	Other	Total	State	Federal	Other	Total		
		Safety	Recurring charges for 800 MHz radios	Community Supervision - Regular	1172			135,681									
		Safety	FTE conversion	Community Supervision - Regular	1172			441,870						10.00			10.00
		Safety of People and Property		<b>Agency Total</b>				<b>255,472</b>	<b>2,718,696</b>	<b>-</b>	<b>662,048</b>	<b>3,636,216</b>	<b>31.00</b>				<b>31.00</b>
<b>N12</b>	Juvenile Justice	Safety	Intensive Probation & Parole Supervision	Other Community Services	1186		42,671	1,783,783				1,826,454	21.00				21.00
		Safety	Girl's Transition Home	Incarceration Services	1180			164,334				164,334					
		Safety	Intensive Community Services	Other Community Services	1186			778,000				778,000					
		Safety	Critical Transportation Needs	Agency Wide				123,142	255,218			378,360					
		Safety	Critical Maintenance	Incarceration Services	1180			743,829				743,829					
		Safety	800MHz Digital Radio System	Incarceration Services; Evaluation Services; Detention Services	1180, 1182, 1183			440,000	75,000			515,000					
		Safety	Live-Scan Finger Print System	Incarceration Services; Evaluation Services	1180, 1182			120,000				120,000					
		Safety	Releasing Authority Implementation	Incarceration Services	1180			65,170				65,170	1.00				1.00
		Safety	Enhanced Employment Opportunities for Juveniles	Other Community Services	1186		3,000	285,000				288,000	6.00				6.00
		Safety	Teen After School Centers	Other Community Services	1186			150,000				150,000					
		Safety	Step-Down Beds	Alternative Residential Placement Services	1181		200,000	280,320				480,320					
		Safety	MST/IFS	Other Community Services	1186			835,957				835,957					
		Safety	Gang Intervention Unit	Incarceration Services	1180		10,484	154,581				165,065	2.00				2.00
		Safety	Interstate Compact	Other Community Services	1186		3,000	70,000				73,000	1.00				1.00
		Safety	Nurses- FTEs	Medical Services	1184			-				-	14.00				14.00
		Safety	Replacement of Obsolete Dormitories	Incarceration Services	1180			7,660,374				7,660,374					
		Safety of People and Property		<b>Agency Total</b>				<b>9,346,500</b>	<b>4,897,363</b>	<b>-</b>	<b>-</b>	<b>14,243,863</b>	<b>45.00</b>				<b>45.00</b>
<b>N20</b>	Law Enforcement Training Council	Safety	Training Academy Maintenance/Renovations	Facilities Planning & Maintenance Activity	1079		2,000,000					2,000,000					
		Safety of People and Property		<b>Agency Total</b>			<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>					
<b>P16</b>	Dept. of Agriculture	Economic	SC Quality Program	Marketing & Promotions	1216			400,000				400,000					
		Economic Growth		<b>Agency Total</b>			<b>-</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>					
<b>P24</b>	Dept of Natural Resources	Natural Res	Water Quality	Hydrology Section	1261			500,000				500,000					
		Safety	Law Enforcement	Enforce game, fish & related natural resource laws	1247			1,000,000				1,000,000	25.00				25.00
		Natural Res	Marine Monitoring	All Marine Resources	1227-1233			250,000				250,000					
		Natural Res	Marine Infrastructure	Marine Shellfish, Finfish, Crustaceans, Special Projects	1227-1229, 1233			1,000,000				1,000,000					
		Safety	Law Enforcement Equipment	Purchase Law Enforcement Equipment	1254			1,000,000				1,000,000					
		Natural Resources/Safety		<b>Agency Total</b>				<b>2,000,000</b>	<b>1,750,000</b>	<b>-</b>	<b>-</b>	<b>3,750,000</b>	<b>25.00</b>				<b>25.00</b>
<b>P28</b>	Parks, Recreation & Tourism	Economic	Advertising Investment	Media Placement & Production	1274			4,350,000				4,350,000					
		Economic	Increase Destination-Specific Marketing Match Grant	Tourism Community & Economic Development	1279			9,000,000				9,000,000					
		Natural Res	State Parks Asbestos Abatement	State Parks Field Operations	1270			1,000,000				1,000,000					
		Economic Growth/Natural Resources		<b>Agency Total</b>				<b>1,000,000</b>	<b>13,350,000</b>	<b>-</b>	<b>-</b>	<b>14,350,000</b>					
<b>P32</b>	Dept. of Commerce	Economic	Venture Capital Program Funding	Business Solutions - Venture Capital Investment Act	1775			197,500				197,500					
		Economic	Closing Fund	Grants & Incentives Deal Closing Fund	1779			7,000,000				7,000,000					
		Economic	Canadian Office Funds	Business Development - Foreign Offices	1293			415,000				415,000					
		Economic	FTEs and Funding	Business Development - Project Management, Grants and Incentives - Highway Set Aside	1291, 1300			170,000				170,000	3.00		2.00		5.00
		Economic	Agency Programs and Operating	Agency wide	1308			115,000				115,000					
		Economic	CDBG Match	Grants & Incentives CDBG	1304			150,000				150,000					
		Economic	Broadband	Broadband	NEW			2,000,000				2,000,000					
		Economic	Aeronautics Position	Aeronautics - Airport Development	1306			-				-			1.00		1.00

**SUMMARY OF FY 2007-08 BUDGET APPROVALS**

No.	Agency Name	Goal Area	Project Description	Activity	Activity No.	Contingency Reserve Fund	Capital Reserve Fund	State	Federal	Other	Total	FTEs				
												State	Federal	Other	Total	
		Economic	Aeronautics	Myrtle Beach Airport	1306	5,000,000	5,000,000				10,000,000					
		<b>Agency Total</b>				<b>5,000,000</b>	<b>7,000,000</b>	<b>8,047,500</b>	-	-	<b>20,047,500</b>	<b>3.00</b>	<b>3.00</b>	<b>6.00</b>		
P40	Bank	Natural Res	Conservation Land Bank	Conservation Land Bank	1318		20,000,000	-			20,000,000					
		<b>Agency Total</b>					<b>20,000,000</b>	-	-	-	<b>20,000,000</b>					
R20	Dept of Insurance	Economic	Insurance Actuaries	Solvency Monitoring, Form and State Review	1336, 1340			254,000			254,000					
		Economic	Uninterruptible Power Source (UPS) & Generator	Administration	1346		150,000				150,000					
		Economic	Catastrophe Modeling	Form and State Review	1340			50,000			50,000					
		<b>Agency Total</b>					<b>150,000</b>	<b>304,000</b>	-	-	<b>454,000</b>					
R40	Dept of Motor Vehicles	Safety	FTEs	Customer Service Centers	1401									50.00	50.00	
		<b>Agency Total</b>					-	-	-	-	-			<b>50.00</b>	<b>50.00</b>	
Y14	Ports Authority	Statewide	Harbor Dredging	Harbor Dredging	1470		2,400,000				2,400,000					
		Statewide	Ports Access Road	Ports Access Road	NEW	100,000,000					100,000,000					
		<b>Agency Total</b>				<b>100,000,000</b>	<b>2,400,000</b>	-	-	-	<b>102,400,000</b>					
		<b>Statewide Items:</b>														
			General Reserve Fund Required Contr.					19,048,978			19,048,978					
			Capital Reserve Fund Formula Growth					12,699,319			12,699,319					
			Local Government Fund Formula Growth					30,823,468			30,823,468					
			Debt Service					4,050,654			4,050,654					
			Variable Employee Pay Plan (3% Increase excluding local health care providers)					52,494,423			52,494,423					
			Employee Health Plan					37,524,000			37,524,000					
			Permanent Tax Rate Reduction					107,270,000			107,270,000					
			Statewide Total					263,910,842	-	-	263,910,842					
<b>GRAND TOTAL</b>						<b>171,541,103</b>	<b>111,821,213</b>	<b>490,623,591</b>	<b>109,259,595</b>	<b>134,622,708</b>	<b>1,017,868,210</b>	<b>734.20</b>	<b>53.00</b>	<b>787.20</b>		

	<b>Population Plus Inflation Growth "New Funds" Availability (P+I @ 5.503%, plus exemptions)</b>	398,695,254
	<b>FY 2007-08 Executive Budget Approvals</b>	490,623,591
(A) <i>Recurring General Fund - FY 2007-08</i>	<b>Cost Savings / Below-The-Line Needs</b>	(91,928,337)
	- Cost Savings Recommendations	75,834,006
	- Below-The-Line Recommendations	16,094,331
	<b>FY 2007-08 Recurring General Funds</b>	-
	<b>FY 2006-07 Capital Reserve Fund Availability</b>	111,821,213
(B) <i>Capital Reserve Fund - FY 2006-07</i>	Capital Reserve Fund Needs	(111,821,213)
	<b>FY 2006-07 Capital Reserve Fund Surplus/Deficit</b>	-
	<b>FY 2007-08 Contingency Reserve Fund Availability</b>	171,541,103
(C) <i>Contingency Reserve Fund - FY 2007-08</i>	Contingency Reserve Fund Needs	(171,541,103)
	<b>FY 2007-08 Contingency Reserve Fund Surplus/Deficit</b>	-

**Goal Area Key**

- 1) Improve our Higher Education System and Cultural Resources
- 2) Strengthen Central State Government and Other Governmental Services
- 3) Improve the Health and Protections of our Children and Adults
- 4) Improve our K-12 Student Performance
- 5) Improve the Quality of our Natural Resources
- 6) Improve the Conditions for Economic Growth
- 7) Improve the Safety of our People and Property

**Improve the Conditions for our Economic Growth  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding							FY 2007-08 Governor's Purchase Plan						Contingency Reserve Fund
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	
1291	Department of Commerce	Business Development - Project Management	1,599,962					1,599,962	20.00	1,769,962				1,769,962	3.00	
1300	Department of Commerce	Grants and Incentives - Highway Set Aside			19,000,000			19,000,000	5.00			19,982,334		19,982,334	2.00	
1779	Department of Commerce	Grants and Incentives - Deal Closing Fund					7,000,000	7,000,000		7,000,000				7,000,000		
NEW	Department of Commerce	Broadband										2,000,000		2,000,000		
1274	Dept of Parks, Recreation & Tourism	Media Placement & Productions	9,565,935		1,000,000		1,000,000	11,565,935		13,915,935		1,000,000		14,915,935		
1304	Department of Commerce	Grants and Incentives - CDBG	350,000	35,876,911	1,000,000			37,226,911	12.00	500,000	30,310,464	1,000,000		31,810,464		
661	Technical & Comprehensive Education	Center for Accelerated Technology Training (formerly Special Schools)	2,079,099		500,000	3,000,000	1,200,000	6,779,099	9.00	3,579,099		250,000		3,829,099		
1292	Department of Commerce	Marketing and Communications (RENAMED)	2,239,258					2,239,258	6.00	2,239,258				2,239,258		
1293	Department of Commerce	Business Development - Foreign Offices	1,007,850					1,007,850		1,422,850				1,422,850		
1428	Employment Security Commission	Employment Services		17,067,482	11,345,991			28,413,473	354.65		17,123,122	13,053,951		30,177,073		
1275	Dept of Parks, Recreation & Tourism	Tourism Marketing Partnership Program	3,149,243					3,149,243	2.00	3,149,243				3,149,243		
1276	Dept of Parks, Recreation & Tourism	Marketing & Sales	1,061,485					1,061,485	15.00	1,061,485				1,061,485		
1298	Department of Commerce	Community and Rural Development	343,498		615,285			958,783	9.00	343,498		615,285		958,783		
1302	Department of Commerce	Grants and Incentives - Tourism Infrastructure Fund			1,000,000			1,000,000				1,000,000		1,000,000		
1440	Department of Transportation	Engineering - Construction	1,000,000		702,436,127		7,000,000	710,436,127	516.00	1,000,000		442,221,403		443,221,403		
1441	Department of Transportation	Maintenance			311,903,001			311,903,001	3,599.59			274,877,603		274,877,603		
1605	Department of Commerce	Workforce Investment Act		60,000,000				60,000,000	29.00		60,000,000			60,000,000		
1777	Department of Commerce	Research	1,044,202					1,044,202	10.00	1,044,202				1,044,202		
1294	Department of Commerce	Business Solutions - International Trade	507,127		20,000			527,127	4.00	507,127		20,000		527,127		
1301	Department of Commerce	Grants and Incentives - Enterprise Zone			275,000			275,000	3.00			275,000		275,000		
1303	Department of Commerce	Grants and Incentives - Rural Infrastructure Fund			5,384,715			5,384,715				7,642,381		7,642,381		
1216	Department of Agriculture	Marketing & Promotions	1,458,464	120,000	87,500			2,465,964	23.75	1,858,464	120,000	87,500		2,065,964		
1520	Office of Regulatory Staff	Utilities-Electric			414,148		800,000	414,148	4.13			441,373		441,373		
1299	Department of Commerce	Community Development Corporation	1,100,000		5,000			1,105,000	1.00	1,100,000		5,000		1,105,000		
1336	Department of Insurance	Solvency Monitoring	486,499		1,846,496			2,332,995	20.20	740,499		1,846,496		2,586,995		
1348	Board of Financial Institutions	Consumer Finance			1,239,780			1,239,780	17.00			1,336,444		1,336,444		
1349	Department of Consumer Affairs	Consumer Services	719,489		40,000	20,400	50,000	829,889	16.00	719,489		40,000		759,489		
1354	Dept of Labor, Licensing & Regulation	Occupational Safety & Health Program (OSHA)	1,775,122	2,473,830				4,248,952	63.15	1,775,122	2,473,830			4,248,952		
1355	Dept of Labor, Licensing & Regulation	Payment of Wages and Child Labor	199,059					199,059	3.00	199,059				199,059		
1438	Department of Transportation	Engineering Operations			26,072,063			26,072,063	408.50			24,494,198		24,494,198		
1775	Department of Commerce	Business Solutions - Venture Capital Investment Act							1.00	197,500				197,500		
1215	Department of Agriculture	Consumer Services	390,606		1,243,000			1,633,606	40.00			1,633,606		1,633,606		
1268	Dept of Parks, Recreation & Tourism	Communications & Public Relations - Tourism	123,558					123,558	1.50	123,558				123,558		
1279	Dept of Parks, Recreation & Tourism	Tourism Community & Economic Development	582,842		125,000			707,842	7.00	9,582,842		125,000		9,707,842		
1280	Dept of Parks, Recreation & Tourism	Heritage Corridor & Discovery Centers	175,000	1,238,220				1,413,220		175,000	1,238,220			1,413,220		
1296	Department of Commerce	Business Solutions - Film	591,648					591,648	5.00	591,648				591,648		
1319	Public Service Commission	Utility Regulation			3,257,541			3,257,541	28.00			3,257,541		3,257,541		
1337	Department of Insurance	Licensing	148,035		684,238			832,273	13.00	148,035		684,238		832,273		
1439	Department of Transportation	Engineering - Preliminary Design, Planning and Rights of Way Acquisition			38,586,653			38,586,653	591.87			38,586,653		38,586,653		
1453	Infrastructure Bank Board	Provide financial assistance for construction of major transportation projects			62,000,000			62,000,000				70,000,000		70,000,000		
1619	Department of Transportation	Statewide Secondary Resurfacing			50,000,000			50,000,000				50,000,000		50,000,000		
1776	Department of Commerce	Grants and Incentives - Motion Picture Incentive Fund			4,000,000			4,000,000				5,000,000		5,000,000		
1277	Dept of Parks, Recreation & Tourism	Welcome Centers	2,192,913					2,192,913	43.00	2,192,913				2,192,913		
1278	Dept of Parks, Recreation & Tourism	Research & Policy Development	252,122					252,122	3.00	252,122				252,122		
1306	Department of Commerce	Aeronautics - Airport Development	991,535	1,000,000	750,000			2,741,535	6.00	991,535	410,000	1,125,000	5,000,000	7,526,535	1.00	5,000,000
1340	Department of Insurance	Form and Rate Review	753,974					753,974	8.80	803,974				803,974		
1342	Department of Insurance	Captive Formation	298,806		1,425,413			1,724,219	10.00	298,806		1,425,413		1,724,219		
1347	Board of Financial Institutions	Bank Examining			1,955,309			1,955,309	25.00			1,955,309		1,955,309		
1351	Department of Consumer Affairs	Advocacy Division	249,609		66,394		25,000	341,003	3.00	249,609		66,394		316,003		
1442	Department of Transportation	Acquisition of maintenance equipment			7,500,000			7,500,000				7,500,000		7,500,000		
1522	Office of Regulatory Staff	Telecommunications			714,158			714,158	7.88			755,324		755,324		
1770	Dept of Parks, Recreation & Tourism	Advertising					5,000,000	5,000,000								
1217	Department of Agriculture	Market Services			1,817,511	750,000		2,567,511	20.00			1,817,511		1,817,511		
119	Secretary of State	Charities, Special Purpose Districts, Municipal Incorporations and Annexations			643,395			643,395	7.00			643,395		643,395		
1219	Department of Agriculture	Market Bulletin			341,500			341,500	4.00			341,500		341,500		
1295	Department of Commerce	Business Solutions - Small Business	591,648					591,648	5.00	591,648				591,648		
1338	Department of Insurance	Taxation	112,966					112,966	1.00	112,966				112,966		
1339	Department of Insurance	Consumer Services	877,508					877,508	11.50	877,508				877,508		
1345	Department of Insurance	Legal and Investigations	831,894					831,894	8.75	831,894				831,894		
1350	Department of Consumer Affairs	Legal Division	71,954	30,000	869,852		50,000	1,021,806	18.00	71,954	30,000	1,109,852		1,211,806		
1356	Dept of Labor, Licensing & Regulation	Labor-Management Mediation	72,500					72,500	1.00	72,500				72,500		

**Improve the Conditions for our Economic Growth  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						Contingency Reserve Fund	
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds		New FTEs
1443	Department of Transportation	Safety Programs			66,000,000			66,000,000			66,000,000					
1610	Office of Regulatory Staff	Utilities-Natural Gas			622,805			622,805	6.86		622,805			622,805		
1611	Office of Regulatory Staff	Audit			1,195,406			1,195,406	16.00		1,195,406			1,195,406		
1612	Office of Regulatory Staff	Water/Wastewater			276,696			276,696	2.25		276,696			276,696		
1691	Clemson University (E&G)	CU ICAR	500,000					500,000		1,500,000	2,000,000		2,000,000		2,000,000	12.00
115	Secretary of State	Corporations	258,410					258,410	7.00		258,410			258,410		
1341	Department of Insurance	Pass Through Funds			2,555,000			2,555,000			2,555,000			2,555,000		
1431	Employment Security Commission	Unemployment Insurance (UI)		37,875,585				37,875,585	555.98		37,875,585			37,875,585		
1432	Employment Security Commission	SC Occupational Information	437,557		2,233,969			2,671,526	5.00	437,557	3,109,083		3,109,083			
1456	County Transportation Fund	Allocation Municipal - Restricted			5,000,000			5,000,000			5,000,000			5,000,000		
1457	County Transportation Fund	Allocation County - Restricted			58,000,000			58,000,000			58,000,000			58,000,000		
1609	Office of Regulatory Staff	Legal			839,874			839,874	8.00		839,874			839,874		
116	Secretary of State	Uniform Commercial Code			120,000			120,000	4.00		120,000			120,000		
120	Secretary of State	Trademarks, Service of Process, Employment Agencies, Business Opportunities, and Cable Franchise Authority	45,675					45,675	1.00	45,675	45,675			45,675		
239	Budget & Control Board	Local Government Infrastructure Grants	2,910,276		3,605,000			6,515,276	5.27	2,772,505	9,287,781		3,605,000	6,377,505		
240	Budget & Control Board	State Revolving Fund Loans	1,064,090	500,000	578,800			2,142,890	5.95	1,064,090	3,206,980		500,000	2,142,890		
1352	Department of Consumer Affairs	Public Information	217,281		17,500			234,781	5.00	217,281	252,281			252,281		
1430	Employment Security Commission	Labor Market Information Department		1,517,223	85,088			1,602,311	28.56		1,602,311		1,517,223	85,088		
1452	Department of Transportation	Mass Transit Allocation to Other Entities - Restricted			19,770,804			19,770,804			19,770,804			19,770,804		
1458	County Transportation Fund	Allocation Other Entities - Restricted			500,000			500,000			500,000			500,000		
1523	Office of Regulatory Staff	Consumer Services			517,185			517,185	8.00		517,185			517,185		
1447	Department of Transportation	Capital Facilities - Land and Buildings			8,550,000			8,550,000			8,550,000			8,550,000		
1603	Dept of Parks, Recreation & Tourism	Competitive Grants					3,000,000	3,000,000			3,000,000			3,000,000		
1614	Dept of Labor, Licensing & Regulation	State Emergency Preparedness		158,176	190,000			348,176			348,176		158,176	190,000		
117	Secretary of State	Notaries and Apostilles	68,545					68,545	1.00	68,545	68,545			68,545		
1281	Dept of Parks, Recreation & Tourism	Pass Through Funds	1,375,000					1,375,000		550,000	1,925,000		1,375,000			
1344	Department of Insurance	Executive Services	409,817					409,817	4.00	409,817	409,817			409,817		
1393	Dept of Labor, Licensing & Regulation	Board of Pharmacy			1,000,000			1,000,000	10.20		1,000,000			1,000,000		
1445	Department of Transportation	Mass Transit			1,739,295		1,680,000	3,419,295	16.00		3,419,295			3,419,295		
1448	Department of Transportation	Allocation to Municipalities - Restricted			11,000,000			11,000,000			11,000,000			11,000,000		
1449	Department of Transportation	Allocation to Counties - Restricted			1,000,000			1,000,000			1,000,000			1,000,000		
1495	Clemson PSA	Agricultural Biotechnology	2,729,737	537,553	586,922			3,854,212	21.54	2,729,737	537,553		586,922	3,854,212		
1521	Office of Regulatory Staff	Transportation			659,468			659,468	7.88		659,468			659,468		
1604	Dept of Parks, Recreation & Tourism	Pass Through Funds	225,000					225,000			225,000			225,000		
1780	Dept of Labor, Licensing & Regulation	Boiler Inspection Program			122,310			122,310	1.00		122,310			122,310		
1357	Dept of Labor, Licensing & Regulation	Elevator and Amusement Ride Inspection			847,430			847,430	14.00		847,430			847,430		
1358	Dept of Labor, Licensing & Regulation	Board of Chiropractic Examiners			135,000			135,000	1.25		135,000			135,000		
1359	Dept of Labor, Licensing & Regulation	Board of Medical Examiners			1,223,001			1,223,001	19.00		1,223,001			1,223,001		
1366	Dept of Labor, Licensing & Regulation	Board of Examiners for Licensure of Professional Counselors, Marriage and Family Therapists and Psycho-Educational Specialists			156,000			156,000	2.20		156,000			156,000		
1367	Dept of Labor, Licensing & Regulation	Board of Examiners in Psychology			100,000			100,000	1.10		100,000			100,000		
1368	Dept of Labor, Licensing & Regulation	Board of Social Work Examiners			150,000			150,000	2.75		150,000			150,000		
1446	Department of Transportation	Toll Operations			3,526,617			3,526,617	4.00		3,526,617			3,526,617		
1759	Dept of Parks, Recreation & Tourism	H Cooper Black	300,000		60,000			360,000	2.00	300,000	60,000			360,000		
1307	Department of Commerce	Agency Pass Through	1,240,328					1,240,328		4,231,230	5,471,558			5,471,558		
1703	University of South Carolina - Columbia	Technology Incubator					200,000	200,000			200,000			200,000		
1778	Department of Commerce	Business Solutions - Small Business Regulatory Committee							1.00							
118	Secretary of State	Boards, Commissions, Acts & Resolutions	55,225					55,225	1.00	55,225	55,225			55,225		
648	Technical & Comprehensive Education	Florence-Darlington - Entrepreneurial Operations Equipment	500,000					500,000		500,000	500,000			500,000		
1360	Dept of Labor, Licensing & Regulation	Board of Nursing			1,570,000			1,570,000	25.00		1,570,000			1,570,000		
1370	Dept of Labor, Licensing & Regulation	Board of Veterinary Medical Examiners			110,000			110,000	1.10		110,000			110,000		
1386	Dept of Labor, Licensing & Regulation	Board of Dentistry			400,000			400,000	4.40		400,000			400,000		
1390	Dept of Labor, Licensing & Regulation	Board of Long Term Health Care Administrators			150,000			150,000	2.30		150,000			150,000		
1543	Budget & Control Board	Heritage Corridor					250,000	250,000			250,000			250,000		
1642	Governor's Office - OEPP	Advocacy & Outreach	41,543					41,543	1.00	41,543	41,543			41,543		
1643	Governor's Office - OEPP	Reports	77,087					77,087	2.00	77,087	77,087			77,087		
1762	Dept of Parks, Recreation & Tourism	Pass Through Funds	246,000					246,000			246,000			246,000		
265	Budget & Control Board	Base Closure	574,716					574,716		574,716	574,716			574,716		
1362	Dept of Labor, Licensing & Regulation	Board of Examiners in Opticianry			75,000			75,000	1.25		75,000			75,000		
1363	Dept of Labor, Licensing & Regulation	Board of Examiners in Optometry			85,000			85,000	1.25		85,000			85,000		
1369	Dept of Labor, Licensing & Regulation	Board of Speech-Language Pathology and Audiology			85,000			85,000	1.75		85,000			85,000		
1371	Dept of Labor, Licensing & Regulation	Board of Architectural Examiners			275,000			275,000	2.75		275,000			275,000		
1372	Dept of Labor, Licensing & Regulation	Building Codes Council			475,000			475,000	4.00		475,000			475,000		
1373	Dept of Labor, Licensing & Regulation	Contractors' Licensing Board			1,100,000			1,100,000	12.42		1,100,000			1,100,000		

**Improve the Conditions for our Economic Growth  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						Contingency Reserve Fund	
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds		New FTEs
1374	Dept of Labor, Licensing & Regulation	Board of Registration for Professional Engineers and Land Surveyors			550,000			550,000	7.00			550,000		550,000		
1375	Dept of Labor, Licensing & Regulation	Environmental Certification Board			400,000			400,000	7.25			400,000		400,000		
1376	Dept of Labor, Licensing & Regulation	Manufactured Housing Board			321,851			321,851	7.25			321,851		321,851		
1381	Dept of Labor, Licensing & Regulation	Board of Accountancy			325,000			325,000	5.30			325,000		325,000		
1444	Department of Transportation	Keep S.C. Beautiful			233,048			233,048				233,048		233,048		
1451	Department of Transportation	Mass Transit Allocation to Other Entities	100,990					100,990		100,990				100,990		
241	Budget & Control Board	Community Development Block Grants	72,144					72,144		72,144				72,144		
1207	Department of Agriculture	Soybean Board (Pass Thru)			350,000			350,000	1.00			350,000		350,000		
1378	Dept of Labor, Licensing & Regulation	Real Estate Commission			1,165,000			1,165,000	20.00			1,398,333		1,398,333		
1379	Dept of Labor, Licensing & Regulation	Real Estate Appraisers Board			400,000			400,000	6.02			400,000		400,000		
1380	Dept of Labor, Licensing & Regulation	Residential Builders Commission			1,150,000			1,150,000	18.50			1,150,000		1,150,000		
1388	Dept of Labor, Licensing & Regulation	Board of Funeral Service			175,000			175,000	1.90			175,000		175,000		
1496	Clemson PSA	Risk Management Systems for Agricultural Firms	904,418	379,237	295,457			1,579,112	22.00	904,418	379,237	295,457		1,579,112		
1678	Budget & Control Board	EEDA Marketing & Communications						1,000,000								
1209	Department of Agriculture	Cotton Board (Pass Thru)			413,700			413,700				413,700		413,700		
1210	Department of Agriculture	Peanut Board (Pass Thru)			167,900			167,900				167,900		167,900		
1211	Department of Agriculture	Watermelon Board (Pass Thru)			99,077			99,077				99,077		99,077		
1361	Dept of Labor, Licensing & Regulation	Board of Occupational Therapy			100,000			100,000	1.70			100,000		100,000		
1364	Dept of Labor, Licensing & Regulation	Board of Physical Therapy			110,000			110,000	2.10			110,000		110,000		
1365	Dept of Labor, Licensing & Regulation	Board of Podiatry Examiners			7,500			7,500	0.50			7,500		7,500		
1382	Dept of Labor, Licensing & Regulation	State Athletic Commission			30,000			30,000				30,000		30,000		
1385	Dept of Labor, Licensing & Regulation	Board of Cosmetology			875,000			875,000	10.90			875,000		875,000		
1387	Dept of Labor, Licensing & Regulation	Board of Registration for Foresters			45,000			45,000	0.65			45,000		45,000		
1394	Dept of Labor, Licensing & Regulation	Pilotage Commission			5,000			5,000				5,000		5,000		
1208	Department of Agriculture	Pork Board (Pass Thru)			150,000			150,000				150,000		150,000		
1213	Department of Agriculture	S. C. Beef Board (Pass Thru)			300,000			300,000	1.00			300,000		300,000		
1224	South Carolina State PSA	Community Leadership and Economic Development	571,353	610,401				1,181,754	11.00	571,353	622,588			1,193,941		
1282	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item	200,000					300,000								
1287	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item Contributions	38,766					38,766								
1377	Dept of Labor, Licensing & Regulation	Board of Pyrotechnic Safety	60,000					60,000	1.00	60,000				60,000		
1384	Dept of Labor, Licensing & Regulation	Board of Barber Examiners			300,000			300,000	4.90			300,000		300,000		
1389	Dept of Labor, Licensing & Regulation	Board of Registration for Geologists			65,000			65,000	0.85			65,000		65,000		
1476	Clemson PSA	Government and Public Affairs Research and Education		33,561	146,631			180,192	3.00		33,561	146,631		180,192		
1540	Budget & Control Board	Competitive Grants						3,000,000								
1608	Jobs - Economic Development Authority	Pass-through		150,000				150,000								
1658	Secretary of State	Computer System upgrade					500,000	500,000								
1682	Budget & Control Board	Mfg Alliance "Made in South Carolina"						500,000								
1774	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item	200,000					200,000								
981	Dept of Health & Environmental Control	Biotechnology Center (pass through funds)	577,620					577,620		577,620				577,620		
1383	Dept of Labor, Licensing & Regulation	Auctioneers Commission			150,000			150,000	2.15			150,000		150,000		
1391	Dept of Labor, Licensing & Regulation	Massage Bodywork Therapy Pane			175,000			175,000	2.05			175,000		175,000		
1392	Dept of Labor, Licensing & Regulation	Perpetual Care Cemetery Board			65,000			65,000	1.15			65,000		65,000		
1475	Clemson PSA	Rural Community Enhancement and Improvement		177,923	390,311			568,234	11.00		177,923	390,311		568,234		
1599	Dept of Parks, Recreation & Tourism	Pass Through Funds	50,000					50,000								
1666	Budget & Control Board	City of Georgetown - Business Revitalization & Promotion						23,460								
1672	Budget & Control Board	Columbia Black Expo						200,000								
1755	Dept of Parks, Recreation & Tourism	Pass Through Funds	5,000					5,000								
1756	Dept of Parks, Recreation & Tourism	Pass Through Funds	40,507					40,507								
1757	Dept of Parks, Recreation & Tourism	Pass Through Funds	25,000					25,000								
1758	Dept of Parks, Recreation & Tourism	Pass Through Funds	5,649					5,649								
1760	Dept of Parks, Recreation & Tourism	Pass Through Funds	5,000					5,000								
1761	Dept of Parks, Recreation & Tourism	Pass Through Funds	4,133					4,133								
1763	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item						250,000						250,000		
1764	Dept of Parks, Recreation & Tourism	Pass Through Funds	166,191					166,191						166,191		
1765	Dept of Parks, Recreation & Tourism	Pass Through Funds	3,000					3,000						3,000		
1766	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item						108,000						108,000		
1768	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item						175,000						175,000		
1769	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item						20,000						20,000		
1212	Department of Agriculture	Tobacco Board (Pass Thru)			138,000			138,000				138,000		138,000		
1284	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item Canadian Promotions	85,000					85,000								
1450	Department of Transportation	Allocation to Other Entities - Restricted														
1486	Clemson PSA	Natural Resources and Environmental Research and Education: Alternative Income Opportunities for Landowners	109,917	39,711	27,315			176,943	2.00	109,917	39,711	27,315		176,943		

**Improve the Conditions for our Economic Growth  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						Contingency Reserve Fund	
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds		New FTEs
1772	Dept of Parks, Recreation & Tourism	Pass Through Funds	8,266					8,266								
1773	Dept of Parks, Recreation & Tourism	Pass Through Funds	26,074					26,074								
1500	Clemson PSA	Rural Community Public Issues Education		150,713	21,308			172,021	3.59		150,713	21,308		172,021		
1502	Clemson PSA	Rural Community Economic Development	913,475	375,658	33,616			1,322,749	23.14	913,475	375,658	33,616		1,322,749		
1513	Clemson PSA	Community and Economic Affairs Research and Education		28,590	124,908			153,498	2.12		28,590	124,908		153,498		
263	Budget & Control Board	Brandenburg Coordination Committee	11,354					11,354		11,354				11,354		
1332	Second Injury Fund	Claims Administration			685,165			685,165	9.00			685,165		685,165		
1665	Budget & Control Board	Hartsville Drainage Project						200,000						200,000		
1673	Budget & Control Board	East Camden Sewer System						250,000						250,000		
1679	Budget & Control Board	Lexington County Water & Sewer						250,000						250,000		
1680	Budget & Control Board	Camden First Community Development Program						150,000						150,000		
1684	Budget & Control Board	City of Columbia Streetscape						1,000,000						1,000,000		
1685	Budget & Control Board	Georgetown Marina						1,000,000						1,000,000		
1333	Second Injury Fund	Legal			385,025			385,025	5.00			385,025		385,025		
1334	Second Injury Fund	Recoveries			118,008			118,008	1.00			118,008		118,008		
1286	Dept of Parks, Recreation & Tourism	Pass Through Funds														
1541	Budget & Control Board	Morris Island Lighthouse														
1601	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item														
57	Governor's Office - OEPP	Certification														
1544	Budget & Control Board	City of Florence - Downtown Redevelopment														
114	Secretary of State	Administration	472,063		150,000			622,063	6.00	472,063		150,000		622,063		
657	Technical & Comprehensive Education	Economic Development - Administration	2,265,890					2,265,890	30.00	2,265,890				2,265,890		
1220	Department of Agriculture	Administrative Services	1,407,823		20,000			1,427,823	14.00	1,407,823		20,000		1,427,823		
1266	Dept of Parks, Recreation & Tourism	Administration - Executive Office - Tourism	453,764					453,764	5.00	453,764				453,764		
1267	Dept of Parks, Recreation & Tourism	Administration - Tourism	1,130,759					1,130,759	10.00	1,130,759				1,130,759		
1308	Department of Commerce	Administration	3,209,235		7,000			3,216,235	28.00	3,324,235		17,000		3,341,235		
1321	Public Service Commission	Administration			971,767			971,767	10.00			1,271,767		1,271,767		
1335	Second Injury Fund	Administration			542,204			542,204	8.00			542,204		542,204		
1346	Department of Insurance	Administration	514,413		173,653	996,000		1,684,066	16.75	514,413		173,653	150,000	838,066		
1353	Department of Consumer Affairs	Administration	752,627		342,351			1,144,978	13.00	752,627		342,351		1,094,978		
1399	Dept of Labor, Licensing & Regulation	Administration	766,787		2,998,091			3,764,878	55.37	766,787		3,273,091		4,039,878		
1427	Employment Security Commission	Administration		8,159,075	2,283,250	933,189		11,375,514	151.81		8,052,788	2,362,369		10,415,157		
1437	Department of Transportation	General Administration			37,221,925			37,221,925	273.00			44,980,964		44,980,964		
1454	Infrastructure Bank Board	Administration			389,700			389,700	1.00			400,000		400,000		
1455	County Transportation Fund	County Administration			27,000,000			27,000,000				23,500,000		23,500,000		
1525	Office of Regulatory Staff	Administration			1,105,694			1,105,694	12.00			1,105,694		1,105,694		
1607	Jobs - Economic Development Authority	Administration			154,480			154,480	1.00		23,500	346,000		369,500		
1484	Clemson PSA	Rural Community Leadership Development	380,251		146,820	80,249		607,320	8.00							
		<b>TOTAL</b>	<b>67,809,166</b>	<b>168,801,149</b>	<b>1,541,767,023</b>	<b>6,199,589</b>	<b>42,368,990</b>	<b>1,826,945,917</b>	<b>7,688.23</b>	<b>90,370,764</b>	<b>164,063,486</b>	<b>1,268,929,893</b>	<b>7,150,000</b>	<b>1,530,514,143</b>	<b>18.00</b>	<b>5,000,000</b>



**Improve K-12 Student Performance  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding							FY 2007-08 Governor's Purchase Plan									
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
675	State Department of Education	Foundation Education Program - Education Finance Act (EFA)	1,426,956,916							1,426,956,916		1,520,907,785					1,520,907,785		
9	Education Oversight Committee	Implementation and oversight of the educational accountability system			286,747					286,747	3.27			286,747			286,747		
777	State Department of Education	Teacher Quality - Teacher Recruitment				5,936,014				5,936,014				5,936,014			5,936,014		
1714	State Department of Education	FIRST STEPS - Pre-Kindergarten Program & Centers of Excellence						2,000,000	7,322,576	9,322,576									
686	State Department of Education	Teacher Salary Supplement				96,320,300				96,320,300				75,048,307			75,048,307		
687	State Department of Education	Teacher Salary Supplement Employer Contributions				18,397,177				18,397,177				18,397,177			18,397,177		
690	State Department of Education	Professional Development and Support for Math and Science		1,795,766		2,900,382				4,696,148			2,189,761			2,900,382			5,090,143
691	State Department of Education	Critical Teaching Needs				602,911				602,911						602,911			602,911
----	State Department of Education	Technical Assistance - Below Average Schools													14,190,000			14,190,000	
----	State Department of Education	Technical Assistance - Unsatisfactory Schools													50,400,000			50,400,000	
----	State Department of Education	Public Choice Innovation Schools													2,560,000			2,560,000	
----	State Department of Education	EOC 4 year-old Evaluation													546,832			546,832	
696	State Department of Education	Service to Students with Disabilities - Special Needs Children	129,928							129,928			129,928				129,928		
698	State Department of Education	Career and Technology Education - Modernize Vocational Equipment	4,800,452			3,963,520				8,763,972			4,800,452		3,963,520		8,763,972		
718	State Department of Education	Charter School Program		2,577,831						2,577,831	1.70			2,577,831			2,577,831		
744	State Department of Education	Alternative Certification Programs		574,731		198,236				772,967	1.00			574,731		198,236	772,967		
779	State Department of Education	Career Changer Loan	1,622,662							1,622,662			1,622,662				1,622,662		
1719	State Department of Education	Education and Economic Development (Education and Economic Development Act)	13,914,200							13,914,200	7.00		31,259,560				31,259,560		
676	State Department of Education	Employer Contributions	423,722,526							423,722,526			423,722,526				423,722,526		
677	State Department of Education	Retiree Insurance	62,762,209							62,762,209			62,762,209				62,762,209		
682	State Department of Education	Advanced Placement (AP)				3,078,265				3,078,265					3,970,000		3,970,000		
685	State Department of Education	Early Child Development and Academic Assistance				120,599,723				120,599,723				120,599,723			120,599,723		
756	State Department of Education	Student Identifier and LDS				1,158,155				1,158,155				1,158,155			1,158,155		
760	State Department of Education	Instructional Materials - Textbooks	26,498,804		1,550,142	23,557,280			1,855,727	3,144,273	5.00		26,498,804		1,550,142	23,557,280	51,606,226		
799	State Department of Education	FIRST STEPS - Early Education	3,671,522		700,000	537,500				4,909,022					700,000		537,500		
834	Wii Lou Gray Opportunity School	Vocational Program	160,120			94,106				254,226	3.23		160,120		96,225		256,345		
851	School for the Deaf & the Blind	Education	6,127,208	494,246	9,310,059					15,931,513	229.96		6,127,208	494,246	9,310,059	690,742	16,622,255		
997	Department of Mental Health	School-Based Services	9,521,842	1,385,391	11,048,984				172,589	22,128,806	427.55		9,521,842	1,091,197	11,048,984		21,662,023		
10	Education Oversight Committee	Evaluation of the functioning of public education services to students with disabilities - Special Needs - Children w/ Disabilities P.L.108-446 (formerly P.L. 99-457)			352,937					352,937	2.45			352,937			352,937		
694	State Department of Education	Services to Students with Disabilities - Special Needs Children (formerly P.L. 99-457)				3,973,584				3,973,584				3,973,584			3,973,584		
695	State Department of Education	Services to Students with Disabilities - Special Needs Children	43,316							43,316			43,316				43,316		
697	State Department of Education	Service to Students with Disabilities				4,205,017				4,205,017				4,205,017			4,205,017		
713	State Department of Education	Enhance Teacher Skills and Student Performance in English, Math, Science and Social Studies in Grades K-5 and 6-8				72,342		48,500,000		48,572,342	0.60			72,342	48,500,000		48,572,342		
722	State Department of Education	21st Century Community Learning Center Program (Competitive Grants)		12,825,734						12,825,734			12,825,734				12,825,734		
750	State Department of Education	School Transportation System - EAA & EEDA	4,957,440							4,957,440			4,957,440				4,957,440		
787	State Department of Education	State Agency Teacher Pay				9,225,936				9,225,936				9,820,837			9,820,837		
813	Governor's School for Math and Science	Academics-Instruction	1,542,850		57,429				800,000	2,600,279	16.90		1,880,250		57,429		1,937,679		
833	Wii Lou Gray Opportunity School	Academic Program	1,051,591		710,166				75,000	1,836,757	19.38		1,051,591		724,651	62,500	1,838,742		
852	School for the Deaf & the Blind	Student Support	1,417,177	114,315	580,848					2,112,340	65.66		1,417,177	114,315	583,848	1,076,213	3,201,553		
689	State Department of Education	Teacher Supplies				12,500,000				12,500,000					12,750,000		12,750,000		
700	State Department of Education	High Schools That Work (HSTW)	1,100,000		1,000,000					2,100,000				1,000,000			3,100,000		
712	State Department of Education	SAT Improvement	331,524							331,524	0.50		331,524				331,524		
714	State Department of Education	Academic / Instructional Assistance to High Poverty Schools and Students (Title I, Part A, or NCLB (Basic Grants))		168,873,813						168,873,813	10.00		181,893,546				181,893,546		
720	State Department of Education	Reduce Dropouts and Truancy - Juvenile Justice & Delinquency Prevention		1,000,000						1,000,000				1,000,000			1,000,000		
736	State Department of Education	Early Childhood Education-Four-Year Old Early Childhood	94,576			22,884,345				22,978,921	13.00		94,576		22,884,345		22,978,921		
741	State Department of Education	Career and Technology Education (CATE)	461,236	19,543,406						20,004,642	29.00		461,236	19,543,406			20,004,642		
749	State Department of Education	School Transportation System	45,145,641		7,270,731	647,501			9,784,856	62,848,729	481.02		45,145,641		7,270,731	647,501	53,063,873		60,000,000
755	State Department of Education	Data Collection-SASI				1,548,450				1,548,450				1,548,450			1,548,450		
768	State Department of Education	GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs)			20,000					20,000				20,000			20,000		
807	Governor's School for Arts and Humanities	Art Programs	1,044,997		50,000					1,094,997	21.00		1,044,997		50,000		1,094,997		
835	Wii Lou Gray Opportunity School	Library Program	56,370		18,524					74,894	0.81		56,370		18,940		75,310		
836	Wii Lou Gray Opportunity School	Student Services Program (Residential Program)	335,668		8,000					343,668	13.15		335,668		8,000		343,668		
837	Wii Lou Gray Opportunity School	Support Services Program	1,125,226	240,000	460,800				500,000	2,526,026	16.69		1,125,226	240,000	460,800	250,000	2,076,026		
856	School for the Deaf & the Blind	Physical Support	1,333,814	107,591	546,680					1,988,085	25.09		1,333,814	107,591	556,396		1,997,801		
1111	John de la Howe School	Cottage Life	726,054		160,226					886,280	33.00		726,054		160,226		886,280		
1112	John de la Howe School	Social Services	226,149		56,407					282,556	11.00		226,149		56,407		282,556		
1113	John de la Howe School	Medical Care	107,286		21,042					128,328	3.00		107,286		21,042		128,328		
1114	John de la Howe School	Therapeutic Activities	199,583		8,670					208,253	7.00		199,583		8,670		208,253		
1115	John de la Howe School	Family Enrichment	153,813		32,492					186,305	7.00		153,813		32,492		186,305		

**Improve K-12 Student Performance  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							Contingency Reserve Fund
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	
1116	John de la Howe School	Education	752,533	59,640	260,946					1,073,119	17.96	941,068	59,640	260,946				1,261,654	
1117	John de la Howe School	Buildings and Grounds	515,914		150,551					666,465	5.55	535,914		150,551				686,465	
1124	John de la Howe School	Information Technology	36,720		12,094					48,814	1.00	36,720	4,756	26,308				67,784	
1715	State Department of Education	Public School Child Development Education Pilot Program							15,717,104									23,575,680	3.00
678	State Department of Education	Reduce Class Size				35,047,429				35,047,429								35,047,429	
684	State Department of Education	Gifted and Talented (G&T) Instruction				34,497,533				34,497,533								34,497,533	
747	State Department of Education	Teacher Quality - Title II A of the No Child Left Behind Act		39,789,035						39,789,035	2.00		39,839,304					39,839,304	
748	State Department of Education	Teacher Advancement Program (TAP) NON-EAA			300,000					300,000	0.50			300,000				300,000	
752	State Department of Education	Technology Support and Assistance	2,276,040		803,140	2,151,893				5,231,073	49.30	2,276,040	1,929,935	803,140				7,161,008	
757	State Department of Education	Technology Initiative				13,683,697				13,683,697								13,683,697	
778	State Department of Education	Teacher Loan				5,367,044				5,367,044								5,367,044	
800	State Department of Education	FIRST STEPS - Child Care	4,817,725		700,000	537,500				6,055,225		4,817,725		700,000				6,055,225	
801	State Department of Education	FIRST STEPS - Parenting/Family Literacy	6,663,948		700,000	537,500				7,901,448		6,663,948		700,000				7,901,448	
806	Governor's School for Arts and Humanities	Academic Programs	1,710,471		25,000					1,735,471	16.66	1,710,471		25,000				1,735,471	
809	Governor's School for Arts and Humanities	Admissions, Outreach, Recruiting, and Special Programs (Summer Programs)	444,237		379,771					824,008	3.00	444,237		379,771				824,008	
810	Governor's School for Arts and Humanities	Library	199,190							199,190	3.00	199,190						199,190	
814	Governor's School for Math and Science	Life in Residence	1,366,038		142,782			800,000	200,000	2,508,820	11.42	1,489,112		142,782				1,631,894	
825	Educational Television Commission	Pre K - 12 Educational Services	2,915,067		2,842,769			448,000		6,205,836	71.00	2,915,067		2,917,769				5,832,836	
853	School for the Deaf & the Blind	Residential	2,709,310	218,544	1,110,443					4,038,297	38.55	2,709,310	218,544	1,110,443				4,038,297	
1118	John de la Howe School	Dietary	263,084	80,000	54,440					397,524	6.00	263,084	90,000	56,095				409,179	
1720	Governor's School for Arts and Humanities	CRF and Supplemental Funds-Non-recurring						2,000,000	500,000	2,500,000									
12	Education Oversight Committee	Public Awareness			303,725					303,725	2.49			303,725				303,725	
174	Adjutant General	Army Support - Youth Challenge		3,832,000	35,000					3,867,000	1.00		3,832,000	35,000				3,867,000	
702	State Department of Education	School Lunch Program Aid	413,606							413,606		413,606						413,606	
708	State Department of Education	School Transportation System - State Supplement for Bus Drivers - Salary, Employer's Contribution, and Workers Compensation	45,237,084			450,776				45,687,860		45,237,084						45,687,860	
711	State Department of Education	Professional Development on Reading to Teachers - Institute of Reading	1,000,000			1,312,874				2,312,874		1,000,000						2,312,874	
717	State Department of Education	Comprehensive School Reform - CSR (Title I, Part F and Fund for Improvement, in NCLB)		5,460,255						5,460,255	1.45								
738	State Department of Education	Competitive Teacher Grants				1,287,044				1,287,044									
739	State Department of Education	Services to Students with Disabilities - Special Education	260,220	162,681,963						162,942,183	26.00	260,220	176,499,004					176,759,224	
742	State Department of Education	Teacher Certification	1,554,870		400,000	2,293,362				4,248,232	35.00	1,554,870	777,300	400,000				5,025,532	
751	State Department of Education	School Transportation System - Bus Purchase	10,676,931					26,123,069		36,800,000		10,676,931						10,676,931	
758	State Department of Education	Conduct Research and Prepare Reports	1,007,622			971,793				1,979,415	17.00	1,007,622						1,979,415	
770	State Department of Education	Parental and Community Partnerships	102,292							102,292	1.00	102,292						258,542	
802	State Department of Education	FIRST STEPS - Health	597,329		50,000	387,500				1,034,829		597,329		50,000				1,034,829	
808	Governor's School for Arts and Humanities	Residential Life	645,109		50,000					695,109	19.00	1,114,399		50,000	1,575,000			2,739,399	
815	Governor's School for Math and Science	Statewide Outreach	352,045		532,589			300,000	75,000	1,259,634	1.85	352,045		532,589				884,634	
824	Educational Television Commission	Agency Fundraising	411,917		505,474					917,391	10.70	370,725		505,474				876,199	
1119	John de la Howe School	Garbage Pickup/Motor Vehicle Operations	90,829		94,005					184,834	1.00	90,829		94,005				184,834	
1120	John de la Howe School	Laundry/Supply/ Housekeeping Services	62,156							62,156	2.00	62,156						62,156	
1593	John de la Howe School	Therapeutic Wilderness Camping	374,639							374,639	10.00	374,639						374,639	
1716	State Department of Education	Student Health and Fitness Education (Student Health and Fitness Act of 2005)	4,140,340							4,140,340	3.00	4,140,340						4,140,340	
135	State Treasurer	Student Loans-Teachers			5,367,044					5,367,044				5,367,044				5,367,044	
699	State Department of Education	Tech Prep		1,661,751		4,064,483				5,726,234			1,661,751					1,661,751	
707	State Department of Education	Safe Schools - Alternative Schools				10,976,277				10,976,277								11,688,777	
715	State Department of Education	Academic/Instructional Assistance to Migrant Children (Title I, Part C, of NCLB (Migrant))		766,511						766,511	1.00			766,511				766,511	
716	State Department of Education	Academic/Instructional Assistance to Neglected and Delinquent Children (Title I, Part D, of NCLB (Neglected and Delinquent))		1,239,248						1,239,248	0.80							1,239,248	
719	State Department of Education	Character Education Program	339,104							339,104	1.00	305,194	1,239,248		324,898			630,092	
743	State Department of Education	Teacher Recognition (Teacher of the Year)				166,102				166,102								166,102	
745	State Department of Education	Teacher Education				293,804				293,804								293,804	
753	State Department of Education	Uniform Management Information Reporting System (UMIRS)																	
766	State Department of Education	School Health Finance System (Medicaid)			3,020,830					3,020,830	6.10			3,020,830				3,020,830	
804	State Department of Education	FIRST STEPS - FEDERAL PROGRAM		1,778,849						1,778,849				1,778,849				1,778,849	
1123	John de la Howe School	Public Relations & Alumni	41,210		5,000					46,210	1.00	41,210		5,000				46,210	
1717	State Department of Education	Educational Services to Homeless (Safe Schools-McInney-Vento Homeless Program)		899,316						899,316			899,316					899,316	
679	State Department of Education	Summer Schools				31,000,000				31,000,000								31,000,000	
680	State Department of Education	Increase Credits for High School Diploma				23,632,801				23,632,801								23,632,801	
704	State Department of Education	School Facilities - Buildings			10,300,000					10,300,000				10,300,000				10,300,000	
706	State Department of Education	Safe Schools - Middle School Initiative				4,937,500				4,937,500								4,937,500	
709	State Department of Education	Curriculum and Standards Services	1,323,684	20,504,403	884,954	229,052				22,942,093	30.00	1,323,684	20,437,921	884,954				22,875,611	
710	State Department of Education	Professional Development on Standards				4,413,485				4,413,485								4,413,485	
725	State Department of Education	External Reviews - External Review Teams				699,010				699,010								1,372,000	

**Improve K-12 Student Performance  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan									
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund	
733	State Department of Education	Rural Education Achievement Program - REAP (Title VI of NCLB)		2,431,320						2,431,320	0.55		2,431,320							2,431,320	
737	State Department of Education	Parenting and Family Literacy Services		3,045,630		6,105,803				9,151,433			3,045,630		6,105,803					9,151,433	
763	State Department of Education	School Food Services and Food Distribution System	149,825	162,014,676						162,164,501	18.00	149,825	182,275,849							182,425,674	
771	State Department of Education	OSL-Foundational Leadership				42,000				42,000					42,000					42,000	
784	State Department of Education	Holocaust		44,065						44,065			44,065							44,065	
1718	State Department of Education	FIRST STEPS - School Transition		308,869						308,869			308,869							308,869	
761	State Department of Education	School Facilities Support		598,994	90,000					598,994	8.00		598,994							598,994	
688	State Department of Education	National Board Certification (NBC) Incentive	6,061,304			42,051,196				48,112,500			377,824	90,000				50,523,700		50,901,524	
703	State Department of Education	Principal Salary Supplement		3,098,123						3,098,123			3,098,123							3,098,123	
724	State Department of Education	Retraining Grants				6,144,000				6,144,000					1,030,000					1,030,000	
727	State Department of Education	Accreditation of Schools	644,718							644,718	12.00									644,718	
734	State Department of Education	Arts Curricula Instruction				1,723,554				1,723,554	1.31									1,723,554	
746	State Department of Education	Teacher Evaluation (ADEPT)				100,000				100,000	1.00									100,000	
754	State Department of Education	Enhancing Education Through Technology (E2T2), Title II Part D of NCLB		9,098,845						9,098,845			6,355,587							6,355,587	
759	State Department of Education	Assessment and Testing Activities	3,870,327	7,877,108		17,233,589				28,981,024	29.00	7,820,327	6,892,411							17,233,589	31,946,327
772	State Department of Education	OSL-Principal Evaluation, Induction, and Assessment				90,000				90,000					90,000					90,000	
781	State Department of Education	Status Offender	527,835							527,835			527,835							527,835	
788	State Department of Education	Writing Improvement Network				288,444				288,444					288,444					288,444	
811	Governor's School for Arts and Humanities	Institutional Advancement			250,000					250,000				250,000						250,000	
1702	University of South Carolina - Columbia	Faculty Excellence Initiative	4,000,000							4,000,000			4,000,000							4,000,000	
82	Lieutenant Governor	Lieutenant Governor's Young Writer's Program	41,406							41,406	1.00		41,406							41,406	
726	State Department of Education	Palmetto Gold and Silver Awards Program				3,000,000				3,000,000					3,000,000					3,000,000	
731	State Department of Education	English Speakers of Other Languages - ESOL (Title III, of NCLB)		2,498,113						2,498,113	1.00		2,498,113							2,498,113	
762	State Department of Education	Safe and Drug-Free Program	357,204	5,085,941						5,443,145	16.20	357,204	5,085,941							5,443,145	
765	State Department of Education	Healthy Schools Programs (HIV Prevention & Youth Risk Behavior Surveillance)		205,813						205,813			205,813							205,813	
769	State Department of Education	Commission on National and Community Service		2,751,552						2,751,552	3.50		2,751,552							2,751,552	
780	State Department of Education	Archives & History	34,918							34,918			34,918							34,918	
783	State Department of Education	Aid Sch Dist-Felton Lab	165,659							165,659			165,659							165,659	
790	State Department of Education	SC Geographic Alliance				184,508				184,508					184,508					184,508	
794	State Department of Education	State Board of Education and SCSBA	67,621							67,621		67,621								67,621	
1688	Budget & Control Board	Old Springfield High School Renovations							75,000	75,000										75,000	
663	State Department of Education	Junior Scholars				223,767				223,767					223,767					223,767	
721	State Department of Education	Homework Centers				10,586,000				10,586,000										10,586,000	
730	State Department of Education	OSL-School Leadership On-Line Campus				7,500				7,500					7,500					7,500	
764	State Department of Education	Coordinated School Health Programs		455,429						455,429		29,887,860	455,429							30,343,289	
773	State Department of Education	OSL-Executive Institute -- Tapping Executive Educators (OSL-TEE)				25,000				25,000					25,000					25,000	
774	State Department of Education	OSL-Technical Assistance				731,320				731,320	13.00				731,320					731,320	
775	State Department of Education	OSL-Institute for District Administrators (SLEI-DA)				19,000				19,000					19,000					19,000	
776	State Department of Education	OSL-Leadership Sustainment and Enhancement Programs				20,000				20,000					20,000					20,000	
785	State Department of Education	Youth in Government	18,445							18,445										18,445	
786	State Department of Education	EOC Family Involvement				45,318				45,318					45,318					45,318	
789	State Department of Education	Education Oversight Committee (EOC)				1,214,540				1,214,540					1,214,540					1,214,540	
791	State Department of Education	School Improvement Council				180,192				180,192					180,192					180,192	
796	State Department of Education	Governmental Services - Policy & Planning	93,651							93,651	2.00	93,651								93,651	
828	Educational Television Commission	Educational Television - National Programming	685,903		1,926,417					2,612,320	4.53	685,903		1,926,417						2,612,320	
1477	Clemson PSA	Agricultural Education Teachers' Salaries (pass-thru)	405,599		276,533					682,132			405,599							800,011	
1625	Education Oversight Committee	Proviso-directed actions			150,963					150,963	0.76				150,963					150,963	
11	Education Oversight Committee	Family Involvement			34,209					34,209	0.08				34,209					34,209	
180	Adjutant General	Air Support - Starbase Swamp Fox		240,000						240,000			240,000							240,000	
729	State Department of Education	OSL-Progress Energy School Leadership Executive Institute (SLEI)				906,370				906,370					906,370					906,370	
732	State Department of Education	Innovative Programs (Title V of NCLB)		4,784,349						4,784,349	4.90		1,575,125							1,575,125	
222	Budget & Control Board	Confederate Relic Room & Military Museum Services	887,758		28,100				410,435	1,326,293	7.00	887,758		28,100						915,858	
793	State Department of Education	EOC Public Relations				226,592				226,592					226,592					226,592	
767	State Department of Education	Community Service Learning									1.50										
1562	University of South Carolina - Columbia	Augusta Baker Children's Literacy Residential Life - One Time actions / Improvements.																			
1579	Governor's School for Arts and Humanities	Residential Life - One Time actions / Improvements.																			
8	Education Oversight Committee	Agency Administration: overhead			331,275					331,275	0.95			291,275						291,275	
797	State Department of Education	Finance	3,517,069		939,181	353,185				4,809,435	48.00	2,862,679		353,185						4,155,045	
798	State Department of Education	Administration	3,076,938		88,000	214,090				3,379,028	50.09	3,076,938		88,000						3,379,028	
803	State Department of Education	FIRST STEPS - Administration	2,329,897	540,381	850,000				536,000	4,256,278	14.00	2,096,907	540,381	850,000						3,487,288	
812	Governor's School for Arts and Humanities	Administration	2,691,924		250,000					2,941,924	26.68	2,423,122		250,000						2,673,122	
816	Governor's School for Math and Science	Administrative Overhead	275,247		13,700				100,000	413,947	2.75	247,722		13,700						261,422	
831	Educational Television Commission	Administration	2,951,777		130,300					3,082,077	30.00	2,656,599		130,300						2,786,899	
832	Wii Lou Gray Opportunity School	Administration Program	396,817						68,000	464,817	8.00	357,190								357,190	
855	School for the Deaf & the Blind	Administration	1,228,070	104,229	529,595					1,861,894	19.13	1,105,444	87,729	521,893						1,715,066	

**Improve K-12 Student Performance  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding							FY 2007-08 Governor's Purchase Plan							Contingency Reserve Fund			
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery		Capital Reserve Fund	Total Funds	New FTEs
1121	John de la Howe School	Business Operations	332,536		13,273				345,809	8.00	332,536		13,544				346,080			
1122	John de la Howe School	Administration	147,318		1,000				148,318	3.00	147,318		1,000				148,318			
693	State Department of Education	Teacher Quality - ADEPT	2,217,245						2,217,245											
723	State Department of Education	Teacher Specialists Assistance and Technical Support	10,564			26,638,410	11,000,000		37,648,974	25.00			13,207,816				13,207,816			
728	State Department of Education	Principal Specialists, Mentors, Leaders	33,135			4,720,244			4,753,379											
795	State Department of Education	Ombudsman Services	80,555						80,555	1.00										
826	Educational Television Commission	Educational Radio	251,059		969,324				1,220,383	8.62							969,324			
854	School for the Deaf & the Blind	Outreach	1,792,312	144,575	734,601				2,671,488	30.84		288,088	1,197,401				1,485,489			
1271	Dept of Parks, Recreation & Tourism	Interpretive & Resource Management	598,701		98,630				697,331	10.00							98,630			
1508	Clemson PSA	4-H and Agricultural & Natural Resource Programs for Youth	4,463,849	1,183,901	2,420,412				8,068,162	135.92		1,183,901	2,420,412				3,604,313			
1704	University of South Carolina - Columbia	Freshwater Initiative	500,000						1,500,000											
<b>TOTAL</b>			<b>2,180,413,078</b>	<b>650,966,201</b>	<b>72,501,060</b>	<b>638,417,842</b>	<b>59,500,000</b>	<b>34,926,796</b>	<b>40,005,833</b>	<b>3,676,730,810</b>	<b>2,399.60</b>	<b>2,333,251,643</b>	<b>688,924,204</b>	<b>73,164,913</b>	<b>658,001,196</b>	<b>48,500,000</b>	<b>3,654,455</b>	<b>3,805,496,411</b>	<b>3.00</b>	<b>60,000,000</b>

**Improve Our Higher Education System and Cultural Resources  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan									
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs			
---	USC - Columbia	Consolidate Institute for Archaeology & Anthropology with Dept of Archives & History													(496,812)					(496,812)	
311	Commission on Higher Education	Need Based Grants						11,246,093				11,246,093						13,725,120		13,725,120	
134	State Treasurer	South Carolina Tuition Prepayment Program / South Carolina College Investment Program	43,173		520,209						563,382	3.00	43,173		520,209					563,382	
308	Commission on Higher Education	Research Centers of Excellence						30,000,000			30,000,000							15,000,000		15,000,000	
312	Commission on Higher Education	Palmetto Fellows Scholarships						17,830,758			17,830,758							21,106,764		21,106,764	
316	Higher Education Tuition Grant:	Tuition Grants	19,322,247	885,940	2,321,305			7,766,604			30,296,096	5.00	19,322,247	885,940	2,321,305		7,766,604		30,296,096		
457	USC - Columbia	School of Medicine	21,542,866	16,358,526	22,571,852						60,473,244	707.10	21,542,866	10,162,608	24,330,441				56,035,915		
573	Medical University of South Carolina	Instruction: College of Medicine	17,362,060	119,364	54,676,388						72,157,812	388.42	17,362,060	119,364	64,190,637				81,672,061		
574	Medical University of South Carolina	Instruction: College of Pharmacy	1,159,187	7,969	3,650,501						4,817,657	25.89	1,159,187	7,969	3,650,501				4,817,657		
575	Medical University of South Carolina	Instruction: College of Nursing	1,313,747	9,032	4,137,235						5,460,014	28.77	1,313,747	9,032	4,137,235				5,460,014		
579	Medical University of South Carolina	Instruction: College of Medicine		3,419,136	681,196						4,100,332	17.26		3,419,136	681,196				4,100,332		
580	Medical University of South Carolina	Instruction: College of Pharmacy		228,281	45,480						273,761			228,281	45,480				273,761		
581	Medical University of South Carolina	Instruction: College of Nursing		258,718	51,545						310,263			258,718	51,545				310,263		
583	Medical University of South Carolina	Instruction: College of Dental Medicine		598,602	119,260						717,862			598,602	119,260				717,862		
314	Commission on Higher Education	Lottery Tuition Assistance						45,000,000			45,000,000						45,000,000		45,000,000		
304	Commission on Higher Education	National Guard Tuition Repayment Program	150,882								1,850,882		150,882					500,000		650,882	
315	Commission on Higher Education	Technology Grants						12,000,000			12,000,000							8,400,000		8,400,000	
379	University of Charleston	Operation/Maintenance of Plan	4,202,728		12,877,838						17,080,566	166.30	4,202,728		14,018,708				18,221,436		
379	University of Charleston	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration													(625,094)				(625,094)		
465	USC - Columbia	Instruction: Arts and Science:	51,476,736	596,734	64,764,534						116,838,004	778.35	51,476,736	596,734	68,790,912				120,864,382		
468	USC - Columbia	Instruction: Engineering & Information Technology	13,489,397	96,240	10,445,107						24,030,744	133.44	13,489,397	96,240	11,747,759				25,333,396		
482	USC - Aiken	Instruction: Arts and Science:	6,452,633	171,767	4,650,417						11,274,817	95.65	6,452,633	171,767	6,027,256				12,651,656		
566	Winthrop University	Operation and Maintenance of Plan	2,495,479		7,685,000						10,180,479	111.00	2,495,479		7,685,000				10,180,479		
566	Winthrop University	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration													(372,573)				(372,573)		
576	Medical University of South Carolina	Instruction: College of Graduate Studies	103,039	709	324,490						428,238	2.88	103,039	709	324,490				428,238		
577	Medical University of South Carolina	Instruction: College of Dental Medicine	3,039,649	20,897	9,572,425						12,632,971	69.05	3,039,649	20,897	9,572,425				12,632,971		
578	Medical University of South Carolina	Instruction: College of Health Professions	2,782,051	19,127	8,761,202						11,562,380	60.42	2,782,051	19,127	8,761,202				11,562,380		
584	Medical University of South Carolina	Instruction: College of Health Professions		547,873	109,154						657,027			547,873	109,154				657,027		
611	Technical & Comprehensive Education	INSTRUCTION: Agriculture, Agriculture Operations, and Related Sciences (CIP 01)	763,932		384,943						1,148,875	10.50	763,932		384,943				1,148,875		
612	Technical & Comprehensive Education	INSTRUCTION: Natural Resources and Conservation (CIP 03)	69,651		157,092						226,743	2.25	69,651		157,092				226,743		
615	Technical & Comprehensive Education	INSTRUCTION: Computer and Information Sciences and Support Services (CIP 11)	6,056,466	148,836	5,209,642						11,414,944	98.38	6,056,466	148,836	8,980,132				15,185,434		
624	Technical & Comprehensive Education	INSTRUCTION: Biological and Biomedical Sciences (CIP 26)	5,044,243	49,135	4,914,889						10,008,267	78.62	5,044,243	49,135	8,685,379				13,778,757		
625	Technical & Comprehensive Education	INSTRUCTION: Mathematics and Statistics (CIP 27)	6,407,376	69,202	5,640,081						12,116,659	104.00	6,407,376	69,202	9,410,571				15,887,149		
626	Technical & Comprehensive Education	INSTRUCTION: Multi/Interdisciplinary Studies (CIP 30)	69,592		186,498						256,090	1.50	69,592		186,498				256,090		
628	Technical & Comprehensive Education	INSTRUCTION: Basic Skills (CIP 32)	4,401,638	43,743	4,419,399						8,864,780	84.75	4,401,638	43,743	4,419,399				8,864,780		
637	Technical & Comprehensive Education	INSTRUCTION: Construction Trades (CIP 46)			22,750						22,750	5.25			22,750				22,750		
638	Technical & Comprehensive Education	INSTRUCTION: Mechanic and Repair Technologies/Technicians (CIP 47)	5,291,900	223,970	4,519,088						10,034,958	82.75	5,291,900	223,970	4,519,088				10,034,958		
665	Technical & Comprehensive Education	INSTRUCTION: Health Professions and Related Clinical Sciences (CIP 51)	21,001,643	205,133	20,247,890						41,454,666	340.99	21,001,643	205,133	25,985,024				47,191,800		
666	Technical & Comprehensive Education	INSTRUCTION: Business, Management, Marketing, and Related Support Services (CIP 52)	7,708,330	137,444	5,913,890						13,759,664	109.75	7,708,330	137,444	5,913,890				13,759,664		
673	Technical & Comprehensive Education	Operation and Maintenance of Plant	2,284,576	56,481	45,746,832						48,087,889	415.69	2,284,576	56,481	45,746,832				48,087,889		
870	State Library	DISCUS - South Carolina's Virtual Library	2,132,396	341,106							2,473,502	2.00	2,132,396	341,106					2,473,502		
1690	Commission on Higher Education	Education and Economic Development (EEDA) funding for CHE and Institutions	1,463,082								1,463,082		1,463,082						1,463,082		
286	Commission on Higher Education	SREB Contractual Scholarships	844,680								844,680		844,680						844,680		
297	Commission on Higher Education	Educational Endowment	21,572,425		2,427,575						24,000,000		21,572,425		2,427,575				24,000,000		
301	Commission on Higher Education	African American Loan Program	202,874								202,874		202,874						202,874		

**Improve Our Higher Education System and Cultural Resources  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding										FY 2007-08 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs		
306	Commission on Higher Education	LIFE Scholarships	53,422,193					87,911,636				141,333,829		53,422,193					96,196,822	149,619,015
307	Commission on Higher Education	Electronic Library									2,000,000		2,000,000							2,000,000
331	The Citadel	O&M of Plant			10,272,000						1,500,000		11,772,000	101.00			10,865,799			10,865,799
331	The Citadel	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(375,922)						(375,922)
357	Clemson University (E&G)	Operation and Maintenance of the Plant		15,914	30,061,722							30,077,636	550.60		16,004	31,722,094				31,738,098
357	Clemson University (E&G)	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(1,100,162)						(1,100,162)
363	Clemson University (E&G)	Instruction--College of Business and Behavioral Science	19,222,613		5,887,949							25,110,562	228.51	19,222,613		6,213,153				25,435,766
364	Clemson University (E&G)	Instruction--College of Agriculture, Forestry and Life Sciences	11,889,506		3,772,017							15,661,523	133.67	11,889,506		3,980,353				15,869,859
365	Clemson University (E&G)	Instruction--College of Engineering and Science	30,957,080		10,108,532							41,065,612	385.38	30,957,080	15,645	10,716,557				41,689,282
366	Clemson University (E&G)	Instruction--College of Health, Education and Human Development	12,747,191		3,948,577							16,695,768	141.67	12,747,191		4,166,665				16,913,856
367	University of Charleston	Instruction	1,118,255	328,950	3,716,863							5,163,868	18.63	1,118,255	328,950	4,061,576				5,508,781
368	University of Charleston	Instruction	1,371,690		4,558,981							5,930,671	50.17	1,371,690		4,955,111				6,326,801
369	University of Charleston	Instruction	1,768,788		5,878,789							7,647,577	48.83	1,768,788		6,389,597				8,158,385
370	University of Charleston	Instruction	1,506,835		5,008,157							6,514,992	48.75	1,506,835		5,443,316				6,950,151
371	University of Charleston	Instruction	3,621,065		12,035,069							15,656,134	142.63	3,621,065		14,182,396				17,803,461
372	University of Charleston	Instruction	3,525,700		11,718,111							15,243,811	125.42	3,525,700		12,736,298				16,261,998
405	Coastal Carolina University	Oper. and Maint. Of Plant			7,898,396							7,898,396	122.87			8,827,169				8,827,169
405	Coastal Carolina University	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(289,056)						(289,056)
428	Lander University	College of Science, Mathematics & Natural Sciences	2,675,739	14,411	2,079,335							4,816,937	32.25	2,675,739	14,411	2,079,335				4,769,485
437	Lander University	Operation & Maintenance of Plant		7,235	2,735,202							2,742,437	52.50		7,235	2,735,202				2,742,437
437	Lander University	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(100,100)						(100,100)
445	South Carolina State University	Instruction	12,288,731		21,109,757							33,398,488	316.00	12,288,731		23,952,300				36,241,031
451	South Carolina State University	Operation and Maintenance of Plant & Deferred Maintenance	2,530,458		7,842,000			2,500,000	2,500,000	173,982		15,546,440	70.00	2,530,458		7,842,000		2,500,000		12,872,458
451	South Carolina State University	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(379,599)						(379,599)
458	USC - Columbia	Research	2,296,507	61,219,936	43,136,165							106,652,608	118.01	2,296,507	65,885,055	66,285,074				134,466,636
460	USC - Columbia	Academic Support	463,364		39,741,044							40,204,408	437.23	463,364		41,326,101				41,789,465
462	USC - Columbia	Operations & Maintenance	416,420		22,720,250							23,136,670	414.90	416,420		33,530,217				33,946,637
462	USC - Columbia	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(846,728)						(846,728)
466	USC - Columbia	Instruction: Business and Hospitality Retail, and Sports Management	15,668,865	236,570	25,675,354							41,580,789	241.81	15,668,865	236,570	27,274,063				43,179,498
467	USC - Columbia	Instruction: Educator	7,715,056	75,620	8,207,128							15,997,804	123.27	7,715,056	75,620	9,213,723				17,004,399
469	USC - Columbia	Instruction: Law School	6,509,518	84,048	9,121,859							15,715,425	74.65	6,509,518	84,048	10,246,876				16,840,442
470	USC - Columbia	Instruction: Mass Communications and Library Science	3,196,623	47,638	5,170,193							8,414,454	56.90	3,196,623	47,638	5,821,519				9,065,780
471	USC - Columbia	Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	15,742,034	153,346	16,642,924							32,538,304	309.05	15,742,034	153,346	18,715,325				34,610,705
483	USC - Aiken	Instruction: Business and Hospitality Retail, and Sports Management	1,278,347		884,130							2,162,477	18.04	1,278,347		758,193				2,036,540
484	USC - Aiken	Instruction: Educator	949,358		759,825							1,709,183	12.65	949,358		685,862				1,635,220
485	USC - Aiken	Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	1,341,641		803,315							2,144,956	17.88	1,341,641		657,964				1,999,605
494	USC - Aiken	Operations & Maintenance			3,458,287							599,237	4,057,524	32.00		3,458,287				3,458,287
494	USC - Aiken	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(126,562)						(126,562)
500	USC - Upstate	Operations & Maintenance			5,856,855							408,000	6,264,855	56.14		5,856,855				5,856,855
500	USC - Upstate	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(214,342)						(214,342)
502	USC - Upstate	Instruction: Arts and Sciences	7,718,647	414,826	6,091,433							609,247	14,834,153	133.65	7,718,647	374,378	8,009,491			16,102,516
504	USC - Upstate	Instruction: Educator	1,473,822		1,039,562							107,647	2,621,031	23.62	1,473,822		1,399,697			2,873,519
515	USC - Beaufort	Operations & Maintenance			1,861,125							502,175	2,363,300	6.88		1,861,125				1,861,125
520	USC - Lancaster	Instruction: Arts & Sciences	1,774,345	28,344	2,174,893							4,477,582	24.74	1,774,345	28,344	2,942,280				4,744,969
529	USC - Salkehatchie	Instruction: Arts & Sciences	1,335,649	122,100	1,034,589							50,000	2,542,338	21.07	1,335,649	154,629	1,236,367			2,726,645
539	USC - Sumter	Instruction: Arts & Sciences	2,281,559	108,603	2,207,168							4,597,330	38.64	2,281,559	106,620	1,368,919				3,757,098
543	USC - Sumter	Operations & Maintenance			932,791							932,791	10.78			882,574				882,574
543	USC - Sumter	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(34,137)						(34,137)
547	USC - Union	Instruction: Arts & Sciences	545,383	174,011	647,326							1,366,720	10.02	545,383	174,011	742,937				1,462,331
551	USC - Union	Operations & Maintenance			195,246							16,206	211,452	4.36		62,244				62,244
556	Winthrop University	Instruction: College of Arts and Sciences	5,955,452	56,700	6,939,350							433,797	13,385,299	133.15	5,955,452	56,700	6,939,350			12,951,502
557	Winthrop University	Instruction: College of Educator	2,519,463	123,339	2,822,300							187,588	5,652,690	56.55	2,519,463	123,339	2,822,300			5,465,102
558	Winthrop University	Instruction: College of Business	2,792,721		3,015,350							211,036	6,019,107	40.10	2,792,721		3,015,350			5,808,071
559	Winthrop University	Instruction: College of Visual and Performing Arts	2,336,158	52,023	2,404,700							175,863	4,968,744	51.50	2,336,158	52,023	2,404,700			4,792,881

**Improve Our Higher Education System and Cultural Resources  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs
582	Medical University of South Carolina	Instruction: College of Graduate Studies		20,292	4,042					24,334						24,334		
586	Medical University of South Carolina	Research	7,325,161	134,250,000	37,706,845					179,282,006	1,090.45				174,282,006			
591	Medical University of South Carolina	Operation & Maint of Plant	14,564,140		45,988,092					60,552,232	302.10				60,552,232			
591	Medical University of South Carolina	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration											(2,216,017)			(2,216,017)		
592	Medical University of South Carolina	Scholarships & Fellowships			2,710,129					2,710,129					2,710,129			
613	Technical & Comprehensive Education	INSTRUCTION: Communication, Journalism, and Related Programs (CIP 09)	96,452		111,375					207,827	2.25				207,827			
614	Technical & Comprehensive Education	INSTRUCTION: Communications Technologies/Technicians and Support Services (CIP 10)	461,997		1,050,365					1,512,362	13.75				1,512,362			
616	Technical & Comprehensive Education	INSTRUCTION: Personal and Culinary Services (CIP 12)	1,365,764	18,863	1,932,261					3,316,888	23.00				3,316,888			
617	Technical & Comprehensive Education	INSTRUCTION: Engineering (CIP 14)	363,460		313,552					677,012	6.00				677,012			
618	Technical & Comprehensive Education	INSTRUCTION: Engineering Technologies/Technicians (CIP 15)	5,891,427	139,923	5,771,124					11,802,474	90.75				11,802,474			
619	Technical & Comprehensive Education	INSTRUCTION: Foreign Languages, Literatures, and Linguistics (CIP 16)	920,636	15,521	673,080					1,609,237	15.00				1,609,237			
620	Technical & Comprehensive Education	INSTRUCTION: Family and Consumer Sciences/Human Sciences (CIP 19)	1,243,089	66,765	1,976,287					3,286,141	52.00				3,286,141			
622	Technical & Comprehensive Education	INSTRUCTION: English Language and Literature/Letters (CIP 23)	8,330,304	64,236	7,021,756					15,416,296	135.60				15,416,296			
623	Technical & Comprehensive Education	INSTRUCTION: Liberal Arts and Sciences, General Studies and Humanities (CIP 24)	1,606,569	7,708	1,200,874					2,815,151	25.25				2,815,151			
631	Technical & Comprehensive Education	INSTRUCTION: Physical Sciences (CIP 40)	1,703,341	8,113	1,701,709					3,413,163	25.75				3,413,163			
632	Technical & Comprehensive Education	INSTRUCTION: Science Technologies/Technicians (CIP 41)	8,742		3,007					11,749	7.75				11,749			
663	Technical & Comprehensive Education	INSTRUCTION: Transportation and Materials Moving (CIP 49)	86,720	75,000	298,329					460,049	10.50				460,049			
674	Technical & Comprehensive Education	Scholarships		2,700,631	2,389,619					5,090,250					5,090,250			
701	State Department of Education	Nursing Program	597,562							597,562					597,562			
1557	USC - Columbia	Instruction: Honors College	1,546,213	15,745	1,708,792					3,270,750	9.81				3,270,750			
1694	University of Charleston	Instruction	1,167,127		3,879,095					5,046,222	45.69				5,046,222			
291	Commission on Higher Education	Training for Math & Science Teachers		913,779						913,779					913,779			
302	Commission on Higher Education	Performance Funding	2,463,806							2,463,806					2,463,806			
321	The Citadel	School of Business Administration	1,822,620		1,717,932				21,392	3,561,944	23.40				3,561,944			
322	The Citadel	School of Education	1,208,292		1,138,891				14,181	2,361,364	19.25				2,361,364			
323	The Citadel	School of Engineering	1,198,227		1,129,404				14,063	2,341,694	16.25				2,341,694			
324	The Citadel	School of Humanities and Social Sciences	3,726,595		3,512,546				43,739	7,282,880	54.00				7,282,880			
325	The Citadel	School of Science and Mathematics	2,926,696		2,758,592				34,350	5,719,638	47.00				5,719,638			
332	The Citadel	Scholarships and Fellowships		20,110,949	3,087,654					23,198,603					23,198,603			
354	Clemson University (E&G)	Academic Support		2,134,214	36,754,159					38,888,373	417.06				38,888,373			
362	Clemson University (E&G)	Instruction-College of Architecture, Arts and Humanities	18,536,793	4,155,524	5,740,213					28,432,530	203.29				28,432,530			
373	University of Charleston	Research	315,051	3,664,932	2,167,865					6,147,848	8.75				6,147,848			
375	University of Charleston	Academic Support-Other	1,918,069		5,872,115					7,790,184	79.68				7,790,184			
376	University of Charleston	Academic Support-Libraries	1,423,357		4,405,654					5,829,011	70.28				5,829,011			
381	University of Charleston	Hospitality and Tourism	395,000							395,000	2.25				395,000			
395	Coastal Carolina University	College of Business	2,542,491		4,332,005				489,310	7,363,806	53.63				7,363,806			
396	Coastal Carolina University	College of Education	1,670,079		2,845,106				321,412	4,836,597	39.25				4,836,597			
398	Coastal Carolina University	College of Natural Science	3,923,400		6,687,041				250,000	755,071	11,615,512	92.65			11,615,512			
401	Coastal Carolina University	Academic Support			4,947,347					4,947,347	90.61				4,947,347			
412	Francis Marion University	Academic Support			3,507,472					3,507,472	40.19				3,507,472			
416	Francis Marion University	Operation and Maintenance of Plant			6,116,393					6,116,393	92.00				6,116,393			
416	Francis Marion University	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration											(223,840)			(223,840)		
422	Francis Marion University	Nursing Program	1,238,031							1,238,031	11.03				1,238,031			
423	Francis Marion University	Instruction - School of Business	2,132,682		210,523				27,419	2,370,624	19.50				2,370,624			
424	Francis Marion University	Instruction - School of Education	1,081,814		185,336				13,908	1,281,058	14.54				1,281,058			
425	Francis Marion University	Instruction - College of Liberal Arts	10,240,908		607,503				131,662	10,980,073	125.12				10,980,073			
427	Lander University	College of Business & Public Affairs	1,781,222	2,077	1,384,200				31,588	3,199,087	24.75				3,199,087			
429	Lander University	College of Arts and Humanities	2,826,718	18,204	2,196,662				50,129	5,091,713	39.25				5,091,713			
430	Lander University	College of Education	1,884,045	330,639	1,464,104				33,412	3,712,200	35.58				3,712,200			
431	Lander University	Instruction - Other	658,142	5,400	511,447				11,671	1,186,660	0.75				1,186,660			
433	Lander University	Academic Support		30,681	1,811,435					1,842,116	18.75				1,842,116			
463	USC - Columbia	Scholarships		48,975,947	50,259,488					99,235,435					99,235,435			
464	USC - Columbia	Institute for Public Service and Policy Research	716,454							716,454					716,454			
492	USC - Aiken	Academic Support			3,458,286					3,458,286	31.92				3,458,286			
493	USC - Aiken	Student Services			4,940,409					4,940,409	49.57				4,940,409			
498	USC - Upstate	Academic Support			5,124,748				135,000	5,259,748	31.67				5,259,748			

**Improve Our Higher Education System and Cultural Resources  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding										FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs	
499	USC - Upstate	Student Services		165,930	7,887,244					162,000	8,215,174	64.35		705,087	7,721,314			8,426,401	
		Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	1,857,773		1,282,168					134,482	3,274,423	29.50	1,857,773		1,641,591			3,499,364	
505	USC - Upstate	Instruction	2,429,247	410,495	3,493,956						6,333,698	38.16	2,429,247	410,495	5,391,891			8,231,633	
523	USC - Lancaster	Academic Support	182,663		299,468						482,131	4.65	182,663		400,509			583,172	
524	USC - Lancaster	Student Services	188,882	127,548	527,299						843,729	7.07	188,882	331,857	541,594			1,062,333	
525	USC - Lancaster	Operations & Maintenance			1,446,391					450,000	1,896,391	11.78			1,446,391			1,446,391	
525	USC - Lancaster	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration											(52,933)					(52,933)	
532	USC - Salkehatchie	Academic Support	230,415		351,131						581,546	5.00	230,415		391,060			621,475	
534	USC - Salkehatchie	Operations & Maintenance			789,240					50,000	839,240	8.12			789,240			789,240	
541	USC - Sumter	Academic Support	599,102		999,970						1,599,072	16.84	599,102		1,246,046			1,845,148	
542	USC - Sumter	Student Services	442,630		623,418						1,066,048	15.94	442,630	5,617	683,285			1,131,532	
549	USC - Union	Academic Support	135,707		176,686						312,393	2.95	135,707		234,617			370,324	
550	USC - Union	Student Services	126,970		146,374						273,344	5.39	126,970	59,615	146,374			332,959	
555	Winthrop University	Instruction- Genera	626,531	201,000	223,000					46,897	1,097,428	6.40	626,531	169,154	223,000			1,018,685	
562	Winthrop University	Academic Support	1,656,566	4,255	5,267,900					117,242	7,045,963	65.28	1,656,566		5,267,900			6,924,466	
563	Winthrop University	Student Services	1,098,011	220,000	7,900,580						9,218,591	100.00	1,098,011	217,926	7,900,580			9,216,517	
565	Winthrop University	Scholarships and Fellowship:		4,612,205	13,438,056						18,050,261			4,604,928	13,438,056			18,042,984	
629	Technical & Comprehensive Education	INSTRUCTION: Interpersonal and Social Skills (CIP 35)	228,167	2,020	135,057						365,244	4.25	228,167	2,020	135,057			365,244	
630	Technical & Comprehensive Education	INSTRUCTION: Philosophy and Religion Studies (CIP 38)	291,021	4,000	367,407						662,428	5.25	291,021	4,000	367,407			662,428	
633	Technical & Comprehensive Education	INSTRUCTION: Psychology (CIP 42)	2,307,159	19,303	1,773,704						4,100,166	29.25	2,307,159	19,303	1,773,704			4,100,166	
634	Technical & Comprehensive Education	INSTRUCTION: Security and Protective Services (CIP 43)	1,404,792	17,477	1,279,090						2,701,359	23.00	1,404,792	17,477	1,279,090			2,701,359	
635	Technical & Comprehensive Education	INSTRUCTION: Public Administration and Social Service Professions (CIP 44)	659,787	2,879	642,036						1,304,702	23.25	659,787	2,879	642,036			1,304,702	
636	Technical & Comprehensive Education	INSTRUCTION: Social Sciences (CIP 45)	3,114,484	7,542	2,216,194						5,338,220	43.75	3,114,484	7,542	2,216,194			5,338,220	
647	Technical & Comprehensive Education	Pathways to Prosperity	1,000,000								1,000,000		1,000,000					1,000,000	
662	Technical & Comprehensive Education	INSTRUCTION: Precision Production (CIP 48)	2,194,166	15,690	2,348,157						4,558,013	32.75	2,194,166	15,690	2,348,157			4,558,013	
664	Technical & Comprehensive Education	INSTRUCTION: Visual and Performing Arts (CIP 50)	1,192,239	8,000	1,579,898						2,780,137	46.25	1,192,239	8,000	1,579,898			2,780,137	
671	Technical & Comprehensive Education	Student Services	10,598,554	17,173,368	31,605,095						59,377,017	718.53	10,598,554	16,669,780	30,932,786			58,201,120	
740	State Department of Education	Adult Education (AE)	2,571,140	8,473,300	1,208,660	14,277,703					26,530,803	20.00	4,171,140	8,473,300	1,208,660	14,277,703		28,130,803	
881	State Museum	Collections	449,787		81,287					200,000	731,074	7.00	449,787		81,287			531,074	
884	State Museum	Operations	187,142		970,770						1,157,912	6.00	187,142		970,770			1,157,912	
1558	USC - Columbia	Instruction: Graduate School, DEIS and University 101	3,432,647	54,504	5,915,361						9,402,512	22.40	3,432,647	54,504	5,915,361			9,402,512	
1559	USC - Columbia	Hydrogen Fuel Cell Research	1,000,000								1,000,000		1,000,000					1,000,000	
1565	Medical University of South Carolina	Rural Dentist Incentive	250,000								250,000								
1575	Technical & Comprehensive Education	INSTRUCTION: History (CIP 54)	612,532	11,986	517,961						1,142,479	14.25	612,532	11,986	517,961			1,142,479	
1576	Technical & Comprehensive Education	INSTRUCTION: Education (CIP 13)	127,216		10,417						137,633	3.00	127,216		10,417			137,633	
1707	Medical University of South Carolina	College of Dental Medicine - Construction								7,000,000	7,000,000								
1712	Technical & Comprehensive Education	Allied Health Initiative								3,706,698	3,706,698	80.00	3,500,000					3,500,000	100.00
621	Technical & Comprehensive Education	INSTRUCTION: Legal Professions and Studies (CIP 22)	1,111,007	12,106	722,091						1,845,204	14.75	1,111,007	12,106	722,091			1,845,204	
268	Budget & Control Board	Southern Maritime	5,000							2,947,000	55,993	3,007,993		5,000				5,000	
283	Commission on Higher Education	University Center of Greenville Operations	427,101								427,101								
310	Commission on Higher Education	HOPE Scholarships								7,144,909	7,144,909					7,144,909			
319	The Citadel	College of Graduate and Professional Studies	1,088,660		1,026,130					12,777	2,127,567	5.00	1,088,660		1,172,741			2,261,401	
351	Clemson University (E&G)	Research			28,345,486						28,345,486	279.14			29,911,066			29,911,066	
355	Clemson University (E&G)	Student Services		1,281,129	13,279,126						14,560,255	196.60		1,288,287	14,012,560			15,300,847	
358	Clemson University (E&G)	Scholarships and Fellowship:		6,053,202	82,769,010						88,822,212			6,215,537	85,125,899			91,341,436	
377	University of Charleston	Student Services	1,788,471		6,138,420						7,926,891	100.16	1,788,471		6,667,885			8,456,356	
380	University of Charleston	Scholarships/Fellowship:		5,500,000	10,086,933						15,586,933			5,500,000	11,128,038			16,628,038	
393	Coastal Carolina University	General Instructor			2,100,453						2,100,453	5.96			2,100,453			2,100,453	
394	Coastal Carolina University	Specific Instruction Program			1,814,027						1,814,027	27.18			1,814,027			1,814,027	
397	Coastal Carolina University	College of Hum. & Fine Arts	4,116,997		7,016,536					792,329	11,925,862	74.69	4,116,997		7,887,261			12,004,258	
402	Coastal Carolina University	Student Services			5,112,259						5,112,259	64.00			5,692,742			5,692,742	
409	Coastal Carolina University	Health Service			321,144						321,144				446,313			446,313	
448	South Carolina State University	Libraries	1,262,606		4,458,131						5,720,737	8.00	1,262,606		4,458,131			5,720,737	
449	South Carolina State University	Student Services	1,767,312		2,861,868						4,629,180	45.00	1,767,312		2,861,868			4,629,180	
461	USC - Columbia	Student Services	5,180,639	1,360,443	17,829,244						24,370,326	169.33	5,180,639	1,360,443	18,613,767			25,154,849	
474	USC - Columbia	Small Business Development Center	686,534							250,000	936,534		686,534					686,534	
495	USC - Aiken	Scholarships		3,521,224	7,347,677						10,868,901			3,597,697	7,500,622			11,098,319	



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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs	
501	USC - Upstate	Scholarships		5,973,495	12,329,175					18,302,670				6,127,426	12,329,175			18,456,601	
503	USC - Upstate	Instruction: Business and Hospitality Retail, and Sports Management	1,233,592		851,381				89,299	2,174,272	19.59	1,233,592					2,414,710		
513	USC - Beaufort	Academic Support			1,706,031					1,706,031	13.61		71,759	1,706,031		1,777,790			
514	USC - Beaufort	Student Services		70,371	1,325,473					1,395,844	13.19		312,098	1,325,473		1,637,571			
516	USC - Beaufort	Scholarships		504,323	736,427					1,240,750			642,305	1,020,002		1,662,307			
526	USC - Lancaster	Scholarships		1,147,929	1,744,855					2,892,784			1,398,035	1,744,855		3,142,890			
533	USC - Salkehatchie	Student Services	187,829	87,214	389,580					664,623	5.11	187,829	249,037	458,803		895,669			
535	USC - Salkehatchie	Scholarships		1,203,556	873,392					2,076,948			1,317,876	873,392		2,191,268			
544	USC - Sumter	Scholarships		1,287,724	1,377,395					2,665,119			1,395,489	1,377,395		2,772,884			
552	USC - Union	Scholarships		482,486	532,792					1,015,278			510,298	532,792		1,043,900			
590	Medical University of South Carolin	Student Services	2,068,280		6,563,966					8,632,246	43.16	2,068,280		6,563,966		8,632,246			
646	Technical & Comprehensive Education	Midlands Tech Nursing Program	613,590							613,590	8.00	613,590				613,590			
652	Technical & Comprehensive Education	Finance and General Administration	1,363,233							1,363,233	15.00	1,363,233				1,363,233			
653	Technical & Comprehensive Education	Academic Affairs	901,727	120,000						1,021,727	14.00	901,727	120,000			1,021,727			
654	Technical & Comprehensive Education	Audits of Colleges	279,520							279,520	4.00	279,520				279,520			
656	Technical & Comprehensive Education	Innovative Technical Training	552,614							552,614	0.95	552,614				552,614			
660	Technical & Comprehensive Education	Multi Media	270,885							270,885	4.00	270,885				270,885			
669	Technical & Comprehensive Education	Academic Support - Library	2,510,555	24,264	5,681,236					8,216,055	104.83	2,510,555	24,264	5,681,236		8,216,055			
869	State Library	Information Technology Services (ITS)	33,915	223,966						257,881	4.00	33,915	223,966			257,881			
873	State Library	Library Development Services (LDS)	206,147	755,168						961,315	6.00	206,147	766,213			972,360			
874	State Library	Continuing Education (CE)		76,573						76,573	1.00		76,573			76,573			
882	State Museum	Education	515,477		115,739					631,216	7.00	515,477		115,739		631,216			
883	State Museum	Exhibits	545,722		142,334					688,056	9.00	545,722		142,334		688,056			
885	State Museum	Facilities	2,548,444		112,882					2,661,326	9.00	2,548,444		150,583		2,699,027			
1312	Patriots Point Development Authority	Operations/Maintenance			2,537,229					2,537,229	50.00			2,537,229		2,537,229			
1481	Clemson PSA	BioEngineering Alliance	110,361							110,361	1.05	110,361				110,361			
1713	Technical & Comprehensive Education	Technical College of the Lowcountry - Nursing Program							250,000	250,000									
292	Commission on Higher Education	Centers of Excellence			721,101					721,101				721,101		721,101			
294	Commission on Higher Education	EIA-Teacher Recruitment			5,871,014					5,871,014				5,871,014		5,871,014			
305	Commission on Higher Education	Academic Endowment	444,828							444,828		444,828				444,828			
309	Commission on Higher Education	Excellence Enhancement						4,700,000		4,700,000					4,700,000				
328	The Citadel	Academic Support	1,463,005		6,066,408					7,529,413	58.00	1,463,005		7,148,263		8,611,268			
352	Clemson University (E&G)	Sponsored Research		69,673,577	12,531,843					82,205,420	107.83		71,542,081	12,888,693		84,430,774			
382	University of Charleston	Avery Center	300,000							300,000	8.00	300,000				300,000			
406	Coastal Carolina University	Scholarship & Fellowship			20,284,124					20,284,124				21,540,999		21,540,999			
413	Francis Marion University	Student Services			1,819,521					1,819,521	36.00			1,819,521		1,819,521			
417	Francis Marion University	Scholarships and Fellowship		4,675,210	4,582,333					9,257,543			4,830,448	5,210,416		10,040,864			
434	Lander University	Student Services		16,343	1,368,816					1,385,159	49.00		16,343	1,368,816		1,385,159			
438	Lander University	Scholarships and Fellowship		3,031,213	811,010					3,842,223			3,031,213	811,010		3,842,223			
473	USC - Columbia	USC NanoCenter	1,000,000							1,000,000									
475	USC - Columbia	Law School Books and Publications	344,074							344,074		344,074				344,074			
650	Technical & Comprehensive Education	System Office President's Office	902,981							902,981	10.00	902,981				902,981			
667	Technical & Comprehensive Education	Occupational Upgrading	3,399,361	1,208,753	9,967,251					14,575,365	97.06	3,399,361	1,208,753	9,967,251		14,575,365			
670	Technical & Comprehensive Education	Academic Support - Other	12,225,069	4,599,926	34,877,654					51,702,649	566.11	12,225,069	4,456,530	34,877,654		51,559,253			
827	Educational Television Commission	Higher & Medical Education Services	971,663		265,108			658,000		1,894,771	17.46	971,663		265,108		1,236,771			
830	Educational Television Commission	Educational Television - Local Programming	4,517,539		1,233,564			98,000		5,849,103	69.99	4,517,539		1,243,564		5,761,103			
863	Department of Archives & History	Teaching American History in South Carolina Program		294,143						294,143			294,143			294,143			
868	State Library	Talking Book Services (TBS)		501,878	25,000					526,878	12.00		550,425	25,000		575,425			
871	State Library	Collection Management Services (CMS)	454,804	373,217						828,021	9.00	454,804	378,449			833,253			
872	State Library	Information Services (IS)	317,964	35,418						353,382	9.00	317,964	35,418			353,382			
879	Arts Commission	Contributions	225,757							225,757									
1549	University of Charleston	Center for Partnerships in Education	501,800						400,000	901,800	4.25	501,800				501,800			
1695	University of Charleston	Grice Marine Laboratory							4,000,000	4,000,000									
1696	University of Charleston	Marine Genomics							603,000	603,000	3.25								
1700	Francis Marion University	Early Childhood Education & Child Development Program	585,000							585,000		585,000				585,000			
1735	State Museum	Observatory, Planetarium, Theatre							5,000,000	5,000,000									
280	Commission on Higher Education	SC Alliance for Minority Participator	320,327							320,327		320,327				320,327			
281	Commission on Higher Education	Greenville Technical College-University Cnt	907,504							907,504		907,504				907,504			
284	Commission on Higher Education	Lowcountry Graduate Center	1,110,000							1,110,000									
285	Commission on Higher Education	Access and Equity	711,613							711,613		476,781				476,781			

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FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs
287	Commission on Higher Education	SREB Fees and Assessments	1,506,801						269,000	1,775,801		1,506,801				1,506,801		
288	Commission on Higher Education	Gear Up	600,000	4,642,562					600,000	5,842,562		1,200,000	4,642,562			5,842,562		
289	Commission on Higher Education	SC Manufacturing Extension Partnerships	1,227,921						1,200,000	2,427,921		1,227,921				1,227,921		
326	The Citadel	Research		111,222	351,918					463,140			117,625	513,076		630,701		
329	The Citadel	Student Services			5,710,311					5,710,311	62.55		6,226,713		6,226,713			
348	Clemson University (E&G)	Line Item-Municipal Services	931,747							931,747	30.00	931,747				931,747		
349	Clemson University (E&G)	Line Item- Advanced Films and Fibers	1,000,000							1,000,000	5.00	1,000,000				1,000,000		
383	University of Charleston	Governor's School	288,017							288,017	3.00							
386	University of Charleston	Auxiliary - Health Services			952,000					952,000	7.00			969,799		969,799		
399	Coastal Carolina University	Research		3,337,000	667,400					4,004,400	1.22		3,337,000	667,400		4,004,400		
410	Francis Marion University	Research		129,701	225,560					355,261			129,701	225,560		355,261		
454	South Carolina State University	School of Business Accreditation			505,081				89,365	594,446				505,081		505,081		
455	South Carolina State University	Transportation			957,081				748,365	1,705,446		748,365		957,081		1,705,446		
456	South Carolina State University	Felton Laboratory			904,000					904,000				904,000		904,000		
567	Winthrop University	Student Direct Lending Program		21,000,000						21,000,000			21,000,000		21,000,000			
588	Medical University of South Carolina	Public Service - Diabetes Center	289,088							289,088		289,088				289,088		
644	Technical & Comprehensive Education	F. E. Dubose Career Center			1,765,146					1,765,146				1,765,146		1,765,146		
645	Technical & Comprehensive Education	Missing and Exploited Children	94,050							94,050	1.00	94,050				94,050		
649	Technical & Comprehensive Education	Trident Technical College Culinary Arts	775,000							775,000								
651	Technical & Comprehensive Education	Human Resource Services (HRS)	430,309							430,309	7.00	430,309				430,309		
655	Technical & Comprehensive Education	Data Processing Support	2,095,086							2,095,086	20.00	2,095,086				2,095,086		
659	Technical & Comprehensive Education	Inventory Control	127,610							127,610	3.00	127,610				127,610		
668	Technical & Comprehensive Education	Community Service Programs	721,934	455,427	3,115,176					4,292,537	25.85	721,934	455,427	3,115,176		4,292,537		
735	State Department of Education	Arts Scholarship - Archibald Rutledge Scholarship	15,963							15,963		15,963				15,963		
792	State Department of Education	Centers Of Excellence				721,101				721,101				721,101		721,101		
857	Department of Archives & History	Archival Services	825,174	84,567	39,365					949,106	17.00	825,174	51,006	39,365		915,545		
858	Department of Archives & History	Records Management Services	731,987	48,000	9,000					788,987	18.00	731,987	8,000	9,000		748,987		
859	Department of Archives & History	Micrographics and Photocopy Services	309,957		252,217					562,174	7.00	309,957		252,217		562,174		
860	Department of Archives & History	State Historic Preservation Program	232,381	392,896	599,910					1,225,187	15.00	267,381	394,441	599,910		1,261,732		
861	Department of Archives & History	State Historical Marker Program			47,300					47,300	1.00			47,300		47,300		
864	Department of Archives & History	Publication Program	41,200		3,000					44,200	1.00	41,200		3,000		44,200		
1546	Commission on Higher Education	Think Tec/Fastr	250,000							250,000		250,000				250,000		
1552	University of Charleston	Low Country Graduate Center									6.34							
1692	Clemson University (E&G)	Call Me Mister							1,300,000	1,300,000								
1697	University of Charleston	Real Estate							612,764	612,764	4.25							
1698	Francis Marion University	Program for Women & Minorities in Science & Mathematics	100,000							100,000		100,000				100,000		
1705	USC - Sumter	Research		15,515	24,462					39,977			15,439	24,462		39,901		
1710	Technical & Comprehensive Education	Florence-Darlington - SIMT	1,500,000							1,500,000		1,500,000				1,500,000		
1725	State Library	DISCUS - Content Enhancement							250,000	250,000								
1726	State Library	Bill & Melinda Gates Foundation Grants			100,000					100,000				100,000		100,000		
1727	State Library	Pass Through: 73.14- Individual County Libraries							200,000	200,000								
300	Commission on Higher Education	Fund for the Improvement of Postsecondary Education		69,444						69,444	0.19		69,444			69,444		
303	Commission on Higher Education	Experimental Program to Stimulate Cooperative Research	300,000							300,000		300,000				300,000		
320	The Citadel	ROTC Departments	70,166		66,135				824	137,125	3.00	70,166		77,413		147,579		
336	The Citadel	Barracks			5,481,160					5,481,160				5,790,344		5,790,344		
339	The Citadel	Faculty/Staff Quarters			600,702					600,702	3.00			637,357		637,357		
340	The Citadel	Infirmary			1,066,461					1,066,461	10.27			1,130,237		1,130,237		
341	The Citadel	Laundry/Dry Cleaning			1,081,764					1,081,764	24.75			1,151,129		1,151,129		
345	The Citadel	Coeducation Initiative	1,110,000							1,110,000	15.81	1,043,731		75,185		1,118,916		
350	Clemson University (E&G)	Line Item-Wireless Communicator	1,000,000							1,000,000	5.00							
360	Clemson University (E&G)	Auxiliary - Food Services			12,255,696					12,255,696	1.00			12,761,612		12,761,612		
384	University of Charleston	Auxiliary - Residence Hall			11,223,740					11,223,740	46.00			13,382,902		13,382,902		
385	University of Charleston	Auxiliary - Food Service			6,194,422					6,194,422				6,937,753		6,937,753		
443	South Carolina State University	Housing			8,584,129					8,584,129	40.00			8,584,129		8,584,129		
446	South Carolina State University	Research/Grants		30,230,781						30,230,781	75.00		30,230,781			30,230,781		
450	South Carolina State University	Residential Life																
453	South Carolina State University	Access and Equity			123,000									123,000		123,000		
472	USC - Columbia	African American Professors Program	178,805							178,805		178,805				178,805		
490	USC - Aiken	Research		128,825	365,216					494,041	0.19		72,370	365,216		437,586		
512	USC - Beaufort	Public Service		140,741	324,540					465,281	2.18		1,905	324,540		326,445		

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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds
568	Winthrop University	Center for Education, Recruitment, Retention and Advancement (CERRA); Teaching Fellows Program		62,100	5,750,000					5,812,100	2.00						
587	Medical University of South Carolina	Public Service	5,290,803	9,600,000	18,934,694					33,825,497	184.14	5,290,803	9,600,000	18,934,694			33,825,497
658	Technical & Comprehensive Education	Support Unit and Warehouse	440,800							440,800	7.00	440,800					440,800
866	Department of Archives & History	Hunley Project			480,492					480,492				480,492			480,492
875	State Library	Pass Through: Aid to County Libraries	8,189,638							8,189,638		8,189,638					8,189,638
876	Arts Commission	Arts Education	751,224	230,035	144,015				183,971	1,309,245	6.86	751,224	188,453	144,015			1,083,692
877	Arts Commission	Community Arts Development	1,681,640	822,479	335,176				821,364	779,665	18.11	1,429,394	654,542	269,463			2,353,399
1313	Patriots Point Development Authority	Retail Operations			1,423,764					1,423,764	5.00			1,423,764			1,423,764
1316	Patriots Point Development Authority	Visitor Services			926,093					926,093	9.00			926,093			926,093
1548	Clemson University (E&G)	COMSET	106,021	2,800,000	900,000					3,806,021	12.00	106,021	2,800,000				2,906,021
1550	University of Charleston	Office of Tourism Analysis							150,000	150,000	4.00						
1551	University of Charleston	Economic Partnership	591,550							591,550	3.00	591,550					591,550
1553	Francis Marion University	Small and Minority Business Assistance	500,000							500,000	2.90	500,000					500,000
1573	Technical & Comprehensive Education	Spartanburg Cherokee Expansion	1,500,000		250,000					1,750,000	5.00	1,500,000		250,000			1,750,000
1577	State Department of Education	Robert C. Byrd Scholarship		547,187						547,187			547,187				547,187
1580	Department of Archives & History	Pass Through	150,000							150,000		150,000					150,000
1581	State Library	Pass Through: 73.14 - Individual County Libraries							250,000	250,000							
1693	University of Charleston	MRR Parity							524,238	524,238							
1706	Winthrop University	Tillman Hall Repair							6,700,000	6,700,000							
1709	Technical & Comprehensive Education	Williamsburg - Repair/Renovation							300,000	300,000							
1711	Technical & Comprehensive Education	Horry-Georgetown Instructional Facility			1,000,000					1,000,000							
1721	State Library	Pass Through: 73.14- Individual County Libraries							250,000	250,000							
1722	State Library	Pass Through: 73.14- Individual County Libraries							250,000	250,000							
1723	State Library	Pass Through: 73.17- Individual County Libraries			1,000,000					1,000,000							
1724	State Library	Pass Through: Public Library Construction Grants							100,000	100,000							
293	Commission on Higher Education	Youth Leadership Conference	50,000							50,000							
295	Commission on Higher Education	Cutting Edge	150,232							150,232	2.00	150,232					150,232
296	Commission on Higher Education	Professor of the Year	14,850							14,850							
299	Commission on Higher Education	Higher Education Awareness	407,469							407,469	1.00	407,469					407,469
327	The Citadel	Public Service		230,400	2,160,408					2,390,808	1.81		233,736	2,246,871			2,480,607
342	The Citadel	Print Shop			331,652					331,652	12.00			354,500			354,500
343	The Citadel	Tailor Shop			1,303,793					1,303,793	9.00			1,386,801			1,386,801
344	The Citadel	Telephone			20,867					20,867	1.00			22,182			22,182
346	Clemson University (E&G)	Auxiliary - Student Housing			22,627,438					22,627,438	126.00			23,561,502			23,561,502
353	Clemson University (E&G)	Public Service		10,454,404	5,457,881					15,912,285	102.18		10,512,819	5,759,331			16,272,150
374	University of Charleston	Public Service	72,922	506,118	360,146					939,186	5.00		506,118	422,878			928,996
400	Coastal Carolina University	Public Service		3,338,000	1,001,400					4,339,400	5.39		3,338,000	1,001,400			4,339,400
407	Coastal Carolina University	Residence Halls			2,169,889					2,169,889	14.04			3,283,899			3,283,899
408	Coastal Carolina University	Food Serve / Vending			52,077					52,077				64,595			64,595
411	Francis Marion University	Public Service		118,380	375,934					494,314			118,380	375,934			494,314
418	Francis Marion University	Auxiliary Enterprises - Dining Services			132,158					132,158	4.00			132,158			132,158
420	Francis Marion University	Auxiliary Enterprises - Housing			435,785					435,785	1.00			435,929			435,929
421	Francis Marion University	Omega Project	56,147							56,147							
432	Lander University	Public Service		11,805	22,492					34,297	1.00		11,805	22,492			34,297
439	Lander University	Food Services			919,068					919,068				919,068			919,068
441	Lander University	Residence Halls		15,906	1,398,899					1,414,805	1.00		15,906	1,398,899			1,414,805
442	South Carolina State University	Food Services			6,566,160					6,566,160	41.00			6,566,160			6,566,160
478	USC - Columbia	Auxiliary: Housing			22,304,282					22,304,282	87.76			22,304,282			22,304,282
479	USC - Columbia	Auxiliary: Student Health Service			6,377,948					6,377,948	31.84			6,377,948			6,377,948
488	USC - Aiken	Auxiliary: Housing			1,628,235					1,628,235	5.57			1,628,235			1,628,235
508	USC - Upstate	Auxiliary: Housing			974,698					974,698	2.83			974,698			974,698
545	USC - Sumter	Auxiliary: Bookstore and Food Service			533,024					533,024	2.12			533,024			533,024
569	Winthrop University	Auxiliary Services- Housing			6,200,000					6,200,000	50.11			6,200,000			6,200,000
570	Winthrop University	Auxiliary Services- Health Center			1,150,000					1,150,000	12.00			1,150,000			1,150,000
571	Winthrop University	Auxiliary Services- Cafeteria			3,300,000					3,300,000				3,300,000			3,300,000
639	Technical & Comprehensive Education	Auxiliary Enterprises - Food Services	45,120	49,017	1,120,077					1,214,214	6.33	45,120	49,017	1,120,077			1,214,214
641	Technical & Comprehensive Education	Auxiliary Enterprises -Residence Halls			546,664					546,664	1.00			546,664			546,664
1315	Patriots Point Development Authority	Collections			145,526					145,526	2.00			145,526			145,526
1545	Commission on Higher Education	Service Learning Engagement			65,000					65,000				65,000			65,000

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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs
1699	Francis Marion University	Construction - Center for the Performing Arts								7,000,000	7,000,000							
1728	State Museum	Coastal Discovery Museum								400,000	400,000							
1734	State Museum	Myrtle Beach Children's Museum								750,000	750,000							
337	The Citadel	Cadet Store			4,450,869					4,450,869	6.00			4,716,494			4,716,494	
338	The Citadel	Dining Hal			5,138,379					5,138,379				5,441,481			5,441,481	
347	Clemson University (E&G)	Auxiliary - Other			22,849,151					22,849,151	189.34			23,792,366			23,792,366	
361	Clemson University (E&G)	Auxiliary - Bookstores			816,454					816,454	0.63			850,157			850,157	
387	University of Charleston	Auxiliary - Other Rental			74,754					74,754				74,754			74,754	
447	South Carolina State University	Public Service	160,778							160,778	3.33	160,778					160,778	
459	USC - Columbia	Public Service	643,075	23,127,532	19,351,746					43,122,353	201.14	643,075	23,127,532	20,536,536			44,307,143	
489	USC - Aiken	Auxiliary: Other			115,339					115,339				120,877			120,877	
511	USC - Beaufort	Research		46,914	263,274					310,188	1.15		105,239	263,274			368,513	
521	USC - Lancaster	Research											8,746				8,746	
530	USC - Salkehatchie	Research		17,443	24,096					41,539			62,245	24,096			86,341	
560	Winthrop University	Research		444,274	835,050					1,279,324			456,564	835,050			1,291,614	
561	Winthrop University	Public Service		289,517	3,341,778					3,631,295	6.00		345,481	3,341,778			3,687,259	
1676	Budget & Control Board	Drummond Center Erskine College Program Support								700,000	700,000							
1686	Budget & Control Board	Weldon Auditorium								500,000	500,000							
1729	State Museum	Cherokee County Museum								450,000	450,000							
1730	State Museum	Chapman Cultural Center								500,000	500,000							
1731	State Museum	Mauldin Cultural Center								100,000	100,000							
1732	State Museum	Cayce Museum								50,000	50,000							
1733	State Museum	York County Museum								450,000	450,000							
1736	State Museum	SC Hall of Fame	25,000															
1737	State Museum	African-American Museum in Charleston								500,000	500,000							
1739	State Museum	Greer Museum								100,000	100,000							
298	Commission on Higher Education	State Approving Sector	84,208	321,095	143,545					548,848	10.11	84,208	321,095	143,545			548,848	
388	University of Charleston	Auxiliary - Vending			70,000					70,000				70,000			70,000	
389	University of Charleston	Auxiliary - Bookstore			400,000					400,000				400,000			400,000	
390	University of Charleston	Auxiliary - Parking			1,630,932					1,630,932	8.70			1,630,932			1,630,932	
392	Coastal Carolina University	Book Store			8,680					8,680				8,680			8,680	
419	Francis Marion University	Auxiliary Enterprises - Bookstore			65,305					65,305				65,305			65,305	
440	Lander University	Book Store	2,330		1,048,868					1,051,198	5.00		2,330	1,048,868			1,051,198	
444	South Carolina State University	Bookstore			2,576,981					2,576,981	14.00			2,576,981			2,576,981	
480	USC - Columbia	Auxiliary: Bookstore			744,218					744,218	1.29			744,218			744,218	
481	USC - Columbia	Auxiliary: Other			7,818,616					7,818,616	18.87			7,818,616			7,818,616	
487	USC - Aiken	Auxiliary: Bookstore			1,220,672					1,220,672	4.00			1,220,672			1,220,672	
491	USC - Aiken	Public Service		472,359	1,997,845					2,470,204	15.47			1,997,845			2,513,673	
496	USC - Upstate	Research		248,896	483,212					732,108	0.16		515,828	483,212			483,212	
497	USC - Upstate	Public Service		1,493,374	2,899,267					4,392,641	18.46		411,495	1,405,893			1,817,388	
507	USC - Upstate	Auxiliary: Bookstore			2,490,896					2,490,896	7.24			2,484,572			2,484,572	
509	USC - Upstate	Auxiliary: Other			194,940					194,940	0.57			194,940			194,940	
517	USC - Beaufort	Auxiliary: Bookstore			775,469					775,469	3.44			785,045			785,045	
522	USC - Lancaster	Public Service		113,376	1,212,484					1,325,860	9.92			2,239,024			2,239,024	
527	USC - Lancaster	Auxiliary: Bookstore									1.34							
531	USC - Salkehatchie	Public Service			313,971					564,163	5.23			65,093			65,093	
536	USC - Salkehatchie	Auxiliary: Bookstore			249,234					249,234	0.13			293,035			293,035	
537	USC - Salkehatchie	Leadership Center	100,460							100,460								
540	USC - Sumter	Public Service		139,633	153,530					293,163				738,335			738,335	
548	USC - Union	Public Service		134,463	138,881					273,344				138,881			138,881	
553	USC - Union	Auxiliary: Bookstore			117,147					117,147	0.73			119,216			119,216	
		Auxiliary Services- Bookstore and Vending			600,000					600,000				600,000			600,000	
572	Winthrop University	Auxiliary (Parking)			5,290,185					5,290,185	31.65			6,019,763			6,019,763	
593	Medical University of South Carolina																	
640	Technical & Comprehensive Education	Auxiliary Enterprises - Bookstores	149,063	18,880	28,423,266					28,591,209	59.05	149,063	18,880	28,423,266			28,591,209	
642	Technical & Comprehensive Education	Auxiliary Enterprise - Vending			22,649					22,649				22,649			22,649	
1314	Patriots Point Development Authority	Education/Overnight Camping			1,081,639					1,081,639	6.00			1,081,639			1,081,639	
1582	State Museum	Greenville Children's Museum								700,000	700,000							
1738	State Museum	Spartanburg Memorial Auditorium								500,000	500,000							
334	The Citadel	Gift Shop Enterprises			2,507,422					2,507,422	12.00			2,668,013			2,668,013	
335	The Citadel	Director of Auxiliary Activities			36,170					36,170	2.00			38,142			38,142	
359	Clemson University (E&G)	Auxiliary - Intercollegiate Athletic			42,172,245					42,172,245	133.08			43,913,120			43,913,120	
391	University of Charleston	Auxiliary - Athletics			7,454,152					7,454,152	33.23			8,431,779			8,431,779	
414	Francis Marion University	Athletics			1,462,391					1,462,391	18.33			1,462,391			1,462,391	
333	The Citadel	Athletics			5,803,908					5,803,908	43.00			6,130,186			6,130,186	
403	Coastal Carolina University	Athletics			7,655,369					7,655,369	79.43			7,655,369			7,655,369	
435	Lander University	Intercollegiate Athletics			1,079,227					1,079,227	15.75			1,079,227			1,079,227	
477	USC - Columbia	Auxiliary: Athletics			42,853,786					42,853,786	197.53			42,853,786			42,853,786	
313	Commission on Higher Education	Teacher Scholarship Grants																
		Sales & Services of Education Departments																
643	Technical & Comprehensive Education																	
1568	Technical & Comprehensive Education	Piedmont Nursing Program																

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			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs		
1574	Technical & Comprehensive Education	Horry-Georgetown Nursing Program																		
585	Medical University of South Carolina	Instruction - Coll. Of Nursing - FML																		
627	Technical & Comprehensive Education	INSTRUCTION: Parks, Recreation, Leisure and Fitness Studies (CIP 31)																		
1554	Francis Marion University	College of Nursing Building																		
1555	Francis Marion University	Center for the Child Constructor																		
1556	Francis Marion University	Francis Marion Trail																		
1563	Winthrop University	Thurmond Auditorium																		
1564	Medical University of South Carolina	Simulation Lab - College of Nursing																		
1569	Technical & Comprehensive Education	York Infrastructure Project																		
1570	Technical & Comprehensive Education	Deferred Maintenance																		
1571	Technical & Comprehensive Education	Florence-Darlington - Mullins Satellite Campus																		
1572	Technical & Comprehensive Education	Orangeburg Construction																		
----	Clemson University (E&G)	1% Reduction to Encourage Collaboration													(881,615)					(881,615)
----	USC - Columbia	1% Reduction to Encourage Collaboration													(1,529,071)					(1,529,071)
----	Medical University of South Carolina	1% Reduction to Encourage Collaboration													(821,405)					(821,405)
279	Commission on Higher Education	Administration	2,117,075		247,557						2,364,632	25.70	2,199,793			247,557			2,447,350	1.00
318	Higher Education Tuition Grant	Administration	343,163								343,163		343,163						343,163	
330	The Citadel	Institutional Support	140,000	15,000	7,737,390						7,892,390	92.81	140,000	15,207	8,320,658				8,475,865	
356	Clemson University (E&G)	Institutional Support																		
378	University of Charleston	Institutional Support	3,406,628		10,400,037						13,806,665	175.28	3,406,628		11,322,232				14,728,860	
404	Coastal Carolina University	Institutional Support			11,882,312						11,882,312	148.58			14,145,857				14,145,857	
404	Coastal Carolina University	Savings from Implementing Administration Standards for Non-teaching Personnel													(67,241)					(67,241)
415	Francis Marion University	Institutional Support			3,548,070						3,548,070	63.75			3,548,070				3,548,070	
415	Francis Marion University	Savings from Implementing Administration Standards for Non-teaching Personnel													(118,087)					(118,087)
436	Lander University	Institutional Support		15,474	2,468,913						2,484,387	43.33		15,474	2,468,913				2,484,387	
436	Lander University	Savings from Implementing Administration Standards for Non-teaching Personnel													(158,795)					(158,795)
452	South Carolina State University	Administration	3,030,137		2,408,928						5,439,065	60.00	3,030,137		2,408,928				5,439,065	
452	South Carolina State University	Savings from Implementing Administration Standards for Non-teaching Personnel													(278,942)					(278,942)
476	USC - Columbia	Institutional Support	6,703,630		28,357,430						35,061,060	561.27	6,703,630		37,050,826				43,754,456	
486	USC - Aiken	Institutional Support			3,458,287						3,458,287	33.82			2,725,304				2,725,304	
506	USC - Upstate	Institutional Support			5,124,748					232,000	5,356,748	59.72			5,072,593				5,072,593	
519	USC - Beaufort	Institutional Support			1,240,750						1,240,750	12.73			1,240,750				1,240,750	
528	USC - Lancaster	Institutional Support	324,364		760,430						1,084,794	5.53	324,364		760,430				1,084,794	
538	USC - Salkehatchie	Institutional Support	295,558		452,143						747,701	5.61	295,558		452,143				747,701	
546	USC - Sumter	Institutional Support	659,765		939,306					51,269	1,650,340	14.74	659,765		796,544				1,456,309	
554	USC - Union	Institutional Support	150,504		200,929						351,433	6.37	150,504		200,929				351,433	
564	Winthrop University	Institutional Support Service	1,442,259		4,617,000						6,059,259	113.44	1,442,259		4,617,000				6,059,259	
589	Medical University of South Carolina	Administration	30,359,501	900,000	96,604,171						2,545,904	130,409,576	632.98	30,359,501	900,000	98,604,171			129,863,672	
672	Technical & Comprehensive Education	Institutional Support	14,467,467	1,694,059	57,783,696						73,945,222	771.40	14,467,467	1,702,703	57,783,696				73,953,866	
672	Technical & Comprehensive Education	Savings from Implementing Administration Standards for Non-teaching Personnel													(970,252)					(970,252)
865	Department of Archives & History	Administration	1,572,542		296,385					65,000	1,933,927	11.00	1,572,542		296,385				1,868,927	
865	Department of Archives & History	Administrative Savings from Consolidation of Cultural Agencies													(172,418)					(172,418)
867	State Library	Administration	1,427,179	90,708	5,000						1,522,887	7.00	1,427,179	90,708	5,000				1,522,887	
867	State Library	Administrative Savings from Consolidation of Cultural Agencies													(85,230)					(85,230)
880	Arts Commission	Administration	735,761								735,761	11.12	735,761	178					735,939	
880	Arts Commission	Administrative Savings from Consolidation of Cultural Agencies													(179,384)					(179,384)
886	State Museum	Administration	551,186		69,287						620,473	6.00	551,186		69,287				620,473	
886	State Museum	Administrative Savings from Consolidation of Cultural Agencies													(76,634)					(76,634)
1317	Patriots Point Development Authority	Administration			1,038,049						1,038,049	8.00			1,038,049				1,038,049	
317	Higher Education Tuition Grant	South Carolina Student Legislature	17,780								17,780									
290	Commission on Higher Education	Arts Program	10,274								10,274									
1547	Commission on Higher Education	National Foundation of Teaching Entrepreneurship (NFTE)	250,000								250,000									
282	Commission on Higher Education	Greenville Higher Ed Cente	180,287								180,287									
878	Arts Commission	Artist Development	172,804	24,744	12,822						210,370	2.47								

**Improve Our Higher Education System and Cultural Resources  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
			General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Total Funds	New FTEs	
518	USC - Beaufort	Penn Center - LINE ITEM	180,240								180,240	2.00							
862	Department of Archives & History	National History Day Program	57,400		1,000						58,400	1.00							
		<b>TOTAL</b>	<b>796,901,187</b>	<b>570,725,629</b>	<b>2,033,892,613</b>	<b>14,998,804</b>	<b>227,800,000</b>	<b>8,774,364</b>	<b>61,823,619</b>	<b>3,714,916,216</b>	<b>21,698.03</b>		<b>785,856,934</b>	<b>566,590,276</b>	<b>2,178,703,638</b>	<b>14,998,804</b>	<b>222,040,219</b>	<b>3,768,189,871</b>	<b>101.00</b>

**Improve the Health and Protections for Our Children and Adults  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
NEW	Governor's Office - OEPP	Children's Trust Fund								100,000				100,000	
NEW	Dept of Health & Human Services	Private Rehabilitative Therapy								1,500,000	3,427,727			4,927,727	
NEW	Dept of Health & Environmental Control	Hospital Infections Disclosure Act - Hospital Infections Report								276,245				276,245	3.25
1101	Department of Social Services	Child Support Enforcement	5,323,467	31,902,868	13,281,915	16,500,000		67,008,250	329.91	5,545,738	31,032,067	11,581,562	16,000,000	64,159,367	
901	Dept of Health & Human Services	Hospital Services	182,992,533	479,212,362	31,051,826			693,256,721		196,992,533	514,135,236	33,131,270		744,259,039	
----	Dept of Health & Human Services	Medicaid - Shift to Other Funds Generated from Cigarette Tax Increase								(107,270,000)		107,270,000			
907	Dept of Health & Human Services	Physician Services	106,140,642	257,601,603	5,120,380			371,862,625	3,000,000	106,140,642	248,958,846	5,193,113		360,292,601	
909	Dept of Health & Human Services	Dental Services	26,439,414	68,308,758	3,929,713			98,677,885		26,439,414	70,951,200	4,611,633		102,002,247	
911	Dept of Health & Human Services	Community Long Term Care	33,586,492	76,035,470	1,848,769			111,470,731	151.00	36,086,492	86,142,286	632,827		122,861,605	
1105	Department of Social Services	Food Stamp Program	10,212,843	600,168,106	10,639,334			621,020,283	924.42	11,077,123	673,349,621	9,610,674		694,037,418	
984	Dept of Health & Environmental Control	Independent Living - Home Health Program		7,371	28,936,533			28,943,904	387.51		5,455	26,152,757		26,158,212	
888	Dept of Health & Human Services	Clinic Services	27,472,664	66,461,557	2,075,217			96,009,438		27,472,664	67,521,373	3,201,912		98,195,949	
905	Dept of Health & Human Services	Pharmaceutical Services	50,832,030	313,716,254	88,480,214			453,028,498		50,832,030	308,999,306	90,122,214		449,953,550	
905	Dept of Health & Human Services	Pharmaceutical Services- Move from the old (AWP - 10 percent) standard to a standard more in line with the southeastern average (AWP -12)								(2,300,000)				(2,300,000)	
913	Dept of Health & Human Services	Home Health Services	3,746,075	8,743,595	133,867			12,623,537		4,746,075	11,144,634	7,390		15,898,099	
915	Dept of Health & Human Services	EPSDT Screening	5,278,053	12,319,335	188,613			17,786,001		5,278,053	12,489,530	2,868		17,770,451	
917	Dept of Health & Human Services	Medical Professional Svcs.	9,454,863	22,068,295	337,873			31,861,031		9,454,863	22,413,446			31,868,309	
926	Dept of Health & Human Services	Hospice Care	4,665,799	10,673,373	79,444			15,418,616		4,665,799	24,554,504			29,220,303	
939	Dept of Health & Human Services	Palmetto Senior Care	2,741,989	6,163,464				8,905,453		3,741,989	8,944,214			12,686,203	
968	Dept of Health & Environmental Control	Infectious Disease Prevention - Immunization Program	4,128,561	2,817,842	377,781			9,681,574	2,357,390	5,128,561	2,692,989	360,634		8,182,184	8.00
1004	Department of Mental Health	Inpatient Psych for Children	9,386,239	130,382	6,485,795			16,002,416	279.52	9,386,239	122,594	6,485,795		15,994,628	
1088	Department of Social Services	Adoptions	3,378,630	4,568,047	7,115,350			15,062,027	134.81	3,851,824	9,360,854	1,732,648		14,945,326	
1095	Department of Social Services	Foster Care Services	6,048,500	24,128,849	14,391,672			44,569,021	521.07	7,227,187	35,258,689	5,767,347		48,253,223	
1103	Department of Social Services	Child Care	4,463,263	78,700,263	4,951,340			88,114,866	73.14	10,072,737	72,548,644	8,139,562		90,760,943	
1104	Department of Social Services	Temporary Assistance to Needy Families (TANF)/Family Independence	18,661,722	76,475,962	8,142,973			103,280,657	594.19	21,297,099	87,630,322	2,783,141		111,710,562	42.00
1027	Dept of Disabilities and Special Needs	Mental Retardation - Community Training Homes	36,744,263	217,937	103,214,822			142,145,022	35.00	38,712,263	217,937	133,410,458		172,340,658	
892	Dept of Health & Human Services	Coordinated Care	47,969,145	128,847,863	9,118,695			185,935,703		47,969,145	161,783,651			209,752,796	
903	Dept of Health & Human Services	Nursing Facility Services	139,877,019	327,440,431	5,568,573			472,886,023		147,877,019	325,040,809	3,774,249		476,692,077	
919	Dept of Health & Human Services	Transportation Services	18,100,581	42,247,989	646,831			60,995,401		18,100,581	42,818,816	23,849		60,943,246	
921	Dept of Health & Human Services	Lab and X-Ray Services	12,550,381	29,293,445	448,492			42,292,318		12,550,381	29,700,077	4,706		42,255,164	
925	Dept of Health & Human Services	Medicare Premium Payments	44,826,963	102,697,722	12,449,667			159,974,352		49,826,963	109,605,902	4,626,796		164,059,661	
937	Dept of Health & Human Services	Disproportionate Share	21,292,776	472,217,564	188,786,386			682,296,726		21,292,776	642,064,867	259,679,831		923,037,474	
942	Dept of Health & Human Services	Medicaid Eligibility	10,733,671	25,995,685	10,749,649			47,479,005	493.00	11,233,671	26,495,685	8,795,449		46,524,805	
999	Department of Mental Health	Crisis Stabilization	11,372,247	776,044	7,511,901			20,277,531	271.10	11,989,586	647,821	7,511,901	2,005,000	22,154,308	
1003	Department of Mental Health	Acute Psych	21,679,726		14,826,558			40,405,084	556.02	3,898,800	24,304,726	14,826,558	5,057,673	44,188,957	
1026	Dept of Disabilities and Special Needs	Intermediate Care Facility/Mental Retardation (ICF-MR)	14,773,500		34,471,500			49,245,000	23.00	14,773,500		34,471,500		49,245,000	
1092	Department of Social Services	Child Abuse and Neglect - Intake and Assessment	3,763,575	28,920,530	4,905,367			37,589,472	366.85	4,672,571	31,477,401	661,212		36,811,184	
1094	Department of Social Services	Child Protective Treatment Services - In-Home	8,634,746	19,044,277	6,239,062			33,918,085	459.63	9,745,741	27,905,551	1,152,922		38,804,214	
1129	Commission for the Blind	Prevention of Blindness	804,856					804,856	7.00	860,056	44,800			904,856	2.00
1592	Department of Mental Health	Outpatient Services	38,064,106	4,644,672	44,168,940			87,567,654	689.936	41,564,106	4,240,947	45,442,940		91,247,993	
1743	Dept of Health & Human Services	Targeted Case Management	(transferred per proviso 8.42)												
----	School for the Deaf & Blind	Targeted Case Management		180,000				180,000		180,000				180,000	
----	Dept of Health & Environmental Control	Targeted Case Management	115,600					115,600		115,600				115,600	
----	Department of Mental Health	Targeted Case Management	632,641					632,641		632,641				632,641	
----	Dept of Alcohol & Other Drug Abuse Services	Targeted Case Management	272,000					272,000		272,000				272,000	
----	Department of Social Services	Targeted Case Management	17,000,000					17,000,000		17,000,000				17,000,000	
950	Dept of Health & Environmental Control	Underground Storage Tanks		3,111,556	1,762,254			4,873,810	54.68		2,249,822	1,351,987		3,601,809	
1106	Department of Social Services	Child and Adult Care Food, After School Snack Program, Emergency Shelters Food Program, Summer Food Service Program		33,666,546	312,022			33,978,568	8.31		31,454,387			31,454,387	
839	Vocational Rehabilitation	Direct Client Services	10,175,557	30,371,119	908,407	740,000		42,195,083	740.91	10,675,557	32,094,927	131,718		42,902,202	
890	Dept of Health & Human Services	Durable Medical Equipment	19,598,816	45,710,771	681,920			65,991,507		19,598,816	46,344,547			65,943,363	

**Improve the Health and Protections for Our Children and Adults  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
967	Dept of Health & Environmental Control	Infectious Disease Prevention - Surveillance, Investigation and Control Program	7,273,769	48,712,528	235,641			56,221,938	148.10	7,782,769	48,482,711	1,313,314		57,578,794	63.72
967	Dept of Health & Environmental Control	Infectious Disease Prevention - Aids Drug Assistance Program								1,300,000				1,300,000	
975	Dept of Health & Environmental Control	Assuring Public Health Services	48,518,997	27,526,904	27,610,951			103,656,852	1,288.63	48,518,997	19,751,622	27,092,725	3,365,000	98,728,344	
985	Dept of Health & Environmental Control	Independent Living - Children with Special Health Care Needs Program	8,222,746	9,361,932	1,523,578		276,750	19,385,006	164.69	8,222,746	8,666,112	2,375,160		19,264,018	
1000	Department of Mental Health	Intensive Family Services (Family Preservation)	1,323,010	157,120	1,535,198		23,980	3,039,308	73.58	1,346,990	83,532	1,535,198		2,965,720	
1002	Department of Mental Health	Long Term Inpatient Psych	13,366,589		9,654,137		1,751,200	24,771,926	349.57	14,366,589		9,654,137		24,020,726	
1018	Dept of Disabilities and Special Needs	Waiver Services	16,180,008		19,833,494		1,457,003	37,470,505	4.00	17,680,008		13,709,925		31,389,933	
1028	Dept of Disabilities and Special Needs	Mental Retardation - Assisted Living	1,043,236		10,048,122			11,091,358	5.00	1,043,236		10,048,122		11,091,358	
1036	Dept of Alcohol & Other Drug Abuse Services	Chemical Dependency Community-Based Intervention Services	748,468	1,331,230	13,148			2,092,846	1.25	748,468	1,331,230	13,148		2,092,846	
1037	Dept of Alcohol & Other Drug Abuse Services	Chemical Dependency Community-Based Treatment Services	9,054,758	15,125,491	1,035,298			25,215,547	4.75	9,379,758	15,450,279	1,156,744		25,986,781	
1093	Department of Social Services	Chafee Foster Care Independence Program	370,548	1,803,454	80,315			2,254,317	3.14	370,548	1,615,095	79,083		2,064,726	
1107	Department of Social Services	USDA Food Distribution	93,211	9,529,356	69,065			9,691,632	20.54	93,211	7,249,527	47,031		7,389,769	
1590	Department of Mental Health	Community Residential (Housing) Support	11,933,612	2,111,375	13,847,560		216,304	28,108,851	507.26	11,933,612	2,238,035	13,847,560		28,019,207	
1591	Department of Mental Health	Day Treatment	4,421,518	476,614	5,130,654		80,143	10,108,929	167.47	4,421,518	476,614	5,130,654		10,028,786	
894	Dept of Health & Human Services	DMH Medicaid Services		123,516,542	54,949,781			178,466,323			125,081,633	54,736,701		179,818,334	
895	Dept of Health & Human Services	DDSN Medicaid Services		316,929,345	140,994,864			457,924,209			318,766,844	139,494,864		458,261,708	
896	Dept of Health & Human Services	DHEC Medicaid Services		27,697,271	12,321,904			40,019,175			28,157,413	12,321,904		40,479,317	
897	Dept of Health & Human Services	MUSC Medicaid Services		40,163,026	17,867,643			58,030,669			40,830,264	17,867,643		58,697,907	
898	Dept of Health & Human Services	USC Medicaid Services		7,985,247	3,552,460			11,537,707			8,117,908	3,552,460		11,670,368	
899	Dept of Health & Human Services	DAODAS Medicaid Services		8,683,913	3,863,281			12,547,194			10,999,074	4,813,281		15,812,355	
900	Dept of Health & Human Services	Continuum of Care		5,858,963	2,606,523			8,465,486			7,213,132	3,156,523		10,369,655	
932	Dept of Health & Human Services	DSS Medicaid Services		34,072,132	15,157,939			49,230,071			26,046,221	11,398,030		37,444,251	
933	Dept of Health & Human Services	DJJ Medicaid Services		29,884,869	13,295,118			43,179,987			30,381,354	13,295,118		43,676,472	
944	Dept of Health & Human Services	Automated Claims Processing	6,384,401	27,817,101	2,495,147			36,696,649	28.00	6,384,401	27,817,101	2,495,147		36,696,649	
1038	Dept of Alcohol & Other Drug Abuse Services	Direct Chemical Dependency Services		720,028				720,028	1.00		720,028			720,028	
1135	Housing Finance and Development Authority	Housing Initiatives		9,542,779	721,289			10,264,068	16.50		13,607,062	631,363		14,238,425	
90	Lieutenant Governor	Regional Level Activity - Flow Thru Funding Title III Part C and USDA - Group Dining and Home Delivered Nutrition Services	895,662	10,070,754	618,900			11,585,316		895,662	10,070,754	618,900		11,585,316	
209	Budget & Control Board	Health & Demographics	919,227	87,532	2,270,858			3,277,617	25.00	919,227	124,000	2,366,655		3,409,882	
928	Dept of Health & Human Services	Optional State Supplemental	19,800,000					19,800,000		19,800,000				19,800,000	
970	Dept of Health & Environmental Control	Maternal and Infant Health	3,438,310	110,565,396	20,622,680			134,626,386	728.62	3,938,310	106,415,256	12,131,583		122,485,149	16.00
992	Dept of Health & Environmental Control	Emergency Medical Services	4,722,940	1,215,233	140,010		2,000,000	8,078,183	23.53	4,722,940	921,652	93,024		5,737,616	
1007	Department of Mental Health	Nursing Home for Mentally Ill	12,061,520		15,626,026			27,687,546	467.46	12,061,520		15,626,026		27,687,546	
1019	Dept of Disabilities and Special Needs	Respite/Family Support Stipends	3,228,329	190,000				4,124,472		3,756,329	190,000			3,946,329	
1024	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Waiver Services	3,858,506		8,617,292		1,489,500	13,965,298		4,858,506		12,867,292		17,725,798	
1032	Dept of Disabilities and Special Needs	Regional Centers - Intermediate Care Facility/Mental Retardation (ICF/MR)	53,834,810	40,000	44,812,387			98,687,197	2,356.50	53,834,810	40,000	45,141,323		99,016,133	
1091	Department of Social Services	Adult Protective Services	2,256,838	5,602,885	4,349,661			12,209,384	158.88	2,565,460	6,610,739	378,098		9,554,297	
1100	Department of Social Services	Foster Care Treatment Services for Emotionally Disturbed Children	22,218,390	6,395,732	13,275,534			41,889,656	243.67	22,634,320	10,535,350	4,983,192		38,152,867	
1589	Department of Mental Health	Community Based Rehabilitation	8,509,784	917,306	9,874,608		154,245	19,455,943	264.57	8,509,784	917,306	9,124,608		18,551,698	
1740	Dept of Health & Human Services	GAPS Assist Program	12,000,000	26,973,693				38,973,693		12,000,000				12,000,000	
98	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Family Caregiver Support Program		2,055,648				2,055,648			2,055,648			2,055,648	
113	Lieutenant Governor	Local Level Activity - Elder Care Trust Fund Competitive Awards			50,000			50,000				50,000		50,000	
845	Vocational Rehabilitation	SSI Program		2,000,000				2,000,000	4.00		2,011,503			2,011,503	
850	Vocational Rehabilitation	Disability Determination Services		31,915,000	2,683,500			34,598,500	318.36		36,037,129	2,858,500		38,895,629	



**Improve the Health and Protections for Our Children and Adults  
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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding							FY 2007-08 Governor's Purchase Plan					
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
920	Dept of Health & Human Services	Transportation Services Administration	216,035	376,916	35,623			628,574	8.50	216,035	376,916	35,623		628,574	
943	Dept of Health & Human Services	Medicaid Eligibility Support	1,039,128	1,732,845	517,417			3,289,390	68.00	1,039,128	1,732,845	517,417		3,289,390	
946	Dept of Health & Human Services	Audits/Compliance	826,711	1,323,188	141,280			2,291,179	29.00	826,711	1,323,188	141,280		2,291,179	
966	Dept of Health & Environmental Control	Infectious Disease Prevention - General Sanitation Program	2,287,348	161,265	3,631,230			6,079,843	98.18	3,007,348	605,600	3,551,296		7,164,244	42.00
978	Dept of Health & Environmental Control	Protection from Public Health Emergencies		17,982,231	26,219			18,008,450	116.40	203,468	25,485,831	5,787,334	1,000,000	32,476,633	26.60
1006	Department of Mental Health	Inpatient Alcohol & Drug	11,286,940		1,896,009			13,182,949	199.88	11,286,940		1,896,009		13,182,949	
1012	Dept of Disabilities and Special Needs	Greenwood Genetic Center	2,129,849		5,016,051			7,145,900		2,129,849		5,516,051		7,645,900	
1015	Dept of Disabilities and Special Needs	Center Based Child Development	300,000		953,353			1,253,353		300,000		953,353		1,253,353	
1016	Dept of Disabilities and Special Needs	Other Family Support	509,339	66,000			200,000	775,339		709,339	66,000			775,339	
1020	Dept of Disabilities and Special Needs	Adult Development and Supported Employment	10,517,600		44,354,977		1,710,690	56,583,267		10,949,600		49,849,377		60,798,977	
1025	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Family Support	308,578	115,000			190,000	613,578	4.00	308,578	115,000			423,578	
1126	Commission for the Blind	Vocational Rehab Services	790,302	5,480,952				6,271,254	24.75	1,075,302	5,620,952			6,696,254	5.00
1128	Commission for the Blind	Training and Employment	325,078	489,718	80,000			894,796	10.00	325,078	489,718	80,000		894,796	
1644	Governor's Office - OEPP	Care Coordination	893,686		1,874,997			2,768,683	32.11	893,686		1,258,721		2,152,407	
1744	Dept of Health & Human Services	MMA Phased Down Contributions	78,000,000					78,000,000		80,000,000				80,000,000	
1782	Attorney General	Rural Domestic Violence Grant		451,005				451,005	6.00		451,005			451,005	
977	Dept of Health & Environmental Control	Minority Health	423,886	149,064	70,486			643,436	7.27	423,886	237,156	17,131		678,173	
998	Department of Mental Health	Employment Services	308,522	33,257	358,004		5,592	705,375	26.27	308,522	33,257	358,004		699,783	
1014	Dept of Disabilities and Special Needs	Early Intervention	4,098,630		13,121,149			17,219,779	2.00	4,098,630		13,371,149		17,469,779	
1022	Dept of Disabilities and Special Needs	Autism Family Support	838,630	55,000	5,509,034		3,414,664	9,817,328	14.00	3,838,630	55,000	5,509,034		9,402,664	
1029	Dept of Disabilities and Special Needs	Autism Community Training Homes	3,511,855		9,412,954		360,000	13,284,809	50.00	3,511,855		9,768,040		13,279,895	
1031	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Assisted Living	175,773		117,645			293,418		175,773		117,645		293,418	
1098	Department of Social Services	Licensing Services - Foster Care and Group or Institutional Facilities and Child Placing Agencies	1,690,883	549,989	2,529,805			4,770,677	9.57	1,690,883	479,485	71,258		2,241,626	
1585	Dept of Health & Human Services	Prevention Partnership Grants	2,000,000					2,000,000		6,000,000				6,000,000	
1588	Department of Mental Health	Assertive Community Treatment	1,436,483	154,845	1,666,869		26,037	3,284,234	52.02	1,436,483	154,845	1,666,869		3,258,197	
1635	Governor's Office - OEPP	Review cases of children in foster care.	73,759		221,759			295,518	2.00	247,249		221,759		469,008	
1646	Governor's Office - OEPP	Advocacy	476,469		587,672			1,064,141	10.20	476,469		587,672		1,064,141	
1653	Governor's Office - OEPP	Recruit, train and supervise volunteer child advocates in cases of child abuse and neglect in family court.	859,327		2,407,995			3,267,322	18.00	859,327		1,093,429		1,952,756	
842	Vocational Rehabilitation	Supported Employment		528,000				528,000	17.00		528,000			528,000	
893	Dept of Health & Human Services	Coordinated Care Administration	304,990	532,117	50,291			887,398	12.00	304,990	532,117	50,291		887,398	
908	Dept of Health & Human Services	Physician Services Administration	383,780	669,581	63,282			1,116,643	15.10	383,780	669,581	63,282		1,116,643	
931	Dept of Health & Human Services	School for the Deaf and Blind		2,572,731	1,144,551			3,717,282			3,358,147	1,469,551		4,827,698	
991	Dept of Health & Environmental Control	Certification		6,085,622	3,000			6,088,622	84.60		4,151,767	3,000		4,154,767	
1096	Department of Social Services	Foster Home Payments	9,609,082	10,854,739	2,867,892			23,331,713		9,609,082	7,084,542	2,433,257		19,126,881	
1134	Housing Finance and Development Authority	Rental Assistance		11,336,463				11,336,463	17.00		11,410,975			11,410,975	
1136	Housing Finance and Development Authority	Homeownership			1,964,755			1,964,755	23.00		3,544,397			3,544,397	
1560	USC - Columbia	Palmetto Poison Control Center					200,000	200,000							
1655	Lieutenant Governor	Regional Activity-Home and Community Based Services					2,900,000	2,900,000		2,900,000				2,900,000	
1742	Dept of Health & Human Services	Department of Corrections Medicaid		321,234	142,910			464,144			1,469,147	642,910		2,112,057	
237	Budget & Control Board	Employee Insurance Customer Services			4,709,544			4,709,544	49.05			5,070,684		5,070,684	
87	Lieutenant Governor	State Level Activity Home and Community-based Services	78,737	236,210				314,947	3.00	78,737	236,210			314,947	
89	Lieutenant Governor	State Level Activity Nutrition Services	97,913	277,125				375,038	1.60	97,913	277,125			375,038	
103	Lieutenant Governor	State Level Activity - State Long Term Care Ombudsman Program	18,529	105,000				123,529	8.75	18,529	105,000			123,529	
273	Budget & Control Board - Auditor	Medicaid Audits	867,055				216,403	1,083,458	15.30	867,055				867,055	
930	Dept of Health & Human Services	Integrated Personal Care	671,880	1,510,257				2,182,137		671,880	1,535,347			2,207,227	
972	Dept of Health & Environmental Control	Maternal and Infant Health - Newborn Hearing and Screening Program	750,653	76,802				827,455		750,653	76,802			827,455	

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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
993	Dept of Health & Environmental Control	Emergency Medical Services - Counties and Regions (pass thru funds)	1,566,652					1,566,652		1,566,652				1,566,652	
1030	Dept of Disabilities and Special Needs	Head and Spinal Cord Injury Community Training Homes	775,239		1,758,809			2,606,048		847,239		1,808,809		2,656,048	
1035	Dept of Alcohol & Other Drug Abuse Services	Chemical Dependency Community-Based Prevention Services	185,726	6,932,443				7,118,169	4.75	185,726	6,023,497	174,367		6,383,590	
1090	Department of Social Services	Adoption Subsidy- Special Needs	9,866,719	13,100,074	3,680,850			26,647,643		11,966,719	14,117,844			26,084,563	
1102	Department of Social Services	Child Care Licensing	66,402	3,509,633	221,879			3,797,914	42.83	66,402	4,844,946	320,000		5,231,348	
1132	Commission for the Blind	Children's Services	432,728		25,000			457,728	3.00	432,728		25,000		457,728	
1587	Department of Mental Health	Forensic - Community Mental Health	763,247	111,289	885,659			1,774,030	41.53	763,247	117,483	885,659		1,766,389	
1640	Governor's Office - OEPP	Coordinate statewide system of volunteer child advocates.	117,181		328,362			445,543	5.90	1,217,181		328,362		1,545,543	
1647	Governor's Office - OEPP	Monitoring	370,325		429,501			799,826	10.15	370,325		429,501		799,826	
61	Governor's Office - OEPP	Advocacy		125,423				125,423	1.70		125,423			125,423	
93	Lieutenant Governor	State Level Activity - Medicare Counseling Program - I-CARE		204,664				204,664	2.70		204,664			204,664	
236	Budget & Control Board	Employee Insurance Financial Services			4,690,279			4,690,279	37.91			5,157,416		5,157,416	
849	Vocational Rehabilitation	Workshop Production			17,000,000			17,000,000				17,000,000		17,000,000	
889	Dept of Health & Human Services	Clinic Services Administration	256,330	446,146	44,983			747,459	9.10	256,330	446,146	44,983		747,459	
902	Dept of Health & Human Services	Hospital Services Administration	348,905	572,509	56,315			977,729	16.84	348,905	572,509	56,315		977,729	
904	Dept of Health & Human Services	Nursing Facility Administration	1,412,436	5,029,102	2,161,467			8,603,005	11.33	1,412,436	5,029,102	2,593,467		9,035,005	
910	Dept of Health & Human Services	Dental Services Administration	114,372	199,544	18,860			332,776	4.50	114,372	199,544	18,860		332,776	
912	Dept of Health & Human Services	Community Long Term Care Administration	1,537,658	3,372,207	425,736			5,335,601	51.00	1,537,658	3,372,207	425,736		5,335,601	
914	Dept of Health & Human Services	Home Health Services Administration	38,123	66,514	6,287			110,924	1.50	38,123	66,514	6,287		110,924	
916	Dept of Health & Human Services	EPSDT Screening Administration	40,666	70,949	6,707			118,322	1.60	40,666	70,949	6,707		118,322	
927	Dept of Health & Human Services	Hospice Care Administration	38,123	66,514	6,287			110,924	1.50	38,123	66,514	6,287		110,924	
935	Dept of Health & Human Services	Commission for the Blind		213,773	95,103			308,876			217,325	95,103		312,428	
936	Dept of Health & Human Services	Emotionally Disturbed Children - Institutes for Mental Disease		49,451,770	22,000,000			71,451,770		13,000,000	50,273,325	22,000,000		85,273,325	
938	Dept of Health & Human Services	Other Entities Medicaid Ser		18,925,024	8,419,325			27,344,349			19,239,430	8,419,325		27,658,755	
1097	Department of Social Services	Homemaker Services		4,546,366				4,546,366	112.79		5,400,242			5,400,242	
1099	Department of Social Services	Domestic Violence		3,601,984	1,104,380			4,706,364	0.46		3,378,316	1,111,794		4,490,110	
1218	Department of Agriculture	Inspection Services			1,809,865			1,809,865	25.81			1,809,865		1,809,865	
1524	Office of Regulatory Staff	Dual Party Relay			2,500,000			2,500,000				4,183,697		4,183,697	
1636	Governor's Office - OEPP	Grants Administration (CSGB)		10,598,315				10,598,315	7.20		10,598,315			10,598,315	
1637	Governor's Office - OEPP	Grants Administration (LIHEAP)		13,629,488	560,000			14,189,488	7.61		13,629,488	560,000		14,189,488	
1638	Governor's Office - OEPP	IOLTA Grant for Attorney Compensation for representation of volunteer Guardians ad Litem [South Carolina Guardian ad Litem Program]			150,000			150,000	0.10			150,000		150,000	
1741	Dept of Health & Human Services	John De La Howe School Medicaid		368,820	164,080			532,900			374,948	164,080		539,028	
97	Lieutenant Governor	State Level Activity - Family Caregiver Support Program	19,484	58,449				77,933	1.00	19,484	58,449			77,933	
139	Attorney General	Violence Against Women Grant	18,783	99,375				118,158	3.00	18,783	99,375			118,158	
141	Attorney General	The Medicaid Fraud Control Section	335,868	876,679	315,000			1,527,547	14.00	335,868	906,043	502,000		1,743,911	
600	Consortium of Community Teaching Hospitals	Recruitment - Rural Physician Program	78,977					81,886	1.00	78,977				78,977	
601	Consortium of Community Teaching Hospitals	Recruitment - Rural Physician Program	689,845					689,845		689,845				689,845	
840	Vocational Rehabilitation	Case Services, Purchased	796,769	8,829,033				9,625,802		796,769	8,829,033			9,625,802	
846	Vocational Rehabilitation	BPAO Grant	16,000	400,000				416,000	1.00	16,000	350,149			366,149	
887	Dept of Health & Human Services	Integrated Personal Care Administration	152,496	266,059	25,146			443,701	6.00	152,496	266,059	25,146		443,701	
922	Dept of Health & Human Services	Lab and X-Ray Services Administration	40,666	70,949	6,707			118,322	1.60	40,666	70,949	6,707		118,322	
940	Dept of Health & Human Services	MUSC Maxillofacial Services	250,000					250,000		250,000				250,000	
973	Dept of Health & Environmental Control	Chronic Disease Prevention	1,777,563	5,610,208	70,762		850,000	8,308,533	40.84	3,777,563	6,214,734	172,068		10,164,365	37.00
983	Dept of Health & Environmental Control	Rape Violence Prevention	1,216,512	774,052				1,990,564		1,216,512	863,463			2,079,975	
1008	Department of Mental Health	Veterans Nursing Homes	11,891,831		15,792,775		2,400,000	30,084,606	141.24	14,291,831		15,792,775		30,084,606	
1009	Department of Mental Health	Sexually Violent Predator Program	3,946,025		12,844			3,958,869	60.60	6,600,318		12,844		6,613,162	
1021	Dept of Disabilities and Special Needs	Service Coordination	3,589,519		16,440,991			20,030,510	9.00	3,281,562		16,440,991		19,722,553	
1089	Department of Social Services	Adoption Subsidy- Legal Costs	750,000	750,000				1,500,000		750,000	750,000			1,500,000	
1125	Commission for the Blind	Adjustment to Blindness	242,000	910,660				1,152,660	19.25	242,000	910,660			1,152,660	
1214	Department of Agriculture	Laboratory Services	1,420,546	5,000	121,500			1,547,046	22.00	1,420,546	5,000	121,500		1,547,046	
1648	Governor's Office - OEPP	Training	228,945		170,149			399,094	5.60	228,945		170,149		399,094	
1652	Governor's Office - OEPP	Advocacy	488,039					488,039	11.00	488,039				488,039	

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			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	
76	Governor's Office - OEPP	Grants Administration (Competitive) Office of Economic Opportunity		1,496,957					1,496,957	1.63		2,001,957			2,001,957	
104	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Regional Long Term Care Ombudsman Program under Title III-B and Title VII and State Funds		293,858					293,858			293,858			293,858	
891	Dept of Health & Human Services	Durable Medical Equipment Administration	139,788	243,886	23,050				406,724	5.50	139,788	243,886	23,050		406,724	
906	Dept of Health & Human Services	Pharmaceutical Services Administration	152,496	266,059	25,146				443,701	6.00	152,496	266,059	25,146		443,701	
918	Dept of Health & Human Services	Medical Professional Svcs. Administration	66,081	115,292	10,895				192,268	2.60	66,081	115,292	10,895		192,268	
934	Dept of Health & Human Services	Dept of Education Medicaid		55,881,109	24,860,271				80,741,380			43,498,471	19,035,271		62,533,742	
941	Dept of Health & Human Services	Other Agencies Administration	2,970,351	39,832,790	29,634,830				72,437,971	26.00	2,970,351	39,832,790	29,497,030		72,300,171	
1595	Housing Finance and Development Authority	Special Initiatives			7,000,000				7,000,000				7,000,000		7,000,000	
1654	Governor's Office - OEPP	Grants Administration (WAP)		2,123,054					2,123,054	2.86		4,311,554	90,000		4,401,554	
51	Governor's Office - OEPP	Grant Making	59,557	1,991,171					2,050,728	6.75	59,557	1,991,171			2,050,728	
66	Governor's Office - OEPP	Constituent Services/ Ombudsman	205,714						205,714	7.50	205,714				205,714	
88	Lieutenant Governor	Regional Level Activity Flow Thru Funding Title III Part B Community-Based Supportive Services	894,199	5,650,434					6,544,633		894,199	5,650,434			6,544,633	
602	Consortium of Community Teaching Hospitals	Recruitment - Nursing Recruitment Center	37,955						37,955	0.25	37,955				37,955	
843	Vocational Rehabilitation	Independent Living	35,000	315,000					350,000		35,000	315,000			350,000	
987	Dept of Health & Environmental Control	Camp Burnt Gin	223,899		2,346				226,245	0.81	223,899		40,946		264,845	
994	Dept of Health & Environmental Control	Laboratory Head and Spinal Cord Injury Service	2,734,276	3,022,453	6,730,821				12,487,550	115.34	2,734,276	2,897,666	7,027,921		12,659,863	
1023	Dept of Disabilities and Special Needs	Coordination	626,235		1,653,826				2,280,061		626,235		1,653,826		2,280,061	
1535	Lieutenant Governor	State Level Activity Geriatric Physician Loan Program	140,000						140,000		140,000				140,000	
1632	Governor's Office - OEPP	Initiate referrals for advocacy and/or case follow-up.	86,928		206,734				293,662	3.90	86,928		206,734		293,662	
1633	Governor's Office - OEPP	Prepare and distribute review board recommendations to the Family Court, the Department of Social Services, and other interested parties.	98,000		228,150				326,150	1.90	98,000		228,150		326,150	
1641	Governor's Office - OEPP	Citizen volunteer review board members increase public awareness, promote advocacy, and facilitate communication among stakeholders. (Foster Care Review Board)	12,944		38,890				51,834		12,944		38,890		51,834	
1645	Governor's Office - OEPP	Procurement Services	1,796,145		1,934,777				3,730,922	11.95	1,796,145		2,011,649		3,807,794	
1645	Governor's Office - OEPP	Procurement Services - Continuum of Care Administrative Savings from Restructuring									(140,269)				(140,269)	
929	Dept of Health & Human Services	Optional State Supplemental Administration	106,835	172,426	18,176				297,437	5.00	106,835	172,426	18,176		297,437	
73	Governor's Office - OEPP	Attorney Compensation			179,030				179,030				179,030		179,030	
99	Lieutenant Governor	State Level Activity - Information & Assistance		119,349					119,349	3.25		119,349			119,349	
112	Lieutenant Governor	State Level Activity - Elder Care Trust Fund			9,100				9,100				9,100		9,100	
976	Dept of Health & Environmental Control	Injury and Violence Protection		849,231	58,005				907,236	1.50		609,897	30,703		640,600	
1137	Housing Finance and Development Authority	Property Administration and Compliance		88,853,907	1,946,290				90,800,197	26.25		90,000,000	1,980,908		91,980,908	
1138	Housing Finance and Development Authority	Tax Credit			909,903				909,903	6.25			574,212		574,212	
1529	Lieutenant Governor	Regional Level Activity SC Access Plus/Aging and Disabilities Resource Center		305,205					305,205			305,205			305,205	
1566	Medical University of South Carolina	Hollings Cancer Center							500,000		1,000,000				1,000,000	
1626	Governor's Office - OEPP	Outreach		53,752					53,752	0.30		53,752			53,752	
1781	Attorney General	Medicaid Fraud Recipient Control Unit			329,000				329,000	4.00			329,000		329,000	
111	Lieutenant Governor	Local Level Activity - Competitive Grant Awards	145,000						145,000		145,000				145,000	

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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
595	Consortium of Community Teaching Hospitals	Health Professions Student Programs	627,952				23,131	651,083	1.75	627,952				627,952	
608	Consortium of Community Teaching Hospitals	Instruction-Family Medicine Residency	6,304,101					232,215	6,536,316	11.03	6,304,101			6,304,101	
847	Vocational Rehabilitation	Extended Rehabilitation	3,000						3,000					3,000	
988	Dept of Health & Environmental Control	Radiological Health	890,358	57,530	768,658			1,716,546	26.46	890,358	57,859	922,777		1,870,994	
990	Dept of Health & Environmental Control	Health Facilities Licensing	1,897,912		747,736			2,645,648	44.67	1,897,912		793,110		2,691,022	
995	Dept of Health & Environmental Control	Vital Records	259,540	1,090,382	4,843,514			6,193,436	78.82	259,540	1,365,281	5,308,788		6,933,609	
1034	Dept of Alcohol & Other Drug Abuse Services	Chemical Dependency Service	199,858	375,250	268,965			844,073	15.85	199,858	850,667	522,652		1,573,177	
1130	Commission for the Blind	Older Blind & Independent Living	20,000	391,179				411,179	6.50	20,000	391,179			411,179	
1146	Human Affairs Commission	Employment Discrimination Receipt, Processing & Resolution	676,366		364,094	31,146		1,071,606	21.75	676,366		364,551		1,040,917	
1148	Human Affairs Commission	Fair Housing Investigations	44,894	177,631				222,525	3.50	44,894	177,528			222,422	
1530	Lieutenant Governor	State Level Activity - Aging Network Services Medication Management and Health Promotion	5,522	16,565				22,087	0.25	5,522	16,565			22,087	
1627	Governor's Office - OEPP	Review Board staff conduct internal trainings	22,387		27,357			49,744	0.70	22,387		27,357		49,744	
1631	Governor's Office - OEPP	Court Hearing Attendance	20,610		41,610			62,220	0.50	20,610		41,610		62,220	
1639	Governor's Office - OEPP	Review Board staff conduct external trainings for child welfare stakeholders	22,716		47,716			70,432	0.70	22,716		47,716		70,432	
1649	Governor's Office - OEPP	Program Management	39,931		425,000			464,931	0.90	496,900		425,000	17,700	939,600	10.63
1651	Governor's Office - OEPP	Communication	186,342					186,342	4.20	186,342				186,342	
1656	Lieutenant Governor	System Transformation Grant	14,147	955,114				969,261	0.80	14,147	955,114			969,261	
95	Lieutenant Governor	Regional Level Activity - Medicare Fraud		96,758				96,758			96,758			96,758	
96	Lieutenant Governor	Senior Center Development Permanent Improvement Projects			3,025,000			3,025,000				3,025,000		3,025,000	
238	Budget & Control Board	Adoption Assistance			710,042			710,042	0.14			710,522		710,522	
604	Consortium of Community Teaching Hospitals	Instruction-DPRT		866,205				866,205	1.55		1,032,969			1,032,969	
606	Consortium of Community Teaching Hospitals	Recruitment - National Health Service Corps Loan Repayment		320,000				320,000	0.50		320,000			320,000	
844	Vocational Rehabilitation	Workshop Contracts			1,250,000			1,250,000	9.00		1,050,000	450,000		1,500,000	
1509	Clemson PSA	Food Safety and Nutrition	3,392,572	1,888,765	49,109			5,330,446	63.00	3,392,572	1,888,765	49,109		5,330,446	
1745	Dept of Health & Human Services	Wil Lou Gray Opportunity School Medicaid State Level Activity - Elder Abuse Prevention		75,308	33,503			108,811			76,559	33,503		110,062	
105	Lieutenant Governor		2,500					2,500		2,500				2,500	
605	Consortium of Community Teaching Hospitals	Instruction	73,251	470,284				546,233	0.91	73,251	485,519			558,770	
923	Dept of Health & Human Services	Family Planning Services	2,317,183	21,509,244	72,733			23,899,160		2,317,183	21,509,244	10,000		23,836,427	
989	Dept of Health & Environmental Control	Health Facilities & Services Development	875,994	98,852	282,808			1,257,654	14.91	875,994	103,484	359,190		1,338,668	
1152	Commission on Minority Affairs	African American Affairs	70,000		50,000			120,000	1.00	70,000		50,000		120,000	
1578	State Department of Education	Interpreter Recruitment	100,000				50,000	150,000		100,000				100,000	
1628	Governor's Office - OEPP	Promote public awareness and understanding about child welfare issues, and advocate for the safety and permanence of all children in foster care.	23,781		38,781			62,562	1.00	23,781		38,781		62,562	
1629	Governor's Office - OEPP	State Board of Directors Support	24,324		30,324			54,648	0.90	24,324		30,324		54,648	
1630	Governor's Office - OEPP	Ensure legislative and statutory compliance.	40,329		125,359			165,688	2.90	40,329		125,359		165,688	
1650	Governor's Office - OEPP	Collaboration	84,298					84,298	1.90	84,298				84,298	
92	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Title V Employment and Training Services		1,193,242				1,193,242			1,193,242			1,193,242	
94	Lieutenant Governor	State Level Activity - Medicare Fraud	48,826	146,478				195,304	0.50	48,826	146,478			195,304	
594	Consortium of Community Teaching Hospitals	Instruction-Continuing Education	1,298,760				48,099	1,346,859	2.00	1,298,760				1,298,760	
841	Vocational Rehabilitation	In-Service Training	27,500	247,500				275,000		27,500	234,000			261,500	
982	Dept of Health & Environmental Control	Drug Control			2,147,787			2,147,787	36.13			2,249,091		2,249,091	
986	Dept of Health & Environmental Control	Independent Living - Sickle Cell Program (pass thru funds)	1,499,474		36,280			1,535,754	5.84	1,499,474		70,101		1,569,575	

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			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
1039	Dept of Alcohol & Other Drug Abuse Services	Gambling Services		4,251	350,000			354,251	0.60					354,251	
1147	Human Affairs Commission	Mediation	44,284		30,848		2,593	77,725	1.00	44,284		4,251	30,848	75,132	
1149	Human Affairs Commission	Fair Housing - Education & Outreach		193,469				193,469	1.00						
1150	Commission on Minority Affairs	Hispanic/Latino Affairs			115,500			115,500	1.00				115,500	115,500	
1151	Commission on Minority Affairs	Native American Affairs			115,500			115,500	1.00				115,500	115,500	
1153	Commission on Minority Affairs	Research	168,750		50,000			218,750	1.00	168,750			50,000	218,750	
1516	Vocational Rehabilitation	Residential Substance Abuse Treatment Centers Case Services, Purchased	3,231	20,967				24,198		3,231		20,967		24,198	
1517	Vocational Rehabilitation	Residential Substance Abuse Treatment Centers	546,855	1,915,014	5,698			2,467,567	38.00	546,855	1,915,014	5,698		2,467,567	
1528	Lieutenant Governor	State Level Activity SC Access Special Purpose Developmental Grant from CMS	247,541					247,541	3.00	247,541				247,541	
1534	Lieutenant Governor	State Level Activity Emergency Rental Assistance Program	25,000		500,000			525,000	0.50	25,000		500,000		525,000	
1634	Governor's Office - OEPP	Coordinate and attend review board meetings.	74,582		260,582			335,164	5.00	74,582		260,582		335,164	
67	Governor's Office - OEPP	Constituent Services/ Children's Affairs	136,838					136,838	2.50	136,838				136,838	
91	Lieutenant Governor	State Level Activity Employment and Training Services	16,199	145,794				161,993	1.60	16,199	145,794			161,993	
100	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Information and Assistance	12,597	214,143				226,740		12,597	214,143			226,740	
599	Consortium of Community Teaching Hospitals	Recruitment - Palmetto Initiative for Excellence (PIE)	74,440					74,440		74,440				74,440	
609	Consortium of Community Teaching Hospitals	Instruction-Graduate Doctor Education Residency Training Programs (excluding Family Medicine Residency Training Programs)	4,157,359				153,139	4,310,498	2.00	4,157,359				4,157,359	
1222	South Carolina State PSA	Nutrition Education, Diet, and Health	586,052	651,169				1,237,221	11.00	586,052	663,354			1,249,406	
1223	South Carolina State PSA	Youth and Family Development	728,061	738,281				1,466,342	13.00	728,061	750,466			1,478,527	
848	Vocational Rehabilitation	Miscellaneous Grants		190,000	198,000			388,000			190,000	230,502		420,502	
924	Dept of Health & Human Services	Family Planning Services Administration	50,831	88,686	8,381			147,898	2.00	50,831	88,686	8,381		147,898	
1328	Patient's Compensation Fund	Risk Management Services			66,234			66,234				44,149		44,149	
1329	Patient's Compensation Fund	Claims Service			99,380			99,380	1.00			99,380		99,380	
1533	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Elder Abuse Prevention Program under Title VII		78,096				78,096			78,096			78,096	
1567	Consortium of Community Teaching Hospitals	Health Careers Program (Other Funds)			350,155			350,155	0.20			350,155		350,155	
110	Lieutenant Governor	State Level Activity - Alzheimer's Resource Coordination Center	5,000					5,000		5,000				5,000	
1013	Dept of Disabilities and Special Needs	Other Prevention	39,045	90,500	15,000			144,545		39,045	90,500	15,000		144,545	
1327	Patient's Compensation Fund	Membership Services			573,007			573,007	3.00			573,007		573,007	
1331	Patient's Compensation Fund	Contracted Services			200,000			200,000				200,000		200,000	
1532	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - I-CARE		284,406				284,406			284,406			284,406	
1747	Dept of Health & Environmental Control	Competitive Grants (pass through)					2,800,000	2,800,000							
84	Lieutenant Governor	Quality Assurance	11,631	32,589				44,220	1.50	11,631	32,589			44,220	
106	Lieutenant Governor	State level Activity - Legal Assistance	5,000					5,000	0.25	5,000				5,000	
101	Lieutenant Governor	State Level Activity - Summer School of Gerontology			127,000			127,000				127,000		127,000	
210	Budget & Control Board	Successful Children Project (Kids Count)			438,060			438,060	1.00			475,910		475,910	
1531	Lieutenant Governor	Regional Level Activity - Flow Thru Funding - Health Promotion Programs		314,733				314,733			314,733			314,733	
1586	Dept of Health & Human Services	Rural Hospital Grants					6,500,000	6,500,000		1,500,000				1,500,000	
74	Governor's Office - OEPP	Advocacy for Women	100,000					100,000							
107	Lieutenant Governor	State Level Activity - Advance Directives	20,000					20,000	0.50	20,000				20,000	
597	Consortium of Community Teaching Hospitals	Regional Center Administration	385,432				14,391	399,823		385,432				385,432	
969	Dept of Health & Environmental Control	Palmetto Aids Life Support (pass through funds)	18,158					18,158		18,158				18,158	
1145	Human Affairs Commission	Intake & Referral	112,833		179,253	12,965		305,051	5.00	112,833		179,253		292,086	
1561	USC - Columbia	Epilepsy	75,000					75,000		75,000				75,000	
974	Dept of Health & Environmental Control	Youth Smoking Prevention					1,150,000	1,150,000							
1701	South Carolina State University	Obesity Program					300,000	300,000							

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109	Lieutenant Governor	Regional Level Activity - Local Provider Salary Supplement	87,550					87,550								
1011	Department of Mental Health	Pass Through Funds	248,000		400,000			90,000	738,000					248,000	400,000	648,000
1144	Human Affairs Commission	Community Relations	7,758		72,120		2,593		82,471	5.00				7,758	72,120	79,878
1708	Consortium of Community Teaching Hospitals	Infrastructure Development	415,000						415,000					415,000		415,000
607	Consortium of Community Teaching Hospitals	Miscellaneous Federal Grant Opportunities		525,814					525,814				600,814			600,814
1746	Dept of Health & Environmental Control	Lakelands Rural Health Network-Electronic Records (pass through funds)						98,000	98,000							
1748	Dept of Health & Environmental Control	Midlands Community Health Center (pass through funds)						675,000	675,000							
65	Governor's Office - OEPP	Pass-Through Funds	297,938						297,938					297,938		297,938
603	Consortium of Community Teaching Hospitals	Library Information Service	144,680						144,680					144,680		144,680
1109	Department of Social Services	Pass Through Funds	3,280,009					1,000,000	4,280,009					3,280,009		3,280,009
1127	Commission for the Blind	Business Enterprise Program	29,754	717,382	597,520				1,344,656	16.00				29,754	717,382	597,520
1140	Human Affairs Commission	Board of Commissioners	9,500						9,500					9,500		9,500
68	Governor's Office - OEPP	Constituent Services/ CCRS	97,541						97,541	0.50				97,541		97,541
598	Consortium of Community Teaching Hospitals	Miscellaneous Other Funds			844,845				844,845				849,845			849,845
945	Dept of Health & Human Services	Special Projects	75,000	75,000				2,310,000	2,460,000							
1668	Budget & Control Board	Central Carolina Allied Health Service Center			2,000,000				2,000,000							
1749	Dept of Alcohol & Other Drug Abuse Services	Pass Through						6,200,000	6,200,000							
1670	Budget & Control Board	Anderson County Health Depart. Roof Replacement & Magistrate Court Bldg.			3,500,000				3,500,000							
1671	Budget & Control Board	Dorchester Interfaith Outreach Ministry Homeless Center & Soup Kitchen			250,000				250,000							
1687	Budget & Control Board	Marion County Senior Center						250,000	250,000							
1771	Dept of Parks, Recreation & Tourism	Pass Through Funds- Line Item						180,000	180,000							
1667	Budget & Control Board	Success Center Building						100,000	100,000							
1675	Budget & Control Board	Lake City Senior Center						200,000	200,000							
971	Dept of Health & Environmental Control	Kids Count (pass through funds)														
1542	Budget & Control Board	Accountability Strategy for SC Prevention Programs														
1584	Dept of Health & Human Services	Trauma Center Fund														
58	Governor's Office - OEPP	Veterans Disability & Claims Program														
59	Governor's Office - OEPP	Pass-Through														
62	Governor's Office - OEPP	Conduct statewide reviews of children in foster care as per statute														
63	Governor's Office - OEPP	Training for staff and Review Board volunteers														
64	Governor's Office - OEPP	Medicaid Review Program														
60	Governor's Office - OEPP	Intensive Case Management														
72	Governor's Office - OEPP	Recruit, train, and supervise volunteers.														
75	Governor's Office - OEPP	Grants Administration (Formula)														
1594	Commission for the Blind	Renovation of Residential Building													1,052,992	1,052,992
83	Lieutenant Governor	Administration	1,213,484	777,020					1,990,504	12.50				1,213,484	777,020	1,990,504
85	Lieutenant Governor	Statistical Data Collection and Analysis	128,504	38,413					166,917	3.00				128,504	38,413	166,917
86	Lieutenant Governor	Information Systems	275,120	137,560					412,680	3.00				275,120	137,560	412,680
610	Consortium of Community Teaching Hospitals	System Wide Administration/Coordination	533,577					19,397	552,974	3.33				533,577		533,577
838	Vocational Rehabilitation	Administration	1,747,179	5,301,088	11,895				7,060,162	73.00				1,747,179	5,287,497	11,895
838	Vocational Rehabilitation	Administrative Savings from Restructuring												(342,277)		(342,277)
947	Dept of Health & Human Services	Internal Information Technology	878,934	1,175,948	159,809				2,214,691	24.00				878,934	1,175,948	159,809
948	Dept of Health & Human Services	Agency Administration	5,171,688	7,478,365	970,670				13,620,723	147.33				5,171,688	8,401,872	1,138,747
949	Dept of Health & Environmental Control	Administration	9,754,663	457,695	15,782,654				25,995,012	302.70				9,754,663	105,501	15,297,208
949	Dept of Health & Environmental Control	Administrative Savings from Restructuring												(4,839,407)		(4,839,407)
949	Dept of Health & Environmental Control	Administrative Savings from Consolidating Regional Offices												(1,000,000)		(1,000,000)
---	Dept of Health & Environmental Control	Increase Rate of Collections 10% per LAC Report												(180,000)		(180,000)
1010	Department of Mental Health	Administration	11,585,829	1,105,481	982,504				13,673,814	144.75				11,585,829	1,105,481	982,504

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1010	Department of Mental Health	Administrative Savings from Restructuring										(6,360,367)			(6,360,367)	
---	Department of Mental Health	Increase Rate of Collections 10% per LAC Report										(840,000)			(840,000)	
1033	Dept of Disabilities and Special Needs	Administration	5,345,422		2,315,151				7,660,573	97.00	5,345,422		2,325,168		7,670,590	
1033	Dept of Disabilities and Special Needs	Administrative Savings from Restructuring									(2,171,659)				(2,171,659)	
1040	Dept of Alcohol & Other Drug Abuse Services	Alcohol and Drug Abuse Administration	414,122	226,452	26,589				667,163	12.61	414,122	231,572	26,589		672,283	
1040	Dept of Alcohol & Other Drug Abuse Services	Administrative Savings from Restructuring									(414,122)				(414,122)	
1108	Department of Social Services	Administration	877,232	1,381,605	437,998				2,696,835	35.58	877,232	1,539,726	93,729		2,510,687	
1133	Commission for the Blind	Administration	787,194	518,755		104,000			1,409,949	23.25	787,194	518,755			1,305,949	
1133	Commission for the Blind	Administrative Savings from Restructuring									(125,147)				(125,147)	
1139	Housing Finance and Development Authority	Administration		104,713	2,946,034				3,050,747	33.00		107,532	3,776,626		3,884,158	
1141	Human Affairs Commission	Administration	562,649		3,500	69,359			635,508	9.00	562,649		3,500		566,149	
1142	Human Affairs Commission	Legal	163,777			2,593		9,591	175,961	2.75	163,777				163,777	
1143	Human Affairs Commission	Technical Services & Training	251,175		70,185	12,965			334,325	5.00	251,175		73,228		324,403	
1154	Commission on Minority Affairs	Administration (Overhead Cost)	260,953						260,953	4.00	260,953				260,953	
1330	Patient's Compensation Fund	Administration			165,634				165,634	1.00			165,634		165,634	
1017	Dept of Disabilities and Special Needs Consortium of Community Teaching	Special Olympics- state funds are passed through to Special Olympics Organization	200,000		130,000				330,000				130,000		130,000	
596	Hospitals	Health Careers Program (General Funds)	428,543					16,000	444,543	1.80						
52	Governor's Office - OEPP	Pass Through Funds	54,176						54,176							
979	Dept of Health & Environmental Control	Family Health Centers (pass through funds)	440,343						440,343							
980	Dept of Health & Environmental Control	Family Health Center Lancaster-Kershaw (pass through+D35 funds)	174,055						174,055							
1131	Commission for the Blind	Radio Reading Services	129,990						129,990	3.00						
1492	Clemson PSA	Agro Medicine (pass-thru)	228,591						228,591							
1657	Lieutenant Governor	State Level Activity-Silver Haired	5,000						5,000							
1583	Dept of Health & Human Services	Legislature	100,000						100,000							
		<b>TOTAL</b>	<b>1,540,478,745</b>	<b>4,857,010,086</b>	<b>1,489,241,904</b>	<b>17,478,214</b>	<b>56,170,524</b>	<b>7,960,379,473</b>	<b>18,720.47</b>	<b>1,516,917,102</b>	<b>5,201,405,865</b>	<b>1,620,830,247</b>	<b>28,498,365</b>	<b>8,367,651,579</b>	<b>256.20</b>	

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			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
---	Governor's Office - SLED	Vehicle Replacement - Agency wide											1,875,000	1,875,000		
30	Governor's Office - SLED	Investigative Services	6,827,586		2,380,656	1,000,000	558,600	10,766,842	124.00	7,516,183		2,380,656	432,500	10,329,339	11.00	
1058	Department of Public Safety	Highway Traffic Enforcement	57,245,101	1,271,000	14,062,690	3,957,574	4,149,243	80,685,608	1,107.00	62,587,021	600,000	15,995,687	9,099,527	88,282,235	100.00	5,541,103
1070	Law Enforcement Training Council	Training - Basic/Mandated Activity			1,584,696			1,584,696	22.00		200,000	1,784,696		1,984,696		
1155	Department of Corrections	Incarcerate Offenders	208,109,376	4,377,919	1,664,000	3,522,900		217,674,195	4,895.50	213,012,962	669,562	1,664,000	13,050,000	228,396,524	44.00	
1172	Dept of Probation, Parole & Pardon Services	Community Supervision - Regular	15,185,785	47,490	20,744,183			35,977,458	669.00	16,641,392		21,111,830	62,604	37,815,826	22.00	
1180	Department of Juvenile Justice	Incarceration Services	24,616,025	381,406	327,168	3,357,566		28,682,165	478.62	25,330,328	381,406	460,352	9,303,829	35,475,915	17.00	
1181	Department of Juvenile Justice	Alternative Residential Placement Services	21,273,742	381,406	4,794,495			26,449,643	120.13	21,554,062	471,406	6,951,345		28,976,813		
1401	Department of Motor Vehicles	Customer Service Centers - 68 centers throughout the state			36,647,131			36,647,131	911.00			42,717,033		42,717,033	50.00	
1173	Dept of Probation, Parole & Pardon Services	Community Supervision - Intensive	765,670		1,045,928			1,811,598	34.00	765,670		1,045,928		1,811,598		
1253	Department of Natural Resources	Enforce boating safety laws and investigate boating accidents		1,908,987	954,494			2,863,481	15.00		1,908,987	954,494		2,863,481		
36	Governor's Office - SLED	Criminal Justice Information Services (CJIS)	7,640,394	4,229,727	2,664,068			14,534,189	141.00	7,840,394	3,397,977	2,754,068		13,992,439		
1061	Department of Public Safety	Size & Weight Enforcement	1,228,063		3,671,404			4,899,467	57.50	1,228,063		4,161,849		5,389,912		
1247	Department of Natural Resources	Enforce game, fish and related natural resource laws	9,138,976	455,000	8,925,729		505,000	19,024,705	257.20	10,138,976	455,000	8,925,729		19,519,705	25.00	
35	Governor's Office - SLED	Forensic Laboratory - DNA/Serology	1,950,739		680,188			2,630,927	36.00	2,462,443	1,128,047	2,207,994	963,100	6,761,584	9.00	
143	Attorney General	The Internet Crimes Against Children Section		334,500				334,500	2.00	206,195	334,500			540,695	3.00	
184	Adjutant General	EMD - Natural Hazards Response	1,094,688	231,943	54,804		2,303,088	3,684,523	21.75	1,094,688	231,943	69,279		1,395,910		
1059	Department of Public Safety	Commercial Motor Vehicle (CMV) Safety Inspections	994,236	1,269,403	265,000			2,528,639	36.55	994,236	2,161,974	264,277		3,420,487		
1407	Department of Motor Vehicles	Compliance - Driver Records			3,713,811			3,713,811	67.00			4,113,811		4,113,811		
28	Governor's Office - SLED	Counter Terrorism	1,029,557	588,850	358,988			1,977,395	18.00	1,029,557	588,850			1,977,395		
34	Governor's Office - SLED	Special Operations	1,495,764		434,375			1,930,139	21.99	1,495,764		1,458,729		2,954,493		
47	Governor's Office - SLED	Forensic Laboratory - Latent Prints/Crime Scene Processing	975,369	514,286	340,094			1,829,749	18.00	975,369	514,286	340,094		1,829,749		
142	Attorney General	The State Grand Jury/Prosecution	1,838,192		802,894			2,641,086	47.00	1,895,435		1,342,894		3,238,329	1.00	
183	Adjutant General	EMD - Natural Hazards Preparedness	538,309	342,100	3,700,000			4,580,409	14.00	538,309	342,100			880,409		1,000,000
1073	Law Enforcement Training Council	Training - Range Operations Activity			669,695			669,695	8.00			669,695		669,695		
1081	Department of Public Safety	State House and Complex	1,362,807	220,000	277,747			1,860,554	25.66	1,603,898	200,000	277,747	39,148	2,120,793	5.00	
1156	Department of Corrections	Provide Inmate Health Care	58,100,000	1,000,000	2,295,000	489,850	489,850	62,374,700	437.00	59,600,500	1,000,000	2,295,000	1,300,000	64,195,500		
1617	Department of Motor Vehicles	Compliance - Financial Responsibility			3,948,354			3,948,354	55.00			4,685,059		4,685,059		
31	Governor's Office - SLED	Arson/Bomb	1,354,680		472,352			1,827,032	25.00	1,354,680		472,352		1,827,032		
38	Governor's Office - SLED	Narcotics/ Alcohol Enforcement/ Gaming (VICE)	2,871,921	140,000	1,001,387		399,000	4,412,308	52.00	2,871,921	140,000	1,001,387		4,013,308		
42	Governor's Office - SLED	Homeland Security Grants		38,960,825				38,960,825	5.00		23,004,205			23,004,205		
151	Prosecution Coordination Commission	Office of Solicitor State Appropriations	10,427,129		5,179,352		1,950,000	17,556,481	32.00	10,427,129		5,179,352		15,606,481		
181	Adjutant General	EMD - Homeland Security		909,126				909,126	5.00		909,126			909,126		
186	Adjutant General	EMD - Fixed Nuclear Facility Operations			972,432			972,432	12.75			972,432		972,432		
187	Adjutant General	EMD - Natural Hazards Recovery	156,026	156,026				312,052	5.00	156,026	156,026			312,052		
1056	Department of Public Safety	Aggressive Criminal Enforcement			1,624,310			1,624,310				1,124,310		1,124,310		
1060	Department of Public Safety	CMV Traffic Enforcement	461,220	368,976				830,196	12.00	1,878,209	368,976		1,361,325	3,608,510	25.00	
1083	Department of Public Safety	Governor's Mansion/Complex	724,241		141,625			865,866	12.43	724,241		153,625		877,866		
1182	Department of Juvenile Justice	Evaluation Services	10,739,590	381,406	3,598,193			14,719,189	310.22	10,739,590	381,406	4,150,784		15,271,780		
1184	Department of Juvenile Justice	Medical Services	5,632,165		222,165			5,854,330	54.57	5,632,165		315,439		5,947,604		
1185	Department of Juvenile Justice	Educational Services	4,189,672	1,323,664	7,932,832			13,446,168	212.54	4,189,672	1,319,611	7,972,204		13,481,487		
1402	Department of Motor Vehicles	Customer Service Delivery / Alternative Media			4,914,863			4,914,863	61.00			4,956,407		4,956,407		
1615	Department of Motor Vehicles	Motor Carrier Services - Regulation		638,474	1,761,614			2,400,088	38.00		893,014	1,890,335		2,783,349		
29	Governor's Office - SLED	Missing Persons	108,374		37,788			146,162	2.00	108,374		37,788		146,162		
33	Governor's Office - SLED	Tactical Services	758,621	205,000	264,517			1,228,138	14.00	758,621	205,000	264,517		1,228,138		
140	Attorney General	Capital Litigation Sub-Section and the Post-Conviction Relief (PCR)	1,143,126		182,549			1,325,675	13.00	1,143,126		182,549		1,325,675		
169	Adjutant General	Army Support - Telecommunications		850,000				850,000			850,000			850,000		
175	Adjutant General	Air Support - Operations and Maintenance	288,142	1,969,169	3,000			2,260,311	12.00	288,142	2,442,249	3,000		2,733,391		
213	Budget & Control Board	Enhanced 911			590,160			590,160	4.00			534,789		534,789		
1005	Department of Mental Health	Inpatient Forensics	8,686,322		10,498,756		2,560,000	21,745,078	94.19	8,686,322		10,498,756		19,185,078		
1082	Department of Public Safety	Judicial Division	316,062		174,951			491,013	6.40	316,062		178,666		494,728		
1167	Department of Corrections	Education of Inmates	3,838,316	2,198,628	3,471,000			9,507,944	87.50	3,838,316	2,278,181	3,471,000		9,587,497		
1175	Dept of Probation, Parole & Pardon Services	Residential Programs	124,994		2,960,998			3,085,992	24.00	124,994		2,960,998		3,085,992		
1183	Department of Juvenile Justice	Detention Services	582,329	381,407	4,728,910			5,692,646	83.76	582,329	381,407	5,023,014		5,986,750		
1616	Department of Motor Vehicles	Motor Carrier Services - Commercial Driver's License Regulation			604,232			604,232	10.00			604,232		604,232		
43	Governor's Office - SLED	Forensic Laboratory - Drug Analysis	541,872	285,714	188,941			1,016,527	10.00	541,872	285,714			1,016,527		
44	Governor's Office - SLED	Forensic Laboratory - Evidence Control/Processing	596,059	314,286	207,835			1,118,180	11.00	596,059	314,286	207,835		1,118,180		
46	Governor's Office - SLED	Forensic Laboratory - Implied Consent (breath alcohol testing systems)	325,123	171,429	113,365	1,920,000		2,529,917	6.00	325,123	171,429	113,365		609,917		



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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding							FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
48	Governor's Office - SLED	Forensic Laboratory - Questioned Documents/ Photography	270,936	142,857	94,470			508,263	5.00	270,936	142,857	94,470		508,263		
89	Governor's Office - OEP	Victim Compensation Claims Processing	98,244	3,366,056	10,259,156			13,723,456	28.68	98,244	3,986,337	8,825,029		12,909,610		
154	Prosecution Coordination Commission	Child Abuse Prosecution Unit	81,494					81,494	1.00	81,494				81,494		
166	Adjutant General	Army Support - Operations and Maintenance	60,692	4,042,279				4,102,971	13.00	60,692	4,042,279			4,102,971		
1055	Department of Public Safety	Communication and Intelligence	6,126,953					6,126,953	128.00	6,126,953				6,126,953		
1162	Department of Corrections	Prison Industries-Traditional			10,614,200			10,614,200	42.00			10,614,200		10,614,200		
1186	Department of Juvenile Justice	Other Community Services	16,328,349	1,016,493	3,830,579	222,236	500,000	21,897,657	382.31	20,231,089	107,478	3,126,153	42,671	23,507,391	28.00	
1252	Department of Natural Resources	Provide hunter education and promote hunter safety.		950,617	237,654			1,188,271	9.00		950,617	237,654		1,188,271		
1398	Dept of Labor, Licensing & Regulation	Fire Training			4,703,476			4,703,476	46.00			5,428,476		5,428,476		
1622	Department of Corrections	Food Service	19,000,000	356,454				19,356,454	197.00	19,000,000	356,454			19,356,454		
188	Adjutant General	EMD - Natural Hazards Mitigation	34,206	56,300				90,506	1.00	34,206	56,300			90,506		
45	Governor's Office - SLED	Forensic Laboratory - Firearms/Tool Marks	433,498	228,571	151,153			813,222	8.00	433,498	228,571	151,153		813,222		
49	Governor's Office - SLED	Forensic Laboratory - Toxicology	812,808	428,571	283,411			1,524,790	15.00	812,808	428,571	283,411		1,524,790		
50	Governor's Office - SLED	Forensic Laboratory - Trace Evidence/Arson Analysis	596,059	314,286	207,835			1,118,180	11.00	596,059	314,286	207,835		1,118,180		
147	Attorney General	Sexually Violent Predator Section	136,335		21,772			158,107	3.00	136,335		21,772		158,107		
168	Adjutant General	Army Support - Security		534,200				534,200			378,900			378,900		
170	Adjutant General	Army Support - Sustainable Range Program		1,064,000				1,064,000			1,064,000			1,064,000		
1043	Department of Public Safety	Office of Justice Programs	318,846	17,875,510	650,000		52,572	18,896,928	24.58	318,846	20,885,896	797,500		22,002,242		
1044	Department of Public Safety	Office of Highway Safety	403,266	10,594,220				10,997,486	14.70	403,266	10,594,220			10,997,486		
1049	Department of Public Safety	Uninsured Motor Vehicle Enforcement			3,773,560			3,773,560	1.00			3,403,314		3,403,314		
1068	Department of Public Safety	Hazardous Material and Radioactive Shipment Inspections	207,900	125,154				333,054	4.50	207,900	125,154			333,054		
1080	Law Enforcement Training Council	Homeland Security Activity		1,000,000				1,000,000			100,000			1,100,000		
1161	Department of Corrections	Work and Vocational	1,960,069		1,583,000		50,000	3,593,069	50.00	1,960,069		1,583,000		3,543,069		
1163	Department of Corrections	Prison Industries "PIE" Prog			9,500,000			9,500,000	19.00			17,170,000		17,170,000		
1165	Department of Corrections	Agriculture Operation	500,000		2,730,000			3,230,000	27.00	250,000		2,730,000		2,980,000		
1174	Dept of Probation, Parole & Pardon Services	Victim Services			541,989			541,989	21.00			541,989		541,989		
1406	Department of Motor Vehicles	Customer Service Delivery / Product Development and Partnerships			1,938,352			1,938,352	14.00			1,737,468		1,737,468		
165	Adjutant General	Armory Operations	1,452,736	949,668	1,005,000			3,407,404	12.80	1,452,736	949,668	1,092,756		3,495,160		
177	Adjutant General	Air Support - Security		363,900				363,900	2.00		422,187			422,187		
178	Adjutant General	Air Support - Firefighting		1,082,900				1,082,900	13.00		1,134,649			1,134,649		
190	Adjutant General	EMD - Operations Support	254,366	78,806	500,000			833,172	3.00	254,366	78,806			333,172		
963	Dept of Health & Environmental Control	Land & Waste Management - Radiological Waste Program	50,319	107,083	761,824			919,226	15.12	50,319	64,655	687,386		802,360		
1063	Department of Public Safety	Drug Interdiction	214,404		90,000			304,404	4.00	214,404		170,000		384,404		
1079	Law Enforcement Training Council	Facilities Planning & Maintenance Activity			1,928,484	1,000,000		2,928,484	15.00			2,028,484	2,000,000	4,028,484		
1168	Department of Corrections	Inmate Program Services	6,478,558	578,035	591,400			7,647,993	117.00	6,478,558	151,421	591,400		7,221,379		
1395	Dept of Labor, Licensing & Regulation	State Fire Marshal's Office - Field Services			1,417,620			1,417,620	21.50			1,417,620		1,417,620		
1405	Department of Motor Vehicles	Customer Service Delivery / Call Center			3,513,930			3,513,930	60.00			3,513,930		3,513,930		
1750	Dept of Probation, Parole & Pardon Services	Sex Offender Monitoring	2,700,000		670,569	200,000		3,570,569	37.00	3,963,089		920,569	192,868	5,076,526	9.00	
1751	Department of Juvenile Justice	Sex Offender Electronic Monitoring		377,410				377,410						377,410		
1753	Law Enforcement Training Council	Certification/Non-Compliance Support	102,773			580,000		682,773	3.00	102,773				102,773		
39	Governor's Office - SLED	Vehicle Crimes	975,369		340,094			1,315,463	18.00	975,369		340,094		1,315,463		
146	Attorney General	Grievance Section	303,181		48,415			351,596	5.00	303,181		48,415		351,596		
148	Attorney General	Securities Fraud Section			1,912,482			1,912,482	21.00			1,912,482		1,912,482		
150	Attorney General	Opinions Division	401,636		53,135			454,771	6.00	401,636		53,135		454,771		
167	Adjutant General	Army Support - Environmental	17,987	1,129,034				1,147,021		17,987	1,129,034			1,147,021		
185	Adjutant General	EMD - Hazardous Materials	18,863	291,092				309,955	0.75	18,863	291,092			309,955		
829	Educational Television Commission	Education Services to City, County and State Government	716,206		227,044	196,000		1,139,250	16.90	716,206		217,044		933,250		
1071	Law Enforcement Training Council	Training - Regional Activity			297,342			297,342	5.00			397,342		397,342		
1072	Law Enforcement Training Council	Training - Advanced/Specialized Activity			1,256,656			1,256,656	15.00			1,365,956		1,365,956		
1074	Law Enforcement Training Council	Registrar Activity			656,275			656,275	16.00			656,275		656,275		
1076	Law Enforcement Training Council	Standards and Testing Activity			497,058			497,058	8.25			497,058		497,058		
1084	Department of Public Safety	Contractual Services			1,760,959			1,760,959	25.51			1,815,959		1,815,959		
1171	Department of Corrections	Federal Grant Allocation	35,000	1,440,000				1,475,000	1.00	35,000	1,440,000			1,475,000		
1187	Department of Juvenile Justice	Prevention and Diversion Services	770,156		514,288			1,284,444	8.79	770,156		514,288		1,284,444		
1254	Department of Natural Resources	Purchase law enforcement equipment	750,000			1,500,000		2,250,000				1,000,000		1,000,000		
1397	Dept of Labor, Licensing & Regulation	State Fire Marshal's Office - Engineering Section			385,000			385,000	7.50			585,000		585,000		
1408	Department of Motor Vehicles	Compliance - Driver Improvement and Medical Review			936,922			936,922	14.00			936,922		936,922		
1409	Administrative Law Court	Division of Motor Vehicle Hearings (DMVH)	181,828		375,535			557,363	14.00	181,828		652,978		834,806		

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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
1663	Adjutant General	Army Appendix 10		100,000				100,000					98,500		98,500	
32	Governor's Office - SLED	State Grand Jury/Insurance Fraud	433,498		151,153			584,651	8.00				433,498	151,153	584,651	
70	Governor's Office - OEPP	Training to Victim Advocates		221,646	71,163			292,809	1.00				221,646	71,163	292,809	
71	Governor's Office - OEPP	Pass Through Funds	223,009		775,000			998,009					223,009	775,000	998,009	
1062	Department of Public Safety	Compliance Reviews	341,595	546,550				888,145	12.00				341,595	546,550	888,145	
1065	Department of Public Safety	Data Collection & Reporting	185,532	199,364	39,565			424,461	7.00				185,532	199,364	433,461	
1075	Law Enforcement Training Council	Media/Library Activity			560,844			560,844	8.00					560,844	560,844	
1078	Law Enforcement Training Council	Student Housing Activity			100,273			100,273	2.00					200,273	200,273	
1176	Dept of Probation, Parole & Pardon Services	Statewide Emergency Operations Plan	97,823		454,161			551,984	8.00					551,984	551,984	
1177	Dept of Probation, Parole & Pardon Services	Parole Board Support	517,061		682,185			1,199,246	23.00				517,061	757,684	1,274,745	
1396	Dept of Labor, Licensing & Regulation	Fire Education			125,000			125,000	2.00					125,000	125,000	
1419	Department of Revenue	Regulatory	814,174		176,720			990,894	13.43				814,174	176,720	990,894	
1618	Department of Motor Vehicles	Administration - Internal Affairs / Document Review and Fraud			647,273			647,273	13.00					647,273	647,273	
1662	Adjutant General	Army Appendix 4		266,000				266,000					206,400		206,400	
1050	Department of Public Safety	Special Operations														
171	Adjutant General	Army Support - Full-Time Dining Facility		550,000				550,000					518,727		518,727	
189	Adjutant General	EMD - Local Pass Through	56,580	2,058,541				2,115,121		56,580	2,048,445				2,105,025	
192	Adjutant General	Americorps		297,476	30,879			328,355					35,479	3,172	38,651	
1066	Department of Public Safety	Training	155,816	8,288				164,104	2.00	155,816	8,288				164,104	
1069	Department of Public Safety	Fuel Tax and Registration Enforcement			518,873			518,873	7.50					340,873	340,873	
1077	Law Enforcement Training Council	Food Service Activity			743,012			743,012	6.00					843,012	843,012	
1157	Department of Corrections	Institutions Canteen Operations			18,611,600			18,611,600	30.00					18,611,600	18,611,600	
1158	Department of Corrections	Vehicle Maintenance	3,400,000		475,000			3,875,000	37.00	2,900,000				975,000	3,875,000	
1178	Dept of Probation, Parole & Pardon Services	Parole Board		182,289	25,800			208,089						25,800	208,089	
1189	Department of Juvenile Justice	Victim Services		272,739	9,389			282,128	5.59	272,739				9,389	282,128	
1248	Department of Natural Resources	Provide aviation services	200,000		184,000			384,000	1.00	200,000				184,000	384,000	
40	Governor's Office - SLED	Regulatory		975,369	340,094			1,315,463	18.00					340,094	1,315,463	
55	Governor's Office - OEPP	Formal Complaints			57,015			57,015	0.25					48,000	105,015	
153	Prosecution Coordination Commission	State Office of Pretrial Intervention	84,931					84,931	2.00	84,931					84,931	
172	Adjutant General	Army Support - Supplemental Transportation		4,000				4,000						4,000	4,000	
173	Adjutant General	Army Support - Distance Learning		283,000				283,000						283,000	283,000	
191	Adjutant General	State Guard	193,634					193,634	2.50	193,634					193,634	
1164	Department of Corrections	Prison Industries-Service			4,000,000			4,000,000	23.00					4,000,000	4,000,000	
1410	Department of Motor Vehicles	Compliance - Dealer Licensing, Regulation, and Enforcement			1,306,777			1,306,777	23.00					1,306,777	1,306,777	
37	Governor's Office - SLED	Community Services	1,137,931		396,776			1,534,707	21.00	1,137,931				396,776	1,534,707	
56	Governor's Office - OEPP	Training			8,145			8,145	0.25					8,145	8,145	
176	Adjutant General	Air Support - Environmental	13,651	51,147				64,798		13,651	51,147				64,798	
179	Adjutant General	Air Support - Natural Resources		76,050				76,050			76,050				76,050	
1159	Department of Corrections	Agency Training Academy	1,810,000					1,810,000	44.00	1,810,000					1,810,000	
1190	Department of Juvenile Justice	Parole Board	806,862					806,862	17.25	806,862					806,862	
1249	Department of Natural Resources	Provide staff development and training to agency law enforcement officers.	200,000		60,000			260,000	1.00	200,000				260,000	460,000	
1411	Department of Motor Vehicles	Motor Carrier Services - State Highway Fuel Tax Funding			1,005,881			1,005,881	5.00					1,005,881	1,005,881	
54	Governor's Office - OEPP	Liaison Services			81,449			81,449	1.75					81,449	92,687	
1067	Department of Public Safety	Dyed Fuel Inspections	106,636		80,158			186,794	2.70	106,636				68,158	174,794	
1412	Department of Motor Vehicles	Compliance - Highway Safety Statistical Data Entry			371,245			371,245	16.00					371,245	371,245	
1536	Adjutant General	Civil Air Patrol	80,000					80,000								
53	Governor's Office - OEPP	Constituent Referral/Clearinghouse			16,290			16,290	0.75					16,290	16,290	
193	Adjutant General	Enterprise Operations			1,799,559			1,799,559	2.00					2,201,353	2,201,353	
197	Adjutant General	Burial Flags	1,950					1,950		1,950					1,950	
1664	Budget & Control Board	Police Substation Screaming Eagle Road						100,000								
1045	Department of Public Safety	School Bus Transportation Safety							2.00							
194	Adjutant General	Funeral Caisson	98,260					98,260		98,260					98,260	
195	Adjutant General	Military Personnel Support	27,130					27,130	0.50	27,130					27,130	
1086	Department of Public Safety	General Operations			208,876			208,876	2.00					404,401	404,401	
1169	Department of Corrections	Penal Facilities Inspection	100,000					100,000	5.00	100,000					100,000	
1160	Department of Corrections	Recycling Operation	100,000		509,000			609,000	4.00					609,000	609,000	
1166	Department of Corrections	Palmetto Pride	500,000		100,000			600,000	22.00					600,000	600,000	
1681	Budget & Control Board	Facilities Management - Transfer to Newberry Sheriff							35,000							
1087	Department of Public Safety	Collections Management			20,658			20,658						20,658	20,658	
138	Attorney General	Gun Violence Grant														
1052	Department of Public Safety	Executive Protection							2.00							
1054	Department of Public Safety	Information Technology Section														
1527	Governor's Office - SLED	Pass Through Funds														
1188	Department of Juvenile Justice	Volunteer Services														

**Improve the Safety of Our People and Property  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
1051	Department of Public Safety	Highway Patrol Pilot														
155	Prosecution Coordination Commission	DUI Prosecution Unit										162,334			162,334	
1057	Department of Public Safety	Multi-disciplinary Accident Investigation Team														
1250	Department of Natural Resources	Maintain a victim's assistance program														
1538	Budget & Control Board	Reimbursement for Graniteville Disaster Relief														
41	Governor's Office - SLED	Administration	1,842,364	50,000	642,400			2,534,764	34.00	1,630,196	50,000	642,400	5,000	2,327,596	1.00	
149	Attorney General	Administrative Division	1,580,740		253,166	472,000		2,305,906	21.25	1,625,830		253,166	67,821	1,946,617	1.00	
152	Prosecution Coordination Commission	Administration	492,842					492,842	4.00	492,842				492,842		
199	Adjutant General	Administration	1,656,888	456,053	18,440			2,131,381	32.20	1,656,888	445,753	18,440		2,121,081		
1041	Department of Public Safety	Core Administration and Office of Professional Resp	6,311,323		4,667,224			10,978,547	130.47	7,096,523		6,012,174		13,108,697	9.00	
1170	Department of Corrections	Administration & Support	10,312,415	224,917	506,600			11,043,932	151.00	10,312,415		506,600	650,000	11,469,015		
1179	Dept of Probation, Parole & Pardon Services	Core Administration	1,171,905		1,076,407			2,248,312	34.00	1,171,905		1,045,309		2,217,214		
---	Dept of Probation, Parole & Pardon Services	Consolidation of Dept of Corrections and DPPP								(552,935)				(552,935)		
1191	Department of Juvenile Justice	Administrative Services	3,546,246		5,000			3,551,246	72.33	3,546,246		143,099		3,689,345		
---	Department of Juvenile Justice	Combine parole boards at the DJJ and the DPPP								(425,000)				(425,000)		
1400	Department of Motor Vehicles	Administration			4,331,658			4,331,658	81.00			3,756,472		3,756,472		
1752	Law Enforcement Training Council	Administration			597,365			597,365				597,365		597,365		
196	Adjutant General	Operations & Training	24,621					24,621								
182	Adjutant General	EMD - Public Information	92,201	78,595	10,000			180,796	1.25		78,595	10,000		88,595		
1085	Department of Public Safety	H. L. Hunley Commission	130,039				23,292	153,331	2.00							
		<b>TOTAL</b>	<b>578,724,864</b>	<b>120,395,860</b>	<b>286,568,431</b>	<b>18,418,126</b>	<b>13,675,645</b>	<b>1,017,782,926</b>	<b>13,375.12</b>	<b>599,572,251</b>	<b>103,144,378</b>	<b>308,619,838</b>	<b>41,445,393</b>	<b>1,052,781,860</b>	<b>360.00</b>	<b>6,541,103</b>

**Improve the Quality of Our Natural Resources  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
951	Dept of Health & Environmental Control	Water Management - Drinking Water	500	1,709,269	4,941,125			6,650,894	91.23	756,577	2,020,003	5,235,605		8,012,185	2.00
957	Dept of Health & Environmental Control	Air Quality Improvement	1,209,243	2,992,631	11,663,641			15,865,515	265.63	1,209,243	2,121,391	11,701,459		15,032,093	
1234	Department of Natural Resources	Game and fish licensing (Charleston Office)	5,778		106,851			112,629	2.25	5,778		106,851		112,629	
1235	Department of Natural Resources	Game and fish licensing (Columbia Office)	147,919		450,000			597,919	9.00	147,919		1,510,000		1,657,919	
1624	Forestry Commission	Wildland Fire Equipment	1,735,890		202,500		262,946	2,201,336	10.00	1,735,890		202,500		1,938,390	
243	Budget & Control Board	State Energy Program-Facilities Energy Efficiency		720,412	568,338			1,288,750	7.85		521,577	580,939		1,102,516	
952	Dept of Health & Environmental Control	Water Management - Water Pollution Control Program	11,244,796	13,657,593	8,028,898			32,931,287	336.24	12,190,066	13,098,438	8,254,752		33,543,256	42.00
1192	Forestry Commission	Wildland Firefighting	9,090,770	1,248,646	77,000		470,000	10,886,416	221.30	8,090,770	1,320,099	1,138,000		10,548,869	
1241	Department of Natural Resources	Provide the registration and titling of watercraft and outboard motors as required by law			1,228,809			1,228,809	27.00			1,228,809		1,228,809	
1256	Department of Natural Resources	Heritage Trust Program	347,050	20,000	510,277			877,327	21.00	347,050	20,000	510,277		877,327	
1318	SC Conservation Bank	Conservation Land Bank - Grants & loans to public & private entities to acquire interests in real property worthy of conservation			15,250,000			15,250,000	1.00			21,250,000	20,000,000	41,250,000	
1620	Department of Natural Resources	Services provided through Water Recreation Resources Fund			1,003,687			1,003,687				1,003,687		1,003,687	
959	Dept of Health & Environmental Control	Land & Waste Management	3,344,459	9,757,207	12,718,863			25,820,529	261.68	3,844,459	11,568,159	13,577,501		28,990,119	
960	Dept of Health & Environmental Control	Land & Waste Management - Emergency Response	365,580	764,201	234,503			1,364,284	18.84	365,580	826,355	248,801		1,440,736	
961	Dept of Health & Environmental Control	Land & Waste Management - Waste Minimization Program	65,577	137,238	67,459			270,274	3.58	65,577	83,145	68,971		217,693	
1226	Department of Natural Resources	Environmental Conservation	628,201	8,025,966	914,471			9,568,638	14.00	628,201	8,025,966	914,471		9,568,638	
1229	Department of Natural Resources	Marine Crustacean Resources Monitoring and Management	123,729	240,209	161,900			525,838	6.50	123,729	240,209	161,900		525,838	
1623	Forestry Commission	Wildland Fire Dispatch	1,263,197	43,384				1,306,581	39.00	1,263,197	43,384			1,306,581	
955	Dept of Health & Environmental Control	National Estuary Research Reserve		600,783				600,783			591,325			591,325	
1204	Forestry Commission	State Forest Resource Management			2,321,400			2,321,400	22.50			3,646,023		3,646,023	
1232	Department of Natural Resources	Marine Environmental Monitoring and Management	548,242	1,803,424	1,085,166			3,436,832	20.20	548,242	1,803,424	1,085,166		3,436,832	
1270	Dept of Parks, Recreation & Tourism	State Parks--Field Operations	5,734,557		17,140,624			22,875,181	314.67	5,734,557		17,640,624	1,000,000	24,375,181	
954	Dept of Health & Environmental Control	Coastal Resource Improvement	1,216,419	5,150,107	1,702,521			8,069,047	64.37	1,216,419	5,495,770	1,956,951		8,669,140	
1227	Department of Natural Resources	Marine Shellfish Monitoring and Management	471,892	348,357	520,471			1,340,720	12.00	471,892	348,357	520,471	1,000,000	2,340,720	
1228	Department of Natural Resources	Marine Finfish Monitoring and Management	887,348	3,030,202	2,275,179			6,192,729	57.60	1,137,348	3,030,202	2,275,179		6,442,729	
1242	Department of Natural Resources	Wildlife Regional Operations		3,147,000	4,967,169		600,000	8,714,169	90.00		3,147,000	4,967,169		8,114,169	
1261	Department of Natural Resources	Hydrology Section	1,544,122		300,000			2,094,122	17.00	2,044,122		300,000		2,344,122	
1269	Dept of Parks, Recreation & Tourism	State Parks--Central Support	2,272,651					2,272,651	32.00	2,272,651				2,272,651	
953	Dept of Health & Environmental Control	Water Management Recreational Waters Program			923,574			923,574	12.55			1,024,305		1,024,305	
1243	Department of Natural Resources	Statewide Projects - Wildlife Section	271,562	1,432,355	1,838,092			3,542,009	30.00	271,562	1,432,355	1,838,092		3,542,009	
1244	Department of Natural Resources	District Operations		1,626,542	1,005,977			2,632,519	30.00		1,626,542	1,005,977		2,632,519	
1251	Department of Natural Resources	Services provided through County Funds			1,008,829			1,008,829				1,008,829		1,008,829	
1621	Budget & Control Board	State Energy Program- Renewable Energy and Transportation		480,275	428,747			909,022	5.42		382,427	398,639		781,066	
1233	Department of Natural Resources	Special Marine Projects	127,916	656,979	264,532			1,049,427	3.60	127,916	656,979	264,532		1,049,427	
1240	Department of Natural Resources	Manage and grow the Wildlife Shop			382,316			382,316	2.00			382,316		382,316	
1245	Department of Natural Resources	Hatchery Operations		756,000	1,681,207			2,437,207	27.00		756,000	1,681,207		2,437,207	
1272	Dept of Parks, Recreation & Tourism	Recreation & Grants	218,424	2,325,080	1,565,000			4,108,504	3.00	218,424	2,325,080	1,565,000		4,108,504	
1288	Dept of Parks, Recreation & Tourism	Executive Office - Parks	900,755					900,755	9.00	900,755				900,755	
1487	Clemson PSA	Natural Resources and Environmental Research and Education: Water Quality and Quantity	1,278,423	399,888	47,089			1,725,400	20.85	1,278,423	399,888	47,089		1,725,400	
1490	Clemson PSA	Sustainable Agricultural Production Systems: Organic Crops	96,669	24,400	9,846			130,915	1.50	96,669	24,400	9,846		130,915	
1491	Clemson PSA	Reducing the Impact of Animal Agriculture on the Environment	313,723	98,340	40,123			452,186	4.40	213,723	98,340	40,123		352,186	
1512	Clemson PSA	Growth and Population Research and Educator		4,224	3,441			7,665	0.20		4,224	3,441		7,665	
1596	Dept of Parks, Recreation & Tourism	Recreation Land Trust Fund	358,875					358,875		358,875				358,875	
1602	Dept of Parks, Recreation & Tourism	State Parks - Charlestowne Landing					7,000,000	7,000,000							
1193	Forestry Commission	Wildland Fire Prevention	346,510	327,521				674,031	29.00	346,510	778,850			1,125,360	
1197	Forestry Commission	Pass-through Programs		185,000				185,000			185,000			185,000	
1231	Department of Natural Resources	Marine Education and Outreach	236,782	1,219,423	445,101			1,901,306	14.75	236,782	3,653,942	476,101		4,366,825	
1239	Department of Natural Resources	South Carolina Wildlife (SCW) Magazine			747,851			747,851	8.00			747,851		747,851	
1257	Department of Natural Resources	Conservation Districts	1,401,128					1,401,128	29.00	1,401,128				1,401,128	
1273	Dept of Parks, Recreation & Tourism	Engineering & Planning	622,824					622,824	8.00	622,824				622,824	
1290	Dept of Parks, Recreation & Tourism	Communications & Public Relations - Parks	245,270					245,270	3.50	245,270				245,270	
1297	Department of Commerce	Business Solutions - Recycling			209,000			209,000	2.00			209,000		209,000	
1497	Clemson PSA	Integrated Pest Management (IPM) for Agriculture and Forestry	948,419	293,773	169,861			1,412,053	17.01	948,419	293,773	169,861		1,412,053	

**Improve the Quality of Our Natural Resources  
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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding					FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds
964	Dept of Health & Environmental Control	Savannah River Plant	89,461					89,461		89,461			89,461	
1202	Forestry Commission	Forestry Best Management Practices		225,075	7,000			384,171	5.00		227,761	7,000		234,761
1237	Department of Natural Resources	Provide public information	505,335					505,335	13.00	505,335				505,335
1238	Department of Natural Resources	Provide outreach and education services	437,181	156,563	77,066			670,810	9.00	437,181	156,563	77,066		670,810
1255	Department of Natural Resources	Provide boating access facility assistance			655,984			655,984	4.00			655,984		655,984
1283	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item			3,000,000			3,000,000				3,200,000		3,200,000
1498	Clemson PSA	Sustainable Forestry Management and Environmental Enhancement	1,883,839	502,515	287,814			2,674,168	26.52	1,883,839	502,515	287,814		2,674,168
1498	Clemson PSA	Sustainable Forestry Management - Integrate PSA forestry efforts with Clemson academic programs and allow the Forestry Commission to perform any outstanding activities if they are a priority								(1,883,839)	(502,515)	(287,814)		(2,674,168)
1754	Department of Natural Resources	Aid to Conservation Districts (Pass-thru)	552,000					552,000		552,000				552,000
958	Dept of Health & Environmental Control	Air Quality Improvement - Asbestos Program			275,109			275,109	4.85			381,235		381,235
1200	Forestry Commission	Forest Resource Development	211,346	334,942				631,246	10.50	211,346	314,047			525,393
1205	Forestry Commission	Forestry Program Outreach	164,662					164,662	2.00	164,662				164,662
1262	Sea Grant Consortium	Research and Education		6,457,202	133,100			6,590,302	2.00		5,457,202	191,100		5,648,302
1474	Clemson PSA	Natural Resources and Environmental Research and Education: Master Wildlifer/Master Naturalist		46,082	140,539			186,621	2.27		46,082	140,539		186,621
1483	Clemson PSA	The South Carolina Institute for Energy Studies	86,532					86,532	2.05	86,532				86,532
1503	Clemson PSA	Livestock-Poultry Health Programs: Meat Inspection	1,224,003	1,224,003	80,000			2,528,006	42.08	612,002	1,387,624	80,000		2,079,626
1511	Clemson PSA	Natural Resources and Environmental Research and Education: Urban wildlife		76,779	7,337			84,116	2.40		76,779	7,337		84,116
962	Dept of Health & Environmental Control	Land & Waste Management - Mining Program	408,187		149,012			557,199	10.24	432,187		215,908		648,095
1196	Forestry Commission	Forest Management Assistance	883,183	641,056	332,000			1,856,239	27.00	883,183	693,289	332,000		1,908,472
1199	Forestry Commission	Community Forestry Assistance		589,310				589,310	4.00		473,711			473,711
1203	Forestry Commission	State Forest Education			194,600			194,600	2.50			194,600		194,600
1246	Department of Natural Resources	Rediversion		200,000				220,084	2.00		200,000	220,084		420,084
1259	Department of Natural Resources	Southeast Regional Climate Center (SERCC)			337,969			337,969	7.00			337,969		337,969
1195	Forestry Commission	Forest Health - (Insects and Disease)	10,855	1,727,020				1,737,875	5.50	10,855	1,708,020			1,718,875
1258	Department of Natural Resources	South Carolina State Climatology Office (SCO)	371,339					371,339	5.00	371,339				371,339
1201	Forestry Commission	Nurseries and Tree Improvement		60,000	850,000		30,000	940,000	8.00		60,000	898,377		958,377
1488	Clemson PSA	Natural Resources and Environmental Research and Education	1,216,025	516,559	92,753			1,825,337	26.10	1,216,025	516,559	92,753		1,825,337
1514	Clemson PSA	Sustainable Agricultural Production Systems: Agronomic Crops	5,909,957	1,260,317	776,995		700,000	8,647,269	81.56	5,909,957	1,260,317	776,995		7,947,269
1221	South Carolina State PSA	Sustainable Agriculture, Natural Resources and Environment	714,192	763,385				1,477,577	13.00	714,192	775,570			1,489,762
1482	Clemson PSA	Sustainable Agricultural Production Systems: Horticultural Crops	3,519,624	1,071,532	505,208			5,096,364	55.04	3,374,424	1,071,532	505,208		4,951,164
1489	Clemson PSA	Sustainable Agricultural Production Systems: Nutraceutical Crops	336,847	75,108	61,365			473,320	5.73	336,847	75,108	61,365		473,320
1493	Clemson PSA	Agricultural Biosecurity	241,790	88,682	11,876			342,348	4.00	241,790	88,682	11,876		342,348
1494	Clemson PSA	Environmental Horticulture Education		202,063	409,132			611,195	10.62		202,063	409,132		611,195
1504	Clemson PSA	Livestock-Poultry Health Programs: Animal Health and Diagnostic Laboratory	1,265,886		114,973			1,380,859	35.25	1,265,886		114,973		1,380,859
214	Budget & Control Board	Geodetic Network	1,066,281	167,012	290,744		250,000	1,774,037	11.25	1,066,281	200,000	488,840		1,755,121
1260	Department of Natural Resources	Geological Survey	613,603	222,716				836,319	11.00	613,603	222,716			836,319
1263	Sea Grant Consortium	Communications	153,990	113,222	50,390			317,602	5.00	153,990	113,222	50,390		317,602
1506	Clemson PSA	Boll Weevil Eradication Programs (pass-thru)	134,974					134,974		134,974				134,974
1510	Clemson PSA	Sustainable Agricultural Production Systems: Animal Production Systems	4,316,964	895,514	602,867		300,000	6,115,345	44.42	4,316,964	895,514	602,867		5,815,345
1507	Clemson PSA	Regulatory and Public Service Programs: Pesticide Regulation	189,948	644,806	2,000,000			2,834,754	38.09	189,948	420,869	2,000,000		2,610,817
1515	Clemson PSA	Household and Structural Pest Control and Pesticide Training	375,463	167,993	86,874			630,330	8.50	187,731	167,993	86,874		442,598
1505	Clemson PSA	Regulatory and Public Service Programs: Plant and Seed Certification	957,385	171,625	53,852			1,182,862	31.33	957,385	57,315	53,852		1,068,552
956	Dept of Health & Environmental Control	Hunting Island Beach Renourishment (pass through funds)					5,000,000	5,000,000						
1264	Sea Grant Consortium	Sea Grant Extension Program		439,576	36,000			475,576	1.00		439,576	36,000		475,576
1597	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item												
1598	Dept of Parks, Recreation & Tourism	Pass Through Funds												
1600	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item												
965	Dept of Health & Environmental Control	Hazardous Waste Contingency Fund												
1501	Clemson PSA	Natural Resources and Environmental Research and Education: Coastal Natural Hazards												
1206	Forestry Commission	Administration	1,103,982					1,103,982	17.50	1,103,982				1,103,982

**Improve the Quality of Our Natural Resources  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	
1206	Forestry Commission	Administrative Savings from Restructuring								(513,588)					(513,588)	
1225	South Carolina State PSA	Administration	257,109	286,840				300,000	843,949	7.00	257,109	286,840			543,949	
1236	Department of Natural Resources	Agency Support Services (Administration)	3,941,870		1,340,035	1,500,000			6,781,905	57.00	3,941,870		1,340,035		5,281,905	
1236	Department of Natural Resources	Administrative Savings from Restructuring									(932,077)				(932,077)	
1265	Sea Grant Consortium	Administration	391,758	160,000	5,010				556,768	6.00	391,758	160,000	5,010		556,768	
1289	Dept of Parks, Recreation & Tourism	Administration - Parks	2,244,640		5,000				2,249,640	19.00	2,244,640		5,000		2,249,640	
1478	Clemson PSA	Administration	4,130,340	371,267	139,225				4,640,832	34.00	4,130,340	371,267	139,225		4,640,832	
1230	Department of Natural Resources	Mariculture Aquaculture	1,000,979	828,946	180,432				2,010,357	16.10	582,163	828,946	180,432		1,591,541	
1485	Clemson PSA	Natural Resources and Environmental Research and Education: Recreation and Tourism	66,012	28,986	8,770				103,768	2.20		28,986	8,770		37,756	
1499	Clemson PSA	Natural Resources and Environmental Research and Education: Nuisance Species	87,277	28,056	17,927				133,260	2.00		28,056	17,927		45,983	
1479	Clemson PSA	Distance Education: Radio Productions	69,395		33,243				102,638	2.00			33,243		33,243	
1480	Clemson PSA	Distance Education: Television, Web and Print Productions	1,244,819	319,560					1,564,379	30.47	834,029	319,560			1,153,589	
1194	Forestry Commission	Law Enforcement - Timber Theft and Fraud	297,662		25,000				322,662	6.00			25,000		25,000	
1198	Forestry Commission	Forest Renewal Program Financial Assistance	200,000		800,000				1,000,000	1.50			800,000		800,000	
		<b>TOTAL</b>	<b>92,491,895</b>	<b>84,290,741</b>	<b>113,606,723</b>	<b>1,500,000</b>	<b>15,400,000</b>	<b>307,289,359</b>	<b>3,006.79</b>	<b>88,542,853</b>	<b>86,254,373</b>	<b>125,743,281</b>	<b>22,000,000</b>	<b>322,540,507</b>	<b>44.00</b>	

## Improve the Efficiencies and Effectiveness of Central State Government Support and Other Governmental Services FY 2007-08 Governor's Purchase Plan

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding					FY 2007-08 Governor's Purchase Plan					Contingency Reserve Fund		
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds		Capital Reserve Fund	Total Funds
NEW	Comptroller General	Statewide Travel Office							50,000				50,000	1.00	
NEW	Ports Authority	Ports Access Road													100,000,000
NEW	Legislative Audit Council	Sunset Commission							585,000				585,000		
1413	Department of Revenue	Collections	6,106,302		1,325,400			7,431,702	100.73	6,106,302		1,325,400	7,431,702		
1414	Department of Revenue	Compliance	10,991,344		2,385,720			13,377,064	181.31	10,991,344		2,385,720	13,377,064		
1414	Department of Revenue	Compliance - FY05 Appropriation was for nonrecurring technology expenses associated with enforced collections								(3,000,000)			(3,000,000)		
201	Election Commission	Voter Services	589,127		105,000			694,127	9.00	589,127		20,000	609,127		
224	Budget & Control Board	State Fleet Management			21,252,880			21,252,880	43.84			23,140,430	23,140,430		
1415	Department of Revenue	Processing	4,477,955		971,960			5,449,915	73.87	4,477,955		971,960	5,449,915		
244	Budget & Control Board	Radioactive Waste Disposal Program			423,375			423,375	3.70			423,375	423,375		
245	Budget & Control Board	Network Services-Local Services			10,192,807			10,192,807	44.61			9,128,640	9,128,640		
246	Budget & Control Board	Network Services- Long Distance, Internet and Network			12,280,517			12,280,517	36.34			17,517,712	17,517,712		
250	Budget & Control Board	Data Processing Services - Desktop and Mid Range Server Support			2,586,291			2,586,291	26.40			3,480,704	3,480,704		
271	Budget & Control Board - Auditor	Audit the State's Basic Financial Statements	144,490		294,000			474,552	2.60	144,490		315,000	459,490		
1417	Department of Revenue	Legal	1,628,347		714,440			2,342,787	26.86	1,628,347		714,440	2,342,787		
1537	Election Commission	Statewide Primaries										3,473,000	3,473,000		
204	Election Commission	Special Primaries/Elections			100,000			100,000				100,000	100,000		
208	Budget & Control Board	Statewide Budget Development, Analysis and Implementation	2,726,408					2,726,408	29.00	2,726,408			2,726,408		
269	Budget & Control Board	Human Resources (HR) Support to the Governor's Office	142,773					142,773	3.00	142,773			142,773		
1324	Workers' Compensation Commission	Adjudication	2,317,190		1,238,395			3,555,585	49.00	2,317,190		1,238,395	3,555,585		
1420	Department of Revenue	Technology Services	7,327,563		4,290,480			11,618,043	120.87	7,327,563		4,290,480	11,618,043		
156	Commission on Indigent Defense	Direct Appeals	376,648		101,300			477,948	9.50	376,648		101,300	477,948		
160	Commission on Indigent Defense	Legal Aid Funding			1,700,000			1,700,000	0.50			1,700,000	1,700,000		
162	Commission on Indigent Defense	Conflict Fund			2,000,000			2,500,000	1.00			2,500,000	2,500,000		
163	Commission on Indigent Defense	Civil Appointment Fund						1,500,000	2.00			1,750,000	1,750,000		
164	Commission on Indigent Defense	Defense of Indigents Per Capita	4,688,651		2,773,052			7,461,703	0.50	4,688,651		4,023,052	8,711,703		
207	Election Commission	2006 General Election				3,125,000		3,125,000							
223	Budget & Control Board	Facilities Management	2,522,254		27,694,082			7,370,750	37,587,086	178.74	2,522,254		27,696,394	30,218,648	
232	Budget & Control Board	Procurement	1,216,046		1,163,084			2,379,130	30.00	1,216,046		1,342,591	2,558,637		
272	Budget & Control Board - Auditor	Single Audit	766,873					191,399	958,272	13.50	766,873		766,873		
1326	State Accident Fund	Workers' Compensation Insurance Services			5,640,711			5,640,711	78.12			5,630,711	5,630,711		
1416	Department of Revenue	Taxpayer Assistance	3,663,781		795,240			4,459,021	60.44	3,663,781		795,240	4,459,021		
1424	State Ethics Commission	Financial Disclosure	32,692		5,000			37,692	1.20	32,692		5,000	37,692		
1425	State Ethics Commission	Enforcement	84,827		39,763			124,590	3.20	84,827		39,763	124,590		
1459	Debt Service	Debt Service	228,393,608					228,393,608		228,393,608			228,393,608		
1459	Debt Service	Prepayment of Bonds								(1,920,000)			(1,920,000)		
205	Election Commission	Distribution to Subdivisions	449,017					449,017		449,017			449,017		
206	Election Commission	Distribution to Subdivisions	65,997					65,997		65,997			65,997		
211	Budget & Control Board	Board of Economic Advisors & Economic Research	1,074,467					1,074,467	10.25	1,074,467			1,074,467		
220	Budget & Control Board	Grievance and Mediation Services	384,891					384,891	4.96	384,891			384,891		
235	Budget & Control Board	Property & Liability Self-Insurance			5,851,112			5,851,112	61.89			6,066,443	6,066,443		
247	Budget & Control Board	Network Services- Other	176,000		9,067,442			9,243,442	38.27	176,000		8,789,331	8,965,331		
248	Budget & Control Board	Data Processing Services			15,745,790			15,745,790	98.81			16,765,458	16,765,458		
251	Budget & Control Board	Information Technology Procurement (ITMO)			1,245,004			1,245,004	12.33			1,476,379	1,476,379		
267	Budget & Control Board	Comptroller and Treasurer Data Processing Support	963,428					963,428		963,428			963,428		
274	Budget & Control Board - Auditor	State Agency Audits	1,111,211					1,388,551	19.60	1,111,211			1,111,211		
275	Budget & Control Board - Auditor	Court Audits			250,000			250,000				250,000	250,000		
1470	Ports Authority	Harbor Dredging				2,400,000		2,400,000				2,400,000	2,400,000		
203	Election Commission	Help America Vote Act (HAVA)													
157	Commission on Indigent Defense	Post Conviction Relief Appeals	376,647		101,300			477,947	9.50	376,647		101,300	477,947		
159	Commission on Indigent Defense	Administration	1,135,215					1,335,215	3.00	1,135,215			1,135,215		
---	Commission on Indigent Defense	Savings from consolidating Indigent & Appellate Defense during FY2005-06								(190,210)			(190,210)		
161	Commission on Indigent Defense	Death Penalty Fund			3,000,000			3,000,000	1.00			3,000,000	3,000,000		
1659	Retirement System Investment Commission	Investment Operations			2,788,905			2,788,905	11.00			3,358,257	3,358,257		
226	Budget & Control Board	Surplus Property			1,544,883			1,544,883	26.90			1,536,520	1,536,520		

**Improve the Efficiencies and Effectiveness of Central State Government Support and Other Governmental Services  
FY 2007-08 Governor's Purchase Plan**

Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan						
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs
252	Budget & Control Board	IT Planning & Project Management			1,631,541		100,000	1,731,541	18.00			3,053,554	3,053,554		
259	Budget & Control Board	Legal Services			1,084,307			1,084,307	10.00			1,084,307	1,084,307		
277	Employee Benefits	Employee Benefits	90,543,584		612,082			91,155,666		90,540,169		612,082	91,152,251		
1418	Department of Revenue	Property	1,628,347		353,440			1,981,787	46.86	1,628,347		353,440	1,981,787		
229	Budget & Control Board	Parking Services	169,772		278,848			448,620	4.12	169,772		281,075	450,847		
230	Budget & Control Board	Intra Agency Mail			1,136,095			1,136,095	14.47			1,377,626	1,377,626		
233	Budget & Control Board	Audit and Certification	333,016		105,120			438,136	6.00	333,016		113,692	446,708		
253	Budget & Control Board	Enterprise Projects	5,428,310		9,475,622	5,700,000		20,603,932	22.00	5,428,310		10,000,000	18,628,310		
256	Budget & Control Board	Retirement Systems Customer Services			5,732,789			5,732,789	68.00			5,878,556	5,878,556		
		Retirement Systems Information Technology			5,311,230			5,311,230	29.00			5,150,207	5,150,207		
262	Budget & Control Board	Internal Audit and Performance Review	200,093		329,529			529,622	7.00	200,093		329,529	529,622		
1660	Commission on Indigent Defense	Criminal Domestic Violence						460,000	0.50						
202	Election Commission	Public Information - Training	121,114		35,000			656,114	3.00	121,114		35,000	156,114		
225	Budget & Control Board	Print Shop			802,302			802,302	8.31			797,147	797,147		
255	Budget & Control Board	Retirement Systems Financial Services	50,000		4,391,975			4,441,975	59.00	50,000		5,408,777	5,458,777		
258	Budget & Control Board	Retirement Systems Service/Imaging			1,748,887			1,748,887	26.00			1,899,474	1,899,474		
278	Capital Reserve Fund	Reserve Funds	111,821,213					111,821,213		111,821,213			111,821,213		
1422	State Ethics Commission	Lobbying Activities	9,100		15,512			24,612	0.70	9,100		15,512	24,612		
1423	State Ethics Commission	Campaign Finance	32,692		5,000			37,692	1.20	32,692		5,000	37,692		
1689	Budget & Control Board	SE Regional Settlement						395,000							
227	Budget & Control Board	Leasing			623,022			623,022	7.25			835,787	835,787		
1539	Budget & Control Board	Veterans' Cemetery						266,027							
	Workers' Compensation Commission	Computer Project						854,757							
1661	Commission on Indigent Defense	Information Technology						500,000	0.50						
212	Budget & Control Board	Redistricting & Precinct Demographics	352,696					352,696	3.25	352,696			352,696		
219	Budget & Control Board	Human Resource Consulting Services	1,919,652					1,919,652	20.37	1,919,652			1,919,652		
234	Budget & Control Board	State Engineer	497,847		107,550			605,397	6.50	497,847		139,300	637,147		
		Data Processing Services - Applications Development			2,316,636			2,316,636	31.62			2,125,093	2,125,093		
249	Budget & Control Board	Aeronautics - Flight Operations	510,791		387,500			898,291	6.00	510,791		387,500	898,291		
1305	Department of Commerce	RFP & Study Statewide Assessments						1,000,000							
1683	Budget & Control Board							1,000,000							
	Dept of Parks, Recreation & Tourism	Pass Through Funds - Line Item						100,000							
1767	Budget & Control Board	Tobacco Arbitration Settlement						1,200,000							
1677	Budget & Control Board	Conway Maintenance Shop Renovations			1,000,000			1,000,000							
1669	Budget & Control Board	Edgefield Building Renovations			300,000			300,000							
1674	Budget & Control Board	Appraisal													
228	Budget & Control Board	New Ellenton Debt Service													
242	Budget & Control Board	Equity Investment Operations													
254	Budget & Control Board	Central Supply													
231	Budget & Control Board														
1	The Senate	Legislative Policy Setting	11,083,295					11,083,295	189.00	11,083,295			11,083,295		
2	House of Representatives	Legislative Policy Setting	12,780,277					12,780,277	251.00	12,780,277			12,780,277		
	Codification of Laws & Legislative Council	Legislative Bill Drafting	2,617,615					2,617,615	42.00	2,617,615			2,617,615		
3	Codification of Laws & Legislative Council														
4	Codification of Laws & Legislative Council	Law Codification Responsibilities	41,439		250,000			291,439	2.00	41,439		350,000	391,439		
		Administrative Procedures Act Responsibilities and publication of State Register	108,934					108,934	2.00	108,934			108,934		
5	Codification of Laws & Legislative Council														
6	Legislative Printing	Legislative Services	3,850,753			1,200,000		5,050,753	33.00	3,850,753			3,850,753		
7	Legislative Audit Council	Performance Auditing	1,215,733					1,215,733	24.00	1,215,733			1,215,733		
14	Judicial Department	Supreme Court	4,039,628		1,121,700			5,161,328	48.47	4,039,628		1,121,700	5,161,328		
15	Judicial Department	Bar Examiners	32,000		264,758			296,758	1.00	32,000		264,758	296,758		
16	Judicial Department	Disciplinary Counsel	426,491		697,610			1,124,101	18.00	426,491		697,610	1,124,101		
17	Judicial Department	Appeals Court	1,834,855		3,225,343			5,060,198	62.00	1,834,855		3,225,343	5,060,198		
18	Judicial Department	Circuit Court	12,251,145		4,734,318			17,485,463	205.00	12,251,145		4,734,318	16,985,463		
19	Judicial Department	Family Court	11,531,868		3,392,606			15,424,474	165.00	11,531,868		3,392,606	14,924,474		
20	Judicial Department	Court Administration	1,406,416		400,000			2,306,416	24.00	1,406,416		400,000	1,806,416		
21	Judicial Department	Administration (Finance & Personnel)	911,057		75,000			986,057	15.00	911,057		75,000	986,057		
22	Judicial Department	Information Technology	1,660,195	13,099,000	1,457,650	1,248,750		17,465,595	40.00	1,660,195	7,704,000	1,457,650	10,821,845		
23	Judicial Department	Judicial Commitment			400,000			400,000				400,000	400,000		
24	Judicial Department	Interpreters	100,000		55,000			155,000		100,000		55,000	155,000		
25	Administrative Law Court	Due Process Hearings	1,610,939		36,250			1,647,189	27.00	1,610,939		36,250	1,647,189		
26	Administrative Law Court	Administration Overhead	116,466					116,466	3.00	116,466			116,466		
77	Governor's Office - OEPP	Dues & Membership Fees	195,080					195,080		195,080			195,080		
		Executive Operations of the Lieutenant Governor's Office	225,523					225,523	3.30	225,523			225,523		
80	Lieutenant Governor														
81	Lieutenant Governor	Recognition Programs	34,048					34,048	1.00	34,048			34,048		



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Activity Number	Agency Name	Activity Name	FY 2006-07 Agency Funding						FY 2007-08 Governor's Purchase Plan							
			General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
121	Comptroller General	Statewide Payroll	744,681		96,046			840,727	13.00	744,681		46,046		790,727		
122	Comptroller General	Statewide Accounts Payable	744,682		96,047			840,729	15.00	744,682		51,047		795,729		
123	Comptroller General	Information Technology	965,590		112,078			1,077,668	17.00	965,590		112,078		1,077,668		
124	Comptroller General	Statewide Financial Reporting	521,230		193,077			714,307	11.00	521,230		193,077		714,307		
125	Comptroller General	Statewide Accounting Services	390,377		147,894			538,271	8.00	390,377		147,894		538,271		
127	Comptroller General	Local Government														
130	State Treasurer	Accounting and Banking	1,266,348		205,014			1,471,362	28.00	1,266,348		205,014		1,471,362		
131	State Treasurer	Investments	196,242		885,208			1,081,450	13.00	196,242		885,208		1,081,450		
132	State Treasurer	Debt Management	501,017		100,018			601,035	8.00	501,017		100,018		601,035		
133	State Treasurer	Unclaimed Property Program	171,712		1,090,498			1,262,210	12.00	171,712		1,090,498		1,262,210		
133	State Treasurer	Unclaimed Property Program - Supplement the administrative cost to the Treasurer's office with other funds from the unclaimed property revenue stream								(171,712)				(171,712)		
144	Attorney General	The Criminal Appeals Section	547,251		87,796			635,047	9.00	547,251		87,796		635,047		
145	Attorney General	Government Litigation Section	610,176		249,891			860,067	7.00	936,512		249,891		1,186,403	4.00	
1460	Aid to Subdivisions - Comptroller General	Pay Supplements	2,731,924					2,731,924		2,731,924				2,731,924		
1461	Aid to Subdivisions - Treasurer	Aid to Subdivisions	261,323,624					261,323,624		261,323,624				261,323,624		
1526	Administrative Law Court	IT Upgrade														
---	Statewide	Savings from TERI Participants								(10,458,809)				(10,458,809)		
---	Statewide	Unemployment Compensation Premium Reduction														
---	Statewide	Travel Savings								(3,112,147)				(3,112,147)		
---	Department of Revenue	Lease Savings								(824,339)				(824,339)		
---	Department of Revenue	Lease Savings								(1,003,779)				(1,003,779)		
---	State Museum	Lease Savings								(1,726,833)				(1,726,833)		
---	Budget & Control Board - Confederate Relic Room	Lease Savings								(139,788)				(139,788)		
27	Governor's Office - ECS	Administration	2,348,373					2,348,373	39.00	2,273,871				2,273,871	(2.00)	
78	Governor's Office - OEPP	Administration	1,479,314					1,479,314	21.76	1,553,816				1,553,816	2.00	
79	Governor's Office - Mansion	Administration	424,800					424,800	15.00	424,800				424,800		
126	Comptroller General	Administrative Services	742,792		234,858			977,650	8.00	742,792		129,858		872,650		
136	State Treasurer	Administration	550,999					550,999	6.00	550,999				550,999		
200	Election Commission	Administration	543,737		300,700			844,437	7.50	543,737		285,700		829,437		
270	Budget & Control Board	Administration	1,766,512		3,041,720			5,051,212	56.62	1,766,512		3,173,910		4,940,422		
276	Budget & Control Board - Auditor	Administration (Overhead Costs)	350,825					350,825	5.00	350,825				350,825		
1323	Workers' Compensation Commission	Administration	934,758		661,605			1,596,363	16.00	934,758		661,605		1,596,363		
1325	State Accident Fund	Administration			1,088,810			1,088,810	12.00			1,088,810		1,088,810		
1421	Department of Revenue	Administrative Support	4,070,869		883,600			4,954,469	67.13	4,070,869		883,600		4,954,469		
1426	State Ethics Commission	Administration	313,513		160,237			473,750	3.70	313,513		160,237		473,750		
215	Budget & Control Board	Training and Development Services	560,340		396,305			956,645	8.11			396,305		396,305		
216	Budget & Control Board	Temporary Employment Services	30,841		2,125,990			2,156,831	2.57			1,843,098		1,843,098		
217	Budget & Control Board	Recruitment Services	83,071					83,071	0.76							
218	Budget & Control Board	Workforce Planning	43,957					43,957	0.40							
260	Budget & Control Board	Executive Education Training	323,604		49,300			372,904	3.00			49,300		49,300		
1436	Procurement Review Panel	Hearings	91,005		3,000			94,005	1.85							
1435	Procurement Review Panel	Administration	23,784					23,784	0.15							
264	Budget & Control Board	Civil Contingent Fund	161,902					161,902								
		<b>TOTAL</b>	<b>851,185,586</b>	<b>13,099,000</b>	<b>205,771,847</b>	<b>15,028,507</b>	<b>15,949,558</b>	<b>1,101,034,498</b>	<b>3,398.31</b>	<b>828,277,386</b>	<b>7,704,000</b>	<b>219,913,878</b>	<b>9,073,000</b>	<b>1,064,968,264</b>	<b>5.00</b>	<b>100,000,000</b>

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
<b>A01 The Senate</b>																		
1	Legislative Policy Setting	11,083,295						11,083,295	189.00	11,083,295						11,083,295		
	Unemployment Compensation Premium Reduction										(7,124)					(7,124)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	310,014						310,014		310,014						310,014		
	<b>Total</b>	<b>11,393,309</b>						<b>11,393,309</b>	<b>189.00</b>	<b>11,386,185</b>						<b>11,386,185</b>		
<b>A05 House of Representatives</b>																		
2	Legislative Policy Setting	12,780,277						12,780,277	251.00	12,780,277						12,780,277		
	Unemployment Compensation Premium Reduction										(3,770)					(3,770)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	264,061						264,061		264,061						264,061		
	<b>Total</b>	<b>13,044,338</b>						<b>13,044,338</b>	<b>251.00</b>	<b>13,040,568</b>						<b>13,040,568</b>		
<b>A15 Codification of Laws &amp; Legislative Council</b>																		
3	Legislative Bill Drafting	2,617,615						2,617,615	42.00	2,617,615						2,617,615		
4	Law Codification Responsibilities	41,439		250,000				291,439	2.00	41,439		350,000				391,439		
5	Administrative Procedures Act Responsibilities and publication of State Register	108,934						108,934	2.00	108,934						108,934		
	Unemployment Compensation Premium Reduction										(920)					(920)		
	Travel Savings										(595)					(595)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	86,038						86,038		86,038						86,038		
	<b>Total</b>	<b>2,854,026</b>		<b>250,000</b>				<b>3,104,026</b>	<b>46.00</b>	<b>2,852,511</b>		<b>350,000</b>				<b>3,202,511</b>		
<b>A17 Legislative Printing</b>																		
6	Legislative Services	3,850,753					1,200,000	5,050,753	33.00	3,850,753						3,850,753		
	Unemployment Compensation Premium Reduction										(755)					(755)		
	Travel Savings										(141)					(141)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	70,321						70,321		70,321						70,321		
	<b>Total</b>	<b>3,921,074</b>					<b>1,200,000</b>	<b>5,121,074</b>	<b>33.00</b>	<b>3,920,178</b>						<b>3,920,178</b>		
<b>A20 Legislative Audit Council</b>																		
7	Performance Auditing	1,215,733						1,215,733	24.00	1,215,733						1,215,733		
NEW	Sunset Commission									585,000						585,000		
	Unemployment Compensation Premium Reduction										(405)					(405)		
	Travel Savings										(937)					(937)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	38,431						38,431		38,431						38,431		
	<b>Total</b>	<b>1,254,164</b>						<b>1,254,164</b>	<b>24.00</b>	<b>1,837,822</b>						<b>1,837,822</b>		
<b>A85 Education Oversight Committee</b>																		
9	Implementation and oversight of the educational accountability system			286,747				286,747	3.27			286,747				286,747		
10	Evaluation of the functioning of public education			352,937				352,937	2.45			352,937				352,937		
12	Public Awareness			303,725				303,725	2.49			303,725				303,725		
1625	Proviso-directed actions			150,963				150,963	0.76			150,963				150,963		
11	Family Involvement			34,209				34,209	0.08			34,209				34,209		
8	Agency Administration: overhead			331,275				331,275	0.95			291,275				291,275		
	<b>Total</b>			<b>1,459,856</b>				<b>1,459,856</b>	<b>10.00</b>			<b>1,419,856</b>				<b>1,419,856</b>		
<b>B04 Judicial Department</b>																		
14	Supreme Court	4,039,628		1,121,700				5,161,328	48.47	4,039,628		1,121,700				5,161,328		
15	Bar Examiners	32,000		264,758				296,758	1.00	32,000		264,758				296,758		
16	Disciplinary Counsel	426,491		697,610				1,124,101	18.00	426,491		697,610				1,124,101		
17	Appeals Court	1,834,855		3,225,343				5,060,198	62.00	1,834,855		3,225,343				5,060,198		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
18	Circuit Court	12,251,145		4,734,318				500,000	17,485,463	205.00	12,251,145		4,734,318				16,985,463	
19	Family Court	11,531,868		3,392,606				500,000	15,424,474	165.00	11,531,868		3,392,606				14,924,474	
20	Court Administration	1,406,416		400,000				500,000	2,306,416	24.00	1,406,416		400,000				1,806,416	
21	Administration (Finance & Personnel)	911,057		75,000					986,057	15.00	911,057		75,000				986,057	
22	Information Technology	1,660,195	13,099,000	1,457,650			1,248,750		17,465,595	40.00	1,660,195	7,704,000	1,457,650				10,821,845	
23	Judicial Commitment			400,000					400,000				400,000				400,000	
24	Interpreters	100,000		55,000					155,000		100,000		55,000				155,000	
	Unemployment Compensation Premium Reduction												(19,178)				(19,178)	
	Travel Savings												(74,324)				(74,324)	
	FY 06-07 Health Ins, Pay Plan, POV Allocation	1,014,533							1,014,533		1,014,533						1,014,533	
	<b>Total</b>	<b>35,208,188</b>	<b>13,099,000</b>	<b>15,823,985</b>			<b>1,248,750</b>	<b>1,500,000</b>	<b>66,879,923</b>	<b>578.47</b>	<b>35,114,686</b>	<b>7,704,000</b>	<b>15,823,985</b>				<b>58,642,671</b>	
<b>C05 Administrative Law Court</b>																		
1409	Division of Motor Vehicle Hearings (DMVH)	181,828		375,535					557,363	14.00	181,828		652,978				834,806	
25	Due Process Hearings	1,610,939		36,250					1,647,189	27.00	1,610,939		36,250				1,647,189	
26	Administration Overhead	116,466							116,466	3.00	116,466						116,466	
1526	IT Upgrade																	
	Unemployment Compensation Premium Reduction												(752)				(752)	
	Travel Savings												(577)				(577)	
	FY 06-07 Health Ins, Pay Plan, POV Allocation	57,056							57,056		57,056						57,056	
	<b>Total</b>	<b>1,966,289</b>		<b>411,785</b>					<b>2,378,074</b>	<b>44.00</b>	<b>1,964,960</b>		<b>689,228</b>				<b>2,654,188</b>	
<b>D05 Governor's Office - ECS</b>																		
27	Administration	2,348,373							2,348,373	39.00	2,273,871						2,273,871	(2.00)
	Unemployment Compensation Premium Reduction												(2,395)				(2,395)	
	Travel Savings												(1,093)				(1,093)	
	FY 06-07 Health Ins, Pay Plan, POV Allocation	70,945							70,945		70,945						70,945	
	<b>Total</b>	<b>2,419,318</b>							<b>2,419,318</b>	<b>39.00</b>	<b>2,341,328</b>						<b>2,341,328</b>	<b>(2.00)</b>
<b>D10 Governor's Office - SLED</b>																		
----	Vehicle Replacement - Agency wide														1,875,000	1,875,000		
30	Investigative Services	6,827,586		2,380,656			1,000,000	558,600	10,766,842	124.00	7,516,183		2,380,656		432,500	10,329,339	11.00	
36	Criminal Justice Information Services (CJIS)	7,640,394	4,229,727	2,664,068					14,534,189	141.00	7,840,394	3,397,977	2,754,068			13,992,439		
35	Forensic Laboratory - DNA/Serology	1,950,739		680,188					2,630,927	36.00	2,462,443	1,128,047	2,207,994		963,100	6,761,584	9.00	
28	Counter Terrorism	1,029,557	588,850	358,988					1,977,395	18.00	1,029,557	588,850	358,988			1,977,395		
34	Special Operations	1,495,764		434,375					1,930,139	21.99	1,495,764		1,458,729			2,954,493		
47	Forensic Laboratory - Latent Prints/Crime Scene Processing	975,369	514,286	340,094					1,829,749	18.00	975,369	514,286	340,094			1,829,749		
31	Arson/Bomb	1,354,680		472,352					1,827,032	25.00	1,354,680		472,352			1,827,032		
38	Narcotics/ Alcohol Enforcement/ Gaming (VICE)	2,871,921	140,000	1,001,387				399,000	4,412,308	52.00	2,871,921	140,000	1,001,387			4,013,308		
42	Homeland Security Grants		38,960,825						38,960,825	5.00		23,004,205				23,004,205		
29	Missing Persons	108,374		37,788					146,162	2.00	108,374		37,788			146,162		
33	Tactical Services	758,621	205,000	264,517					1,228,138	14.00	758,621	205,000	264,517			1,228,138		
43	Forensic Laboratory - Drug Analysis	541,872	285,714	188,941					1,016,527	10.00	541,872	285,714	188,941			1,016,527		
44	Forensic Laboratory - Evidence Control/ Processing	596,059	314,286	207,835					1,118,180	11.00	596,059	314,286	207,835			1,118,180		
46	Forensic Laboratory - Implied Consent (breath alcohol testing systems)	325,123	171,429	113,365			1,920,000		2,529,917	6.00	325,123	171,429	113,365			609,917		
48	Photography	270,936	142,857	94,470					508,263	5.00	270,936	142,857	94,470			508,263		
45	Forensic Laboratory - Firearms/Tool Marks	433,498	228,571	151,153					813,222	8.00	433,498	228,571	151,153			813,222		
49	Forensic Laboratory - Toxicology	812,808	428,571	283,411					1,524,790	15.00	812,808	428,571	283,411			1,524,790		
50	Forensic Laboratory - Trace Evidence/Arson Analysis	596,059	314,286	207,835					1,118,180	11.00	596,059	314,286	207,835			1,118,180		
39	Vehicle Crimes	975,369		340,094					1,315,463	18.00	975,369		340,094			1,315,463		
32	State Grand Jury/Insurance Fraud	433,498		151,153					584,651	8.00	433,498		151,153			584,651		
40	Regulatory	975,369		340,094					1,315,463	18.00	975,369		340,094			1,315,463		
37	Community Services	1,137,931		396,776					1,534,707	21.00	1,137,931		396,776			1,534,707		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
41	Administration	1,842,364	50,000	642,400				2,534,764	34.00	1,630,196	50,000	642,400			5,000	2,327,596	1.00	
1527	Pass Through Funds																	
	Unemployment Compensation Premium Reduction									(11,015)						(11,015)		
	Travel Savings									(1,200)						(1,200)		
	TERI Savings									(67,783)						(67,783)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	970,465						970,465		970,465						970,465		
	<b>Total</b>	<b>34,924,356</b>	<b>46,574,402</b>	<b>11,751,940</b>		<b>2,920,000</b>	<b>957,600</b>	<b>97,128,298</b>	<b>621.99</b>	<b>36,032,491</b>	<b>30,914,079</b>	<b>14,394,100</b>			<b>3,275,600</b>	<b>84,616,270</b>	<b>21.00</b>	
<b>D17 Governor's Office - OEPP</b>																		
NEW	Children's Trust Fund									100,000						100,000		
1644	Care Coordination	893,686		1,874,997				2,768,683	32.11	893,686		1,258,721				2,152,407		
1635	Review cases of children in foster care.	73,759		221,759				295,518	2.00	247,249		221,759				469,008		
1646	Advocacy	476,469		587,672				1,064,141	10.20	476,469		587,672				1,064,141		
1653	Recruit, train and supervise volunteer child advocates in cases of child abuse and neglect in family court.	859,327		2,407,995				3,267,322	18.00	859,327		1,093,429				1,952,756		
1640	Coordinate statewide system of volunteer child advocates.	117,181		328,362				445,543	5.90	1,217,181		328,362				1,545,543		
1647	Monitoring	370,325		429,501				799,826	10.15	370,325		429,501				799,826		
61	Advocacy		125,423					125,423	1.70		125,423					125,423		
1636	Grants Administration (CSGB)		10,598,315					10,598,315	7.20		10,598,315					10,598,315		
1637	Grants Administration (LIHEAP)		13,629,488	560,000				14,189,488	7.61		13,629,488	560,000				14,189,488		
1638	IOLTA Grant for Attorney Compensation for representation of volunteer Guardians ad Litem [South Carolina Guardian ad Litem Program]			150,000				150,000	0.10			150,000				150,000		
1648	Training	228,945		170,149				399,094	5.60	228,945		170,149				399,094		
1652	Advocacy	488,039						488,039	11.00	488,039						488,039		
76	Grants Administration (Competitive) Office of Economic Opportunity		1,496,957					1,496,957	1.63		2,001,957					2,001,957		
1654	Grants Administration (WAP)		2,123,054					2,123,054	2.86		4,311,554	90,000				4,401,554		
51	Grant Making	59,557	1,991,171					2,050,728	6.75	59,557	1,991,171					2,050,728		
66	Constituent Services/ Ombudsman	205,714						205,714	7.50	205,714						205,714		
1632	Initiate referrals for advocacy and/or case follow-up.	86,928		206,734				293,662	3.90	86,928		206,734				293,662		
1633	Prepare and distribute review board recommendations to the Family Court, the Department of Social Services, and other interested parties.	98,000		228,150				326,150	1.90	98,000		228,150				326,150		
1641	Citizen volunteer review board members increase public awareness, promote advocacy, and facilitate communication among stakeholders. (Foster Care Review Board)	12,944		38,890				51,834		12,944		38,890				51,834		
1645	Procurement Services	1,796,145		1,934,777				3,730,922	11.95	1,796,145		2,011,649				3,807,794		
1645	Administrative Savings from Restructuring									(140,269)						(140,269)		
69	Victim Compensation Claims Processing	98,244	3,366,056	10,259,156				13,723,456	28.68	98,244	3,986,337	8,825,029				12,909,610		
73	Attorney Compensation			179,030				179,030				179,030				179,030		
1626	Outreach		53,752					53,752	0.30		53,752					53,752		
1627	Review Board staff conduct internal trainings	22,387		27,357				49,744	0.70	22,387		27,357				49,744		
1631	Court Hearing Attendance	20,610		41,610				62,220	0.50	20,610		41,610				62,220		
1639	Review Board staff conduct external trainings for child welfare stakeholders	22,716		47,716				70,432	0.70	22,716		47,716				70,432		
1649	Program Management	39,931		425,000				464,931	0.90	496,900		425,000			17,700	939,600	10.63	
1651	Communication	186,342						186,342	4.20	186,342						186,342		
1628	Promote public awareness and understanding about child welfare issues, and advocate for the safety and permanence of all children in foster care.	23,781		38,781				62,562	1.00	23,781		38,781				62,562		
1629	State Board of Directors Support	24,324		30,324				54,648	0.90	24,324		30,324				54,648		
1630	Ensure legislative and statutory compliance.	40,329		125,359				165,688	2.90	40,329		125,359				165,688		
1650	Collaboration	84,298						84,298	1.90	84,298						84,298		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1634	Coordinate and attend review board meetings.	74,582		260,582				335,164	5.00	74,582		260,582				335,164		
67	Constituent Services/ Children's Affairs	136,838						136,838	2.50	136,838						136,838		
1642	Advocacy & Outreach	41,543						41,543	1.00	41,543						41,543		
1643	Reports	77,087						77,087	2.00	77,087						77,087		
70	Training to Victim Advocates		221,646	71,163				292,809	1.00		221,646	71,163				292,809		
71	Pass Through Funds	223,009		775,000				998,009		223,009		775,000				998,009		
52	Pass Through Funds	54,176						54,176										
74	Advocacy for Women	100,000						100,000										
55	Formal Complaints			57,015				57,015	0.25	48,000		57,015				105,015		
65	Pass-Through Funds	297,938						297,938		297,938						297,938		
68	Constituent Services/ CCRS	97,541						97,541	0.50	97,541						97,541		
56	Training			8,145				8,145	0.25			8,145				8,145		
54	Liaison Services			81,449				81,449	1.75			92,687				92,687		
53	Constituent Referral/Clearinghouse			16,290				16,290	0.75			16,290				16,290		
57	Certification																	
58	Veterans Disability & Claims Program																	
59	Pass-Through																	
60	Intensive Case Management																	
62	Conduct statewide reviews of children in foster care as per statute																	
63	Training for staff and Review Board volunteers																	
64	Medicaid Review Program																	
72	Recruit, train, and supervise volunteers.																	
75	Grants Administration (Formula)																	
77	Dues & Membership Fees	195,080						195,080		195,080						195,080		
78	Administration	1,479,314						1,479,314	21.76	1,553,816						1,553,816	2.00	
	Unemployment Compensation Premium Reduction									(22,940)						(22,940)		
	Travel Savings									(8,483)						(8,483)		
	TERI Savings									(12,333)						(12,333)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	186,150						186,150		186,150						186,150		
	<b>Total</b>	<b>9,293,239</b>	<b>33,605,862</b>	<b>21,582,963</b>				<b>64,482,064</b>	<b>227.50</b>	<b>10,907,999</b>	<b>36,919,643</b>	<b>18,396,104</b>			<b>17,700</b>	<b>66,241,446</b>	<b>12.63</b>	
<b>D20 Governor's Office - Mansion</b>																		
79	Administration	424,800						424,800	15.00	424,800						424,800		
	Unemployment Compensation Premium Reduction									(2,140)						(2,140)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	12,418						12,418		12,418						12,418		
	<b>Total</b>	<b>437,218</b>						<b>437,218</b>	<b>15.00</b>	<b>435,078</b>						<b>435,078</b>		
<b>E04 Lieutenant Governor</b>																		
90	Regional Level Activity - Flow Thru Funding Title III Part C and USDA - Group Dining and Home Delivered Nutrition Services	895,662	10,070,754	618,900				11,585,316		895,662	10,070,754	618,900				11,585,316		
98	Regional Level Activity - Flow Thru Funding - Family Caregiver Support Program		2,055,648					2,055,648			2,055,648					2,055,648		
113	Local Level Activity - Elder Care Trust Fund Competitive Awards			50,000				50,000				50,000				50,000		
1655	Regional Activity-Home and Community Based Services						2,900,000	2,900,000		2,900,000						2,900,000		
87	State Level Activity Home and Community-based Services	78,737	236,210					314,947	3.00	78,737	236,210					314,947		
89	State Level Activity Nutrition Services	97,913	277,125					375,038	1.60	97,913	277,125					375,038		
103	State Level Activity - State Long Term Care Ombudsman Program	18,529	105,000					123,529	8.75	18,529	105,000					123,529		
93	State Level Activity - Medicare Counseling Program - I-CARE		204,664					204,664	2.70		204,664					204,664		
97	State Level Activity - Family Caregiver Support Program	19,484	58,449					77,933	1.00	19,484	58,449					77,933		
104	Regional Level Activity - Flow Thru Funding - Regional Long Term Care Ombudsman Program under Title III-B and Title VII and State Funds		293,858					293,858			293,858					293,858		

FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
88	Regional Level Activity Flow Thru Funding Title III Part B Community-Based Supportive Services	894,199	5,650,434					6,544,633			894,199	5,650,434				6,544,633		
1535	State Level Activity Geriatric Physician Loan Program	140,000						140,000			140,000					140,000		
99	State Level Activity - Information & Assistance		119,349					119,349	3.25			119,349				119,349		
112	State Level Activity - Elder Care Trust Fund			9,100				9,100				9,100				9,100		
1529	Regional Level Activity SC Access Plus/Aging and Disabilities Resource Center		305,205					305,205				305,205				305,205		
111	Local Level Activity - Competitive Grant Awards	145,000						145,000			145,000					145,000		
1530	State Level Activity - Aging Network Services Medication Management and Health Promotion	5,522	16,565					22,087	0.25		5,522	16,565				22,087		
1656	System Transformation Grant	14,147	955,114					969,261	0.80		14,147	955,114				969,261		
95	Regional Level Activity - Medicare Fraud		96,758					96,758				96,758				96,758		
96	Senior Center Development Permanent Improvement Projects			3,025,000				3,025,000				3,025,000				3,025,000		
105	State Level Activity - Elder Abuse Prevention	2,500						2,500			2,500					2,500		
92	Regional Level Activity - Flow Thru Funding - Title V Employment and Training Services		1,193,242					1,193,242				1,193,242				1,193,242		
94	State Level Activity - Medicare Fraud	48,826	146,478					195,304	0.50		48,826	146,478				195,304		
1528	State Level Activity SC Access Special Purpose Developmental Grant from CMS	247,541						247,541	3.00		247,541					247,541		
1534	State Level Activity Emergency Rental Assistance Program	25,000		500,000				525,000	0.50		25,000	500,000				525,000		
91	State Level Activity Employment and Training Services	16,199	145,794					161,993	1.60		16,199	145,794				161,993		
100	Regional Level Activity - Flow Thru Funding - Information and Assistance	12,597	214,143					226,740			12,597	214,143				226,740		
1533	Regional Level Activity - Flow Thru Funding - Elder Abuse Prevention Program under Title VII		78,096					78,096				78,096				78,096		
110	State Level Activity - Alzheimer's Resource Coordination Center	5,000						5,000			5,000					5,000		
1532	Regional Level Activity - Flow Thru Funding - I-CARE		284,406					284,406				284,406				284,406		
84	Quality Assurance	11,631	32,589					44,220	1.50		11,631	32,589				44,220		
106	State level Activity - Legal Assistance	5,000						5,000	0.25		5,000					5,000		
101	State Level Activity - Summer School of Gerontology			127,000				127,000				127,000				127,000		
1531	Regional Level Activity - Flow Thru Funding - Health Promotion Programs		314,733					314,733				314,733				314,733		
107	State Level Activity - Advance Directives	20,000						20,000	0.50		20,000					20,000		
109	Regional Level Activity - Local Provider Salary Supplement	87,550						87,550										
82	Lieutenant Governor's Young Writer's Program	41,406						41,406	1.00		41,406					41,406		
1657	State Level Activity-Silver Haired Legislature	5,000						5,000										
80	Executive Operations of the Lieutenant Governor's Office	225,523						225,523	3.30		225,523					225,523		
81	Recognition Programs	34,048						34,048	1.00		34,048					34,048		
83	Administration	1,213,484	777,020					1,990,504	12.50		1,213,484	777,020				1,990,504		
85	Statistical Data Collection and Analysis	128,504	38,413					166,917	3.00		128,504	38,413				166,917		
86	Information Systems	275,120	137,560					412,680	3.00		275,120	137,560				412,680		
	Unemployment Compensation Premium Reduction										(1,289)					(1,289)		
	Travel Savings										(748)					(748)		
	TERI Savings										(26,312)					(26,312)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	68,195						68,195			68,195					68,195		
	<b>Total</b>	<b>4,782,317</b>	<b>23,807,607</b>	<b>4,330,000</b>				<b>2,900,000</b>	<b>35,819,924</b>	<b>53.00</b>	<b>7,561,418</b>	<b>23,807,607</b>	<b>4,330,000</b>			<b>35,699,025</b>		
<b>E08 Secretary of State</b>																		
119	Charities, Special Purpose Districts, Municipal Incorporations and Annexations			643,395				643,395	7.00			643,395				643,395		
115	Corporations	258,410		200,000				458,410	7.00		258,410	200,000				458,410		
116	Uniform Commercial Code			120,000				120,000	4.00			120,000				120,000		
120	Trademarks, Service of Process, Employment Agencies, Business Opportunities, and Cable Franchise Authority	45,675						45,675	1.00		45,675					45,675		
117	Notaries and Apostilles	68,545						68,545	1.00		68,545					68,545		
118	Boards, Commissions, Acts & Resolutions	55,225						55,225	1.00		55,225					55,225		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
1658	Computer System upgrade						500,000	500,000											
114	Administration	472,063		150,000				622,063	6.00	472,063		150,000				622,063			
	Unemployment Compensation Premium Reduction									(330)						(330)			
	Travel Savings									(839)						(839)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	28,152						28,152		28,152						28,152			
	<b>Total</b>	<b>928,070</b>		<b>1,113,395</b>			<b>500,000</b>	<b>2,541,465</b>	<b>27.00</b>	<b>926,901</b>		<b>1,113,395</b>				<b>2,040,296</b>			
<b>E12 Comptroller General</b>																			
NEW	Statewide Travel Office									50,000						50,000	1.00		
121	Statewide Payroll	744,681		96,046				840,727	13.00	744,681		46,046				790,727			
122	Statewide Accounts Payable	744,682		96,047				840,729	15.00	744,682		51,047				795,729			
123	Information Technology	965,590		112,078				1,077,668	17.00	965,590		112,078				1,077,668			
124	Statewide Financial Reporting	521,230		193,077				714,307	11.00	521,230		193,077				714,307			
125	Statewide Accounting Services	390,377		147,894				538,271	8.00	390,377		147,894				538,271			
126	Administrative Services	742,792		234,858				977,650	8.00	742,792		129,858				872,650			
127	Local Government																		
	Unemployment Compensation Premium Reduction									(1,551)						(1,551)			
	Travel Savings									(200)						(200)			
	TERI Savings									(50,017)						(50,017)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	125,221						125,221		125,221						125,221			
	<b>Total</b>	<b>4,234,573</b>		<b>880,000</b>				<b>5,114,573</b>	<b>72.00</b>	<b>4,232,805</b>		<b>680,000</b>				<b>4,912,805</b>	<b>1.00</b>		
<b>E16 State Treasurer</b>																			
134	South Carolina Tuition Prepayment Program / South Carolina College Investment Program	43,173		520,209				563,382	3.00	43,173		520,209				563,382			
135	Student Loans-Teachers			5,367,044				5,367,044				5,367,044				5,367,044			
130	Accounting and Banking	1,266,348		205,014				1,471,362	28.00	1,266,348		205,014				1,471,362			
131	Investments	196,242		885,208				1,081,450	13.00	196,242		885,208				1,081,450			
132	Debt Management	501,017		100,018				601,035	8.00	501,017		100,018				601,035			
133	Unclaimed Property Program	171,712		1,090,498				1,262,210	12.00	171,712		1,090,498				1,262,210			
133	Unclaimed Property Program - Supplement the administrative cost to the Treasurer's office with other funds from the unclaimed property revenue stream									(171,712)						(171,712)			
136	Administration	550,999						550,999	6.00	550,999						550,999			
	Unemployment Compensation Premium Reduction									(1,371)						(1,371)			
	Travel Savings									(980)						(980)			
	TERI Savings									(28,772)						(28,772)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	78,416						78,416		78,416						78,416			
	<b>Total</b>	<b>2,807,907</b>		<b>8,167,991</b>				<b>10,975,898</b>	<b>70.00</b>	<b>2,605,072</b>		<b>8,167,991</b>				<b>10,773,063</b>			
<b>E19 Retirement System Investment Commission</b>																			
1659	Investment Operations			2,788,905				2,788,905	11.00			3,358,257				3,358,257			
	<b>Total</b>			<b>2,788,905</b>				<b>2,788,905</b>	<b>11.00</b>			<b>3,358,257</b>				<b>3,358,257</b>			
<b>E20 Attorney General</b>																			
143	The Internet Crimes Against Children Section		334,500					334,500	2.00	206,195	334,500					540,695	3.00		
142	The State Grand Jury/Prosecution	1,838,192		802,894				2,641,086	47.00	1,895,435		1,342,894				3,238,329	1.00		
1782	Rural Domestic Violence Grant		451,005					451,005	6.00		451,005					451,005			
140	Capital Litigation Sub-Section and the Post-Conviction Relief (PCR)	1,143,126		182,549				1,325,675	13.00	1,143,126		182,549				1,325,675			
139	Violence Against Women Grant	18,783	99,375					118,158	3.00	18,783	99,375					118,158			
141	The Medicaid Fraud Control Section	335,868	876,679	315,000				1,527,547	14.00	335,868	906,043	502,000				1,743,911			
1781	Medicaid Fraud Recipient Control Unit			329,000				329,000	4.00			329,000				329,000			
147	Sexually Violent Predator Section	136,335		21,772				158,107	3.00	136,335		21,772				158,107			
146	Grievance Section	303,181		48,415				351,596	5.00	303,181		48,415				351,596			
148	Securities Fraud Section			1,912,482				1,912,482	21.00			1,912,482				1,912,482			
150	Opinions Division	401,636		53,135				454,771	6.00	401,636		53,135				454,771			
138	Gun Violence Grant																		
144	The Criminal Appeals Section	547,251		87,796				635,047	9.00	547,251		87,796				635,047			

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
145	Government Litigation Section	610,176		249,891				860,067	7.00	936,512		249,891				1,186,403	4.00	
149	Administrative Division	1,580,740		253,166		472,000		2,305,906	21.25	1,625,830		253,166			67,821	1,946,817	1.00	
	Unemployment Compensation Premium Reduction									(3,203)						(3,203)		
	Travel Savings									(10,076)						(10,076)		
	TERI Savings									(11,295)						(11,295)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	212,815						212,815		212,815						212,815		
<b>Total</b>		<b>7,128,103</b>	<b>1,761,559</b>	<b>4,256,100</b>		<b>472,000</b>		<b>13,617,762</b>	<b>161.25</b>	<b>7,738,393</b>	<b>1,790,923</b>	<b>4,983,100</b>			<b>67,821</b>	<b>14,580,237</b>	<b>9.00</b>	
<b>E21 Prosecution Coordination Commission</b>																		
151	Office of Solicitor State Appropriations	10,427,129		5,179,352			1,950,000	17,556,481	32.00	10,427,129		5,179,352				15,606,481		
154	Child Abuse Prosecution Unit	81,494						81,494	1.00	81,494						81,494		
153	State Office of Pretrial Intervention	84,931						84,931	2.00	84,931						84,931		
152	Administration	492,842						492,842	4.00	492,842						492,842		
155	DUI Prosecution Unit										162,334					162,334		
	Unemployment Compensation Premium Reduction									(374)						(374)		
	Travel Savings									(1,463)						(1,463)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	126,669						126,669		126,669						126,669		
<b>Total</b>		<b>11,213,065</b>		<b>5,179,352</b>			<b>1,950,000</b>	<b>18,342,417</b>	<b>39.00</b>	<b>11,211,228</b>	<b>162,334</b>	<b>5,179,352</b>				<b>16,552,914</b>		
<b>E23 Commission on Indigent Defense</b>																		
156	Direct Appeals	376,648		101,300				477,948	9.50	376,648		101,300				477,948		
160	Legal Aid Funding			1,700,000				1,700,000	0.50			1,700,000				1,700,000		
162	Conflict Fund			2,000,000			500,000	2,500,000	1.00			2,500,000				2,500,000		
163	Civil Appointment Fund						1,500,000	1,500,000	2.00			1,750,000				1,750,000		
164	Defense of Indigents Per Capita	4,688,651		2,773,052				7,461,703	0.50	4,688,651		4,023,052				8,711,703		
157	Post Conviction Relief Appeals	376,647		101,300				477,947	9.50	376,647		101,300				477,947		
159	Administration	1,135,215					200,000	1,335,215	3.00	1,135,215						1,135,215		
---	Savings from consolidating Indigent & Appellate Defense during FY2005-06									(190,210)						(190,210)		
161	Death Penalty Fund			3,000,000				3,000,000	1.00			3,000,000				3,000,000		
1660	Criminal Domestic Violence						460,000	460,000	0.50									
1661	Information Technology						500,000	500,000	0.50									
	Unemployment Compensation Premium Reduction									(448)						(448)		
	Travel Savings									(188)						(188)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	43,330						43,330		43,330						43,330		
<b>Total</b>		<b>6,620,491</b>		<b>9,675,652</b>			<b>500,000</b>	<b>2,660,000</b>	<b>28.00</b>	<b>6,429,645</b>		<b>13,175,652</b>				<b>19,605,297</b>		
<b>E24 Adjutant General</b>																		
184	EMD - Natural Hazards Response	1,094,688	231,943	54,804			2,303,088	3,684,523	21.75	1,094,688	231,943	69,279				1,395,910		
183	EMD - Natural Hazards Preparedness	538,309	342,100	3,700,000				4,580,409	14.00	538,309	342,100					880,409		1,000,000
181	EMD - Homeland Security		909,126					909,126	5.00		909,126					909,126		
186	EMD - Fixed Nuclear Facility Operations			972,432				972,432	12.75			972,432				972,432		
187	EMD - Natural Hazards Recovery	156,026	156,026					312,052	5.00	156,026	156,026					312,052		
169	Army Support - Telecommunications		850,000					850,000			850,000					850,000		
175	Air Support - Operations and Maintenance	288,142	1,969,169	3,000				2,260,311	12.00	288,142	2,442,249	3,000				2,733,391		
166	Army Support - Operations and Maintenance	60,692	4,042,279					4,102,971	13.00	60,692	4,042,279					4,102,971		
174	Army Support - Youth Challenge		3,832,000	35,000				3,867,000	1.00		3,832,000	35,000				3,867,000		
188	EMD - Natural Hazards Mitigation	34,206	56,300					90,506	1.00	34,206	56,300					90,506		
168	Army Support - Security		534,200					534,200			378,900					378,900		
170	Army Support - Sustainable Range Program		1,064,000					1,064,000			1,064,000					1,064,000		
165	Armory Operations	1,452,736	949,668	1,005,000				3,407,404	12.80	1,452,736	949,668	1,092,756				3,495,160		
177	Air Support - Security		363,900					363,900	2.00		422,187					422,187		
178	Air Support - Firefighting		1,082,900					1,082,900	13.00		1,134,649					1,134,649		
190	EMD - Operations Support	254,366	78,806	500,000				833,172	3.00	254,366	78,806					333,172		
167	Army Support - Environmental	17,987	1,129,034					1,147,021		17,987	1,129,034					1,147,021		
185	EMD - Hazardous Materials	18,863	291,092					309,955	0.75	18,863	291,092					309,955		
1663	Army Appendix 10		100,000					100,000			98,500					98,500		
1662	Army Appendix 4		266,000					266,000			206,400					206,400		
171	Army Support - Full-Time Dining Facility		550,000					550,000			518,727					518,727		
189	EMD - Local Pass Through	56,580	2,058,541					2,115,121		56,580	2,048,445					2,105,025		



**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
192	Americorps		297,476	30,879				328,355			35,479	3,172				38,651		
172	Army Support - Supplemental Transportation		4,000					4,000			4,000					4,000		
173	Army Support - Distance Learning		283,000					283,000			283,000					283,000		
191	State Guard	193,634						193,634	2.50	193,634						193,634		
176	Air Support - Environmental	13,651	51,147					64,798		13,651	51,147					64,798		
179	Air Support - Natural Resources		76,050					76,050			76,050					76,050		
182	EMD - Public Information	92,201	78,595	10,000				180,796	1.25		78,595	10,000				88,595		
196	Operations & Training	24,621						24,621										
180	Air Support - Starbase Swamp Fox		240,000					240,000			240,000					240,000		
1536	Civil Air Patrol	80,000						80,000										
193	Enterprise Operations			1,799,559				1,799,559	2.00			2,201,353				2,201,353		
197	Burial Flags	1,950						1,950		1,950						1,950		
194	Funeral Caisson	98,260						98,260		98,260						98,260		
195	Military Personnel Support	27,130						27,130	0.50	27,130						27,130		
199	Administration	1,656,888	456,053	18,440				2,131,381	32.20	1,656,888	445,753	18,440				2,121,081		
	Unemployment Compensation Premium Reduction									(10,993)						(10,993)		
	Travel Savings									(2,967)						(2,967)		
	TERI Savings									(23,635)						(23,635)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	84,271						84,271		84,271						84,271		
	<b>Total</b>	<b>6,245,201</b>	<b>22,343,405</b>	<b>8,129,114</b>				<b>2,303,088</b>	<b>39,020,808</b>	<b>155.50</b>	<b>6,010,784</b>	<b>22,396,455</b>	<b>4,405,432</b>			<b>32,812,671</b>		<b>1,000,000</b>
<b>E28 Election Commission</b>																		
201	Voter Services	589,127		105,000				694,127	9.00	589,127		20,000				609,127		
1537	Statewide Primaries														3,473,000	3,473,000		
204	Special Primaries/Elections			100,000				100,000				100,000				100,000		
207	2006 General Election						3,125,000	3,125,000										
205	Distribution to Subdivisions	449,017						449,017		449,017						449,017		
206	Distribution to Subdivisions	65,997						65,997		65,997						65,997		
203	Help America Vote Act (HAVA)																	
202	Public Information - Training	121,114		35,000			500,000	656,114	3.00	121,114		35,000				156,114		
200	Administration	543,737		300,700				844,437	7.50	543,737		285,700				829,437		
	Unemployment Compensation Premium Reductior									(625)						(625)		
	Travel Savings									(1,770)						(1,770)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	28,908						28,908		28,908						28,908		
	<b>Total</b>	<b>1,797,900</b>		<b>540,700</b>			<b>3,125,000</b>	<b>5,963,600</b>	<b>19.50</b>	<b>1,795,505</b>		<b>440,700</b>			<b>3,473,000</b>	<b>5,709,205</b>		
<b>F03 Budget &amp; Control Board</b>																		
243	State Energy Program-Facilities Energy Efficiency		720,412	568,338				1,288,750	7.85		521,577	580,939				1,102,516		
224	State Fleet Management			21,252,880				21,252,880	43.84			23,140,430				23,140,430		
209	Health & Demographics	919,227	87,532	2,270,858				3,277,617	25.00	919,227	124,000	2,366,655				3,409,882		
244	Radioactive Waste Disposal Program			423,375				423,375	3.70			423,375				423,375		
245	Network Services-Local Services			10,192,807				10,192,807	44.61			9,128,640				9,128,640		
246	Network Services- Long Distance, Internet and Network			12,280,517				12,280,517	36.34			17,517,712				17,517,712		
250	Data Processing Services - Desktop and Mid Range Server Support			2,586,291				2,586,291	26.40			3,480,704				3,480,704		
208	Statewide Budget Development, Analysis and Implementation	2,726,408						2,726,408	29.00	2,726,408						2,726,408		
237	Employee Insurance Customer Services			4,709,544				4,709,544	49.05			5,070,684				5,070,684		
264	Civil Contingent Fund	161,902						161,902										
269	Human Resources (HR) Support to the Governor's Office	142,773						142,773	3.00	142,773						142,773		
236	Employee Insurance Financial Services			4,690,279				4,690,279	37.91			5,157,416				5,157,416		
213	Enhanced 911			590,160				590,160	4.00			534,789				534,789		
223	Facilities Management	2,522,254		27,694,082			7,370,750	37,587,086	178.74	2,522,254		27,696,394				30,218,648		
232	Procurement	1,216,046		1,163,084				2,379,130	30.00	1,216,046		1,342,591				2,558,637		
1621	State Energy Program- Renewable Energy and Transportation		480,275	428,747				909,022	5.42		382,427	398,639				781,066		
268	Southern Maritime	5,000					2,947,000	3,007,993		5,000						5,000		
211	Board of Economic Advisors & Economic Research	1,074,467						1,074,467	10.25	1,074,467						1,074,467		
215	Training and Development Services	560,340		396,305				956,645	8.11			396,305				396,305		
220	Grievance and Mediation Services	384,891						384,891	4.96	384,891						384,891		
235	Property & Liability Self-Insurance			5,851,112				5,851,112	61.89			6,066,443				6,066,443		
247	Network Services- Other	176,000		9,067,442				9,243,442	38.27	176,000		8,789,331				8,965,331		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
248	Data Processing Services			15,745,790				15,745,790	98.81							16,765,458			
251	Information Technology Procurement (ITMO)			1,245,004				1,245,004	12.33							1,476,379			
267	Comptroller and Treasurer Data Processing Support	963,428						963,428		963,428						963,428			
239	Local Government Infrastructure Grants	2,910,276		3,605,000				6,515,276	5.27	2,772,505					3,605,000	6,377,505			
240	State Revolving Fund Loans	1,064,090	500,000	578,800				2,142,890	5.95	1,064,090	500,000				585,950	2,150,040			
226	Surplus Property			1,544,883				1,544,883	26.90						1,536,520	1,536,520			
252	IT Planning & Project Management			1,631,541			100,000	1,731,541	18.00						3,053,554	3,053,554			
259	Legal Services			1,084,307				1,084,307	10.00						1,084,307	1,084,307			
238	Adoption Assistance			710,042				710,042	0.14						710,522	710,522			
216	Temporary Employment Services	30,841		2,125,990				2,156,831	2.57						1,843,098	1,843,098			
217	Recruitment Services	83,071						83,071	0.76										
229	Parking Services	169,772		278,848				448,620	4.12	169,772					281,075	450,847			
230	Intra Agency Mail			1,136,095				1,136,095	14.47						1,377,626	1,377,626			
233	Audit and Certification	333,016		105,120				438,136	6.00	333,016					113,692	446,708			
253	Enterprise Projects	5,428,310		9,475,622			5,700,000	20,603,932	22.00	5,428,310					10,000,000	18,628,310	3,200,000		
256	Retirement Systems Customer Services			5,732,789				5,732,789	68.00						5,878,556	5,878,556			
257	Retirement Systems Information Technology			5,311,230				5,311,230	29.00						5,150,207	5,150,207			
262	Internal Audit and Performance Review	200,093		329,529				529,622	7.00	200,093					329,529	529,622			
225	Print Shop			802,302				802,302	8.31						797,147	797,147			
255	Retirement Systems Financial Services	50,000		4,391,975				4,441,975	59.00	50,000					5,408,777	5,408,777			
258	Retirement Systems Service/Imaging			1,748,887				1,748,887	26.00						1,899,474	1,899,474			
1689	SE Regional Settlement							395,000											
1543	Heritage Corridor							250,000											
265	Base Closure	574,716						574,716		574,716						574,716			
218	Workforce Planning	43,957						43,957	0.40										
227	Leasing			623,022				623,022	7.25						835,787	835,787			
1539	Veterans' Cemetery							266,027											
210	Successful Children Project (Kids Count)			438,060				438,060	1.00						475,910	475,910			
241	Community Development Block Grants	72,144						72,144		72,144						72,144			
1678	EEDA Marketing & Communications							1,000,000											
212	Redistricting & Precinct Demographics	352,696						352,696	3.25	352,696						352,696			
219	Human Resource Consulting Services	1,919,652						1,919,652	20.37	1,919,652						1,919,652			
234	State Engineer	497,847		107,550				605,397	6.50	497,847					139,300	637,147			
249	Data Processing Services - Applications Development			2,316,636				2,316,636	31.62						2,125,093	2,125,093			
1683	RFP & Study Statewide Assessments							1,000,000											
1540	Competitive Grants							3,000,000											
1676	Drummond Center Erskine College Program Support							700,000											
1682	Mfg Alliance "Made in South Carolina"							500,000											
1686	Weldon Auditorium							500,000											
1688	Old Springfield High School Renovations							75,000											
1666	City of Georgetown - Business Revitalization & Promotion							23,460											
1672	Columbia Black Expo							200,000											
214	Geodetic Network	1,066,281	167,012	290,744				250,000	11.25	1,066,281	200,000				488,840	1,755,121			
1668	Central Carolina Allied Health Service Center			2,000,000				2,000,000											
1677	Tobacco Arbitration Settlement							1,200,000											
1670	Anderson County Health Depart. Roof Replacement & Magistrate Court Bldg.			3,500,000				3,500,000											
263	Brandenburg Coordination Committee	11,354						11,354		11,354						11,354			
1665	Hartsville Drainage Project							200,000											
1673	East Camden Sewer System							250,000											
1679	Lexington County Water & Sewer							250,000											
1680	Camden First Community Development Program							150,000											
1684	City of Columbia Streetscape							1,000,000											
1671	Dorchester Interfaith Outreach Ministry Homeless Center & Soup Kitchen			250,000				250,000											
1687	Marion County Senior Center							250,000											
1685	Georgetown Marina							1,000,000											
260	Executive Education Training	323,604		49,300				372,904	3.00						49,300	49,300			
1664	Police Substation Screaming Eagle Road							100,000											
222	Confederate Relic Room & Military Museum Services	887,758		28,100				410,435	7.00	887,758					28,100	915,858			
---	Lease Savings									(139,788)						(139,788)			
1667	Success Center Building							100,000											
1669	Conway Maintenance Shop Renovations			1,000,000				1,000,000											

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1674	Edgefield Building Renovations			300,000				300,000										
1675	Lake City Senior Center						200,000	200,000										
1681	Facilities Management - Transfer to Newberry Sheriff						35,000	35,000										
228	Appraisal																	
231	Central Supply																	
242	New Ellenton Debt Service																	
254	Equity Investment Operations																	
270	Administration	1,766,512		3,041,720			242,980	5,051,212	56.62	1,766,512		3,173,910				4,940,422		
1538	Reimbursement for Graniteville Disaster Relief																	
1541	Morris Island Lighthouse																	
1542	Accountability Strategy for SC Prevention Programs																	
1544	City of Florence - Downtown Redevelopment																	
	Unemployment Compensation Premium Reduction									(27,947)						(27,947)		
	Travel Savings									(23,946)						(23,946)		
	TERI Savings									(54,813)						(54,813)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	432,487						432,487		432,487						432,487		
	<b>Total</b>	<b>29,071,213</b>	<b>1,955,231</b>	<b>175,694,707</b>			<b>8,647,000</b>	<b>21,074,645</b>	<b>236,442,796</b>	<b>1,221.23</b>	<b>27,483,233</b>	<b>1,728,004</b>	<b>181,304,158</b>		<b>3,200,000</b>	<b>213,715,395</b>		
<b>F27 Budget &amp; Control Board - Auditor</b>																		
271	Audit the State's Basic Financial Statements	144,490		294,000			36,062	474,552	2.60	144,490		315,000				459,490		
273	Medicaid Audits	867,055					216,403	1,083,458	15.30	867,055						867,055		
272	Single Audit	766,873					191,399	958,272	13.50	766,873						766,873		
274	State Agency Audits	1,111,211					277,340	1,388,551	19.60	1,111,211						1,111,211		
275	Court Audits			250,000				250,000				250,000				250,000		
276	Administration (Overhead Costs)	350,825						350,825	5.00	350,825						350,825		
	Unemployment Compensation Premium Reduction									(1,034)						(1,034)		
	Travel Savings									(2,275)						(2,275)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	90,948						90,948		90,948						90,948		
	<b>Total</b>	<b>3,331,402</b>		<b>544,000</b>				<b>721,204</b>	<b>4,596,606</b>	<b>56.00</b>	<b>3,328,093</b>		<b>565,000</b>			<b>3,893,093</b>		
<b>F30 Employee Benefits</b>																		
277	Employee Benefits	90,543,584		612,082				91,155,666		90,540,169		612,082				91,152,251		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	(83,796,001)						(83,796,001)		(83,792,586)						(83,792,586)		
	<b>Total</b>	<b>6,747,583</b>		<b>612,082</b>				<b>7,359,665</b>		<b>6,747,583</b>		<b>612,082</b>				<b>7,359,665</b>		
<b>F31 Capital Reserve Fund</b>																		
278	Reserve Funds	111,821,213						111,821,213		111,821,213						111,821,213		
	<b>Total</b>	<b>111,821,213</b>						<b>111,821,213</b>		<b>111,821,213</b>						<b>111,821,213</b>		
<b>H03 Commission on Higher Education</b>																		
311	Need Based Grants						11,246,093	11,246,093				13,725,120				13,725,120		
308	Research Centers of Excellence						30,000,000	30,000,000				15,000,000				15,000,000		
312	Palmetto Fellows Scholarships						17,830,758	17,830,758				21,106,764				21,106,764		
314	Lottery Tuition Assistance						45,000,000	45,000,000				45,000,000				45,000,000		
304	National Guard Tuition Repayment Program	150,882					1,700,000	1,850,882		150,882		500,000				650,882		
315	Technology Grants						12,000,000	12,000,000				8,400,000				8,400,000		
1690	Education and Economic Development (EEDA) funding for CHE and Institutions	1,463,082						1,463,082		1,463,082						1,463,082		
286	SREB Contractual Scholarships	844,680						844,680		844,680						844,680		
297	Educational Endowment	21,572,425		2,427,575				24,000,000		21,572,425		2,427,575				24,000,000		
301	African American Loan Program	202,874						202,874		202,874						202,874		
306	LIFE Scholarships	53,422,193					87,911,636	141,333,829		53,422,193		96,196,822				149,619,015		
307	Electronic Library						2,000,000	2,000,000		2,000,000						2,000,000		
291	Training for Math & Science Teachers			913,779				913,779				1,155,592				1,155,592		
302	Performance Funding	2,463,806						2,463,806		2,463,806						2,463,806		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
283	University Center of Greenville -Operations	427,101						427,101										
310	HOPE Scholarships					7,144,909		7,144,909						7,144,909		7,144,909		
292	Centers of Excellence			721,101				721,101				721,101				721,101		
294	EIA-Teacher Recruitment			5,871,014				5,871,014				5,871,014				5,871,014		
305	Academic Endowment	444,828						444,828		444,828						444,828		
309	Excellence Enhancement					4,700,000		4,700,000					4,700,000			4,700,000		
280	SC Alliance for Minority Participation	320,327						320,327		320,327						320,327		
281	Greenville Technical College-University Cnt	907,504						907,504		907,504						907,504		
282	Greenville Higher Ed Center	180,287						180,287								180,287		
284	Lowcountry Graduate Center	1,110,000						1,110,000								1,110,000		
285	Access and Equity	711,613						711,613		476,781						476,781		
287	SREB Fees and Assessments	1,506,801					269,000	1,775,801		1,506,801						1,506,801		
288	Gear Up	600,000	4,642,562				600,000	5,842,562		1,200,000	4,642,562					5,842,562		
289	SC Manufacturing Extension Partnerships	1,227,921					1,200,000	2,427,921		1,227,921						1,227,921		
1546	Think Tec/Fastr	250,000						250,000		250,000						250,000		
300	Fund for the Improvement of Postsecondary Education		69,444					69,444	0.19		69,444					69,444		
303	Experimental Program to Stimulate Cooperative Research	300,000						300,000		300,000						300,000		
290	Arts Program	10,274						10,274								10,274		
293	Youth Leadership Conference	50,000						50,000								50,000		
295	Cutting Edge	150,232						150,232	2.00	150,232						150,232		
296	Professor of the Year	14,850						14,850								14,850		
299	Higher Education Awareness	407,469						407,469	1.00	407,469						407,469		
1545	Service Learning Engagement			65,000				65,000			65,000					65,000		
1547	National Foundation of Teaching Entrepreneurship (NFTE)	250,000						250,000								250,000		
298	State Approving Section	84,208	321,095	143,545				548,848	10.11	84,208	321,095	143,545				548,848		
279	Administration	2,117,075		247,557				2,364,632	25.70	2,199,793		247,557				2,447,350	1.00	
313	Teacher Scholarship Grants																	
	Unemployment Compensation Premium Reduction									(2,026)						(2,026)		
	Travel Savings									(5,376)						(5,376)		
	TERI Savings									(19,930)						(19,930)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	67,146						67,146		67,146						67,146		
	<b>Total</b>	<b>91,257,578</b>	<b>5,946,880</b>	<b>9,475,792</b>		<b>217,533,396</b>	<b>4,069,000</b>	<b>328,282,646</b>	<b>39.00</b>	<b>91,635,620</b>	<b>6,188,693</b>	<b>9,475,792</b>		<b>211,773,615</b>		<b>319,073,720</b>	<b>1.00</b>	
<b>H06 Higher Education Tuition Grants</b>																		
316	Tuition Grants	19,322,247	885,940	2,321,305		7,766,604		30,296,096	5.00	19,322,247	885,940	2,321,305		7,766,604		30,296,096		
317	South Carolina Student Legislature	17,780						17,780								17,780		
318	Administration	343,163						343,163		343,163						343,163		
	Unemployment Compensation Premium Reduction									(83)						(83)		
	Travel Savings									(1,148)						(1,148)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	9,366						9,366		9,366						9,366		
	<b>Total</b>	<b>19,692,556</b>	<b>885,940</b>	<b>2,321,305</b>		<b>7,766,604</b>		<b>30,666,405</b>	<b>5.00</b>	<b>19,673,545</b>	<b>885,940</b>	<b>2,321,305</b>		<b>7,766,604</b>		<b>30,647,394</b>		
<b>H09 The Citadel</b>																		
331	O&M of Plant			10,272,000			1,500,000	11,772,000	101.00							10,865,799		
331	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration									(375,922)						(375,922)		
321	School of Business Administration	1,822,620		1,717,932			21,392	3,561,944	23.40	1,822,620		2,014,139				3,836,759		
322	School of Education	1,208,292		1,138,891			14,181	2,361,364	19.25	1,208,292		1,298,104				2,506,396		
323	School of Engineering	1,198,227		1,129,404			14,063	2,341,694	16.25	1,198,227		1,282,638				2,480,865		
324	School of Humanities and Social Sciences	3,726,595		3,512,546			43,739	7,282,880	54.00	3,726,595		4,054,275				7,780,870		
325	School of Science and Mathematics	2,926,696		2,758,592			34,350	5,719,638	47.00	2,926,696		3,151,093				6,077,789		
332	Scholarships and Fellowships		20,110,949	3,087,654				23,198,603			20,401,053					4,166,930		
319	College of Graduate and Professional Studies	1,088,660		1,026,130			12,777	2,127,567	5.00	1,088,660		1,172,741				2,261,401		
328	Academic Support	1,463,005		6,066,408				7,529,413	58.00	1,463,005		7,148,263				8,611,268		
326	Research		111,222	351,918				463,140			117,625		513,076			630,701		
329	Student Services			5,710,311				5,710,311	62.55			6,226,713				6,226,713		

FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
320	ROTC Departments	70,166		66,135				824	137,125	3.00	70,166		77,413			147,579		
336	Barracks			5,481,160					5,481,160				5,790,344			5,790,344		
339	Faculty/Staff Quarters			600,702					600,702	3.00			637,357			637,357		
340	Infirmary			1,066,461					1,066,461	10.27			1,130,237			1,130,237		
341	Laundry/Dry Cleaning			1,081,764					1,081,764	24.75			1,151,129			1,151,129		
345	Coeducation Initiative	1,110,000							1,110,000	15.81	1,043,731		75,185			1,118,916		
327	Public Service		230,400	2,160,408					2,390,808	1.81		233,736	2,246,871			2,480,607		
342	Print Shop			331,652					331,652	12.00			354,500			354,500		
343	Tailor Shop			1,303,793					1,303,793	9.00			1,386,801			1,386,801		
344	Telephone			20,867					20,867	1.00			22,182			22,182		
337	Cadet Store			4,450,869					4,450,869	6.00			4,716,494			4,716,494		
338	Dining Hall			5,138,379					5,138,379				5,441,481			5,441,481		
334	Gift Shop Enterprises			2,507,422					2,507,422	12.00			2,668,013			2,668,013		
335	Director of Auxiliary Activity			36,170					36,170	2.00			38,142			38,142		
333	Athletics			5,803,908					5,803,908	43.00			6,130,186			6,130,186		
330	Institutional Support	140,000	15,000	7,737,390					7,892,390	92.81	140,000	15,207	8,320,658			8,475,865		
	Unemployment Compensation Premium Reduction										(27,934)		(27,934)			(27,934)		
	TERI Savings										(119,660)		(119,660)			(119,660)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	530,922							530,922		530,922		530,922			530,922		
	<b>Total</b>	<b>15,285,183</b>	<b>20,467,571</b>	<b>74,558,866</b>			<b>1,500,000</b>	<b>141,326</b>	<b>111,952,946</b>	<b>622.90</b>	<b>14,695,398</b>	<b>20,767,621</b>	<b>82,080,764</b>			<b>117,543,783</b>		
<b>H12 Clemson University (E&amp;G)</b>																		
357	Operation and Maintenance of the Plant		15,914	30,061,722					30,077,636	550.60		16,004	31,722,094			31,738,098		
357	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(1,100,162)		(1,100,162)			(1,100,162)		
363	Instruction--College of Business and Behavioral Science	19,222,613		5,887,949					25,110,562	228.51	19,222,613		6,213,153			25,435,766		
364	Instruction--College of Agriculture, Forestry and Life Sciences	11,889,506		3,772,017					15,661,523	133.67	11,889,506		3,980,353			15,869,859		
365	Instruction--College of Engineering and Science	30,957,080		10,108,532					41,065,612	385.38	30,957,080	15,645	10,716,557			41,689,282		
366	Instruction--College of Health, Education and Human Development	12,747,191		3,948,577					16,695,768	141.67	12,747,191		4,166,665			16,913,856		
354	Academic Support		2,134,214	36,754,159					38,888,373	417.06		2,238,367	39,504,409			41,742,776		
362	Instruction--College of Architecture, Arts and Humanities	18,536,793	4,155,524	5,740,213					28,432,530	203.29	18,536,793	4,178,743	6,057,257			28,772,793		
351	Research			28,345,486					28,345,486	279.14			29,911,066			29,911,066		
355	Student Services		1,281,129	13,279,126					14,560,255	196.60		1,288,287	14,012,560			15,300,847		
358	Scholarships and Fellowships		6,053,202	82,769,010					88,822,212			6,215,537	85,125,899			91,341,436		
1691	CU ICAR	500,000					1,500,000		2,000,000		2,000,000					2,000,000	12.00	
352	Sponsored Research		69,673,577	12,531,843					82,205,420	107.83		71,542,081	12,888,693			84,430,774		
348	Line Item-Municipal Services	931,747							931,747	30.00	931,747					931,747		
349	Line Item- Advanced Films and Fibers	1,000,000							1,000,000	5.00	1,000,000					1,000,000		
1692	Call Me Mister						1,300,000		1,300,000									
350	Line Item-Wireless Communication	1,000,000							1,000,000	5.00								
360	Auxiliary - Food Services			12,255,696					12,255,696	1.00			12,761,612			12,761,612		
1548	COMSET	106,021	2,800,000	900,000					3,806,021	12.00	106,021	2,800,000				2,906,021		
346	Auxiliary - Student Housing			22,627,438					22,627,438	126.00			23,561,502			23,561,502		
353	Public Service		10,454,404	5,457,881					15,912,285	102.18		10,512,819	5,759,331			16,272,150		
347	Auxiliary - Other			22,849,151					22,849,151	189.34			23,792,366			23,792,366		
361	Auxiliary - Bookstores			816,454					816,454	0.63			850,157			850,157		
359	Auxiliary - Intercollegiate Athletics			42,172,245					42,172,245	133.08			43,913,120			43,913,120		
356	Institutional Support																	
---	1% Reduction to Encourage Collaboration										(881,615)		(881,615)			(881,615)		
	Unemployment Compensation Premium Reduction										(115,327)		(115,327)			(115,327)		
	TERI Savings (Includes E&G & PSA)										(1,067,661)		(1,067,661)			(1,067,661)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	3,585,535							3,585,535		3,585,535		3,585,535			3,585,535		
	<b>Total</b>	<b>100,476,486</b>	<b>96,567,964</b>	<b>340,277,499</b>			<b>2,800,000</b>		<b>540,121,949</b>	<b>3,247.98</b>	<b>97,811,721</b>	<b>98,807,483</b>	<b>354,936,794</b>			<b>551,555,998</b>	<b>12.00</b>	
<b>H15 University of Charleston</b>																		
379	Operation/Maintenance of Plant	4,202,728		12,877,838					17,080,566	166.30	4,202,728		14,018,708			18,221,436		
379	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(625,094)		(625,094)			(625,094)		
367	Instruction	1,118,255	328,950	3,716,663					5,163,868	18.63	1,118,255	328,950	4,061,576			5,508,781		
368	Instruction	1,371,690		4,558,981					5,930,671	50.17	1,371,690		4,955,111			6,326,801		
369	Instruction	1,768,788		5,878,789					7,647,577	48.83	1,768,788		6,389,597			8,158,385		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
370	Instruction	1,506,835		5,008,157				6,514,992	48.75	1,506,835		5,443,316				6,950,151		
371	Instruction	3,621,065		12,035,069				15,656,134	142.63	3,621,065		14,182,396				17,803,461		
372	Instruction	3,525,700		11,718,111				15,243,811	125.42	3,525,700		12,736,298				16,261,998		
1694	Instruction	1,167,127		3,879,095				5,046,222	45.69	1,167,127		4,216,150				5,383,277		
373	Research	315,051	3,664,932	2,167,865				6,147,848	8.75	315,051	3,664,932	2,578,501				6,558,484		
375	Academic Support-Other	1,918,069		5,872,115				7,790,184	79.68	1,918,069		6,392,448				8,310,517		
376	Academic Support-Libraries	1,423,357		4,405,654				5,829,011	70.28	1,423,357		4,794,994				6,218,351		
381	Hospitality and Tourism	395,000						395,000	2.25	395,000						395,000		
377	Student Services	1,788,471		6,138,420				7,926,891	100.16	1,788,471		6,667,885				8,456,356		
380	Scholarships/Fellowships		5,500,000	10,086,933				15,586,933			5,500,000	11,128,038				16,628,038		
382	Avery Center	300,000						300,000	8.00	300,000						300,000		
1549	Center for Partnerships in Education	501,800					400,000	901,800	4.25	501,800						501,800		
1695	Grice Marine Laboratory						4,000,000	4,000,000										
1696	Marine Genomics						603,000	603,000	3.25									
383	Governor's School	288,017						288,017	3.00									
386	Auxiliary - Health Services			952,000				952,000	7.00			969,799				969,799		
1552	Low Country Graduate Center								6.34									
1697	Real Estate						612,764	612,764	4.25									
384	Auxiliary - Residence Halls			11,223,740				11,223,740	46.00			13,382,902				13,382,902		
385	Auxiliary - Food Service			6,194,422				6,194,422				6,937,753				6,937,753		
1550	Office of Tourism Analysis						150,000	150,000	4.00									
1551	Economic Partnership	591,550						591,550	3.00	591,550						591,550		
1693	MRR Parity						524,238	524,238										
374	Public Service	72,922	506,118	360,146				939,186	5.00		506,118	422,878				928,996		
387	Auxiliary - Other Rentals			74,754				74,754				74,754				74,754		
388	Auxiliary - Vending			70,000				70,000				70,000				70,000		
389	Auxiliary - Bookstore			400,000				400,000				400,000				400,000		
390	Auxiliary - Parking			1,630,932				1,630,932	8.70			1,630,932				1,630,932		
391	Auxiliary - Athletics			7,454,152				7,454,152	33.23			8,431,779				8,431,779		
378	Institutional Support	3,406,628		10,400,037				13,806,665	175.28	3,406,628		11,322,232				14,728,860		
	Unemployment Compensation Premium Reduction									(57,409)						(57,409)		
	TERI Savings									(213,202)						(213,202)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	1,034,255						1,034,255		1,034,255						1,034,255		
	<b>Total</b>	<b>30,317,308</b>	<b>10,000,000</b>	<b>127,103,873</b>			<b>6,290,002</b>	<b>173,711,183</b>	<b>1,218.84</b>	<b>29,060,664</b>	<b>10,000,000</b>	<b>141,208,047</b>				<b>180,268,711</b>		
<b>H17 Coastal Carolina University</b>																		
405	Oper. and Maint. Of Plant			7,898,396				7,898,396	122.87			8,827,169				8,827,169		
	Reduce Operation & Maintenance by 3.7% to																	
405	Encourage Collaboration									(289,056)						(289,056)		
395	College of Business	2,542,491		4,332,005			489,310	7,363,806	53.63	2,542,491		4,796,391				7,338,882		
396	College of Education	1,670,079		2,845,106			321,412	4,836,597	36.08	1,670,079		3,193,396				4,863,475		
398	College of Natural Science	3,923,400		6,687,041		250,000	755,071	11,615,512	92.65	3,923,400		7,557,766				11,481,166		
401	Academic Support			4,947,347				4,947,347	90.61			5,527,830				5,527,830		
393	General Instruction			2,100,453				2,100,453	5.96			2,100,453				2,100,453		
394	Specific Instruction Program			1,814,027				1,814,027	27.18			1,814,027				1,814,027		
397	College of Hum. & Fine Arts	4,116,997		7,016,536			792,329	11,925,862	74.69	4,116,997		7,887,261				12,004,258		
402	Student Services			5,112,259				5,112,259	64.00			5,692,742				5,692,742		
409	Health Service			321,144				321,144				446,313				446,313		
406	Scholarship & Fellowship			20,284,124				20,284,124				21,540,999				21,540,999		
399	Research		3,337,000	667,400				4,004,400	1.22		3,337,000	667,400				4,004,400		
400	Public Service		3,338,000	1,001,400				4,339,400	5.39		3,338,000	1,001,400				4,339,400		
407	Residence Halls			2,169,889				2,169,889	14.04			3,283,899				3,283,899		
408	Food Serve / Vending			52,077				52,077				64,595				64,595		
392	Book Store			8,680				8,680				8,680				8,680		
403	Athletics			7,655,369				7,655,369	79.43			7,655,369				7,655,369		
404	Institutional Support			11,882,312				11,882,312	148.58			14,145,857				14,145,857		
404	Savings from Implementing Administration Standards for Non-teaching Personnel									(67,241)						(67,241)		
	Unemployment Compensation Premium Reduction									(35,004)						(35,004)		
	TERI Savings									(148,343)						(148,343)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	414,604						414,604		414,604						414,604		
	<b>Total</b>	<b>12,667,571</b>	<b>6,675,000</b>	<b>86,795,565</b>		<b>250,000</b>	<b>2,358,122</b>	<b>108,746,258</b>	<b>816.33</b>	<b>12,127,927</b>	<b>6,675,000</b>	<b>96,211,547</b>				<b>115,014,474</b>		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
<b>H18 Francis Marion University</b>																		
412	Academic Support			3,507,472				3,507,472	40.19							6,253,082		
416	Operation and Maintenance of Plant			6,116,393				6,116,393	92.00							6,116,393		
	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(223,840)			(223,840)		
422	Nursing Program	1,238,031						1,238,031	11.03	1,238,031						1,238,031		
423	Instruction - School of Business	2,132,682		210,523			27,419	2,370,624	19.50	2,132,682						2,546,014		
424	Instruction - School of Education	1,081,814		185,336			13,908	1,281,058	14.54	1,081,814						330,200		
425	Instruction - College of Liberal Arts	10,240,908		607,503			131,662	10,980,073	125.12	10,240,908						1,186,957		
413	Student Services			1,819,521				1,819,521	36.00							1,819,521		
417	Scholarships and Fellowships		4,675,210	4,582,333				9,257,543						4,830,448		5,210,416		
1700	Early Childhood Education & Child Development Program	585,000						585,000		585,000						585,000		
410	Research		129,701	225,560				355,261						129,701		225,560		
1698	Program for Women & Minorities in Science & Mathematics	100,000						100,000		100,000						100,000		
1553	Small and Minority Business Assistance	500,000						500,000	2.90	500,000						500,000		
411	Public Service		118,380	375,934				494,314						118,380		375,934		
418	Auxiliary Enterprises - Dining Services			132,158				132,158	4.00							132,158		
420	Auxiliary Enterprises - Housing			435,785				435,785	1.00							435,929		
421	Omega Project	56,147						56,147										
1699	Construction - Center for the Performing Arts						7,000,000	7,000,000										
419	Auxiliary Enterprises - Bookstore			65,305				65,305								65,305		
414	Athletics			1,462,391				1,462,391	18.33							1,462,391		
415	Institutional Support			3,548,070				3,548,070	63.75							3,548,070		
415	Savings from Implementing Administration Standards for Non-teaching Personnel												(118,087)			(118,087)		
1554	College of Nursing Building																	
1555	Center for the Child Construction																	
1556	Francis Marion Trail																	
	Unemployment Compensation Premium Reduction												(9,156)			(9,156)		
	TERI Savings												(99,325)			(99,325)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	478,595						478,595		478,595						478,595		
	<b>Total</b>	<b>16,413,177</b>	<b>4,923,291</b>	<b>23,274,284</b>			<b>7,172,989</b>	<b>51,783,741</b>	<b>428.36</b>	<b>15,906,623</b>	<b>5,078,529</b>	<b>27,575,248</b>				<b>48,560,400</b>		
<b>H21 Lander University</b>																		
428	College of Science, Mathematics & Natural Sciences	2,675,739	14,411	2,079,335			47,452	4,816,937	32.25	2,675,739	14,411	2,079,335				4,769,485		
437	Operation & Maintenance of Plant		7,235	2,735,202				2,742,437	52.50		7,235	2,735,202				2,742,437		
	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration												(100,100)			(100,100)		
427	College of Business & Public Affairs	1,781,222	2,077	1,384,200			31,588	3,199,087	24.75	1,781,222	2,077	1,384,200				3,167,499		
429	College of Arts and Humanities	2,826,718	18,204	2,196,662			50,129	5,091,713	39.25	2,826,718	18,204	2,196,662				5,041,584		
430	College of Education	1,884,045	330,639	1,464,104			33,412	3,712,200	35.58	1,884,045	330,639	1,464,104				3,678,788		
431	Instruction - Other	658,142	5,400	511,447			11,671	1,186,660	0.75	658,142	5,400	511,447				1,174,989		
433	Academic Support		30,681	1,811,435				1,842,116	18.75		30,681	1,811,435				1,842,116		
434	Student Services		16,343	1,368,816				1,385,159	49.00		16,343	1,368,816				1,385,159		
438	Scholarships and Fellowships		3,031,213	811,010				3,842,223			3,031,213	811,010				3,842,223		
432	Public Service		11,805	22,492				34,297	1.00		11,805	22,492				34,297		
439	Food Services			919,068				919,068				919,068				919,068		
441	Residence Halls		15,906	1,398,899				1,414,805	1.00		15,906	1,398,899				1,414,805		
440	Book Store		2,330	1,048,868				1,051,198	5.00		2,330	1,048,868				1,051,198		
435	Intercollegiate Athletics			1,079,227				1,079,227	15.75			1,079,227				1,079,227		
436	Institutional Support		15,474	2,468,913				2,484,387	43.33		15,474	2,468,913				2,484,387		
436	Savings from Implementing Administration Standards for Non-teaching Personnel												(158,795)			(158,795)		
	Unemployment Compensation Premium Reduction												(23,311)			(23,311)		
	TERI Savings												(220,834)			(220,834)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	349,332						349,332		349,332						349,332		
	<b>Total</b>	<b>10,175,198</b>	<b>3,501,718</b>	<b>21,299,678</b>			<b>174,252</b>	<b>35,150,846</b>	<b>318.91</b>	<b>9,672,158</b>	<b>3,501,718</b>	<b>21,299,678</b>				<b>34,473,554</b>		
<b>H24 South Carolina State University</b>																		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
445	Instruction	12,288,731		21,109,757				33,398,488	316.00	12,288,731		23,952,300				36,241,031		
451	Operation and Maintenance of Plant & Deferred Maintenance	2,530,458		7,842,000		2,500,000	2,500,000	173,982	15,546,440	70.00	2,530,458		7,842,000	2,500,000		12,872,458		
451	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(379,599)					(379,599)		
448	Libraries	1,262,606		4,458,131					5,720,737	8.00	1,262,606		4,458,131			5,720,737		
449	Student Services	1,767,312		2,861,868					4,629,180	45.00	1,767,312		2,861,868			4,629,180		
454	School of Business Accreditation			505,081				89,365	594,446				505,081			505,081		
455	Transportation			957,081				748,365	1,705,446		748,365		957,081			1,705,446		
456	Felton Laboratory			904,000					904,000				904,000			904,000		
443	Housing			8,584,129					8,584,129	40.00			8,584,129			8,584,129		
446	Research/Grants		30,230,781						30,230,781	75.00		30,230,781				30,230,781		
450	Residential Life																	
453	Access and Equity			123,000					123,000				123,000			123,000		
442	Food Services			6,566,160					6,566,160	41.00			6,566,160			6,566,160		
1701	Obesity Program							300,000	300,000									
447	Public Service	160,778							160,778	3.33	160,778					160,778		
444	Bookstore			2,576,981					2,576,981	14.00			2,576,981			2,576,981		
452	Administration	3,030,137		2,408,928					5,439,065	60.00	3,030,137		2,408,928			5,439,065		
452	Savings from Implementing Administration Standards for Non-teaching Personnel										(278,942)					(278,942)		
	Unemployment Compensation Premium Reduction										(173,265)					(173,265)		
	TERI Savings										(220,830)					(220,830)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	729,746							729,746		729,746					729,746		
	<b>Total</b>	<b>21,769,768</b>	<b>30,230,781</b>	<b>58,897,116</b>		<b>2,500,000</b>	<b>2,500,000</b>	<b>1,311,712</b>	<b>117,209,377</b>	<b>672.33</b>	<b>21,465,498</b>	<b>30,230,781</b>	<b>61,739,659</b>	<b>2,500,000</b>		<b>115,935,938</b>		
<b>H27 USC - Columbia</b>																		
457	School of Medicine	21,542,866	16,358,526	22,571,852					60,473,244	707.10	21,542,866	10,162,608	24,330,441			56,035,915		
465	Instruction: Arts and Sciences	51,476,736	596,734	64,764,534					116,838,004	778.35	51,476,736	596,734	68,790,912			120,864,382		
468	Instruction: Engineering & Information Technology	13,489,397	96,240	10,445,107					24,030,744	133.44	13,489,397	96,240	11,747,759			25,333,396		
458	Research	2,296,507	61,219,936	43,136,165					106,652,608	118.01	2,296,507	65,885,055	66,285,074			134,466,636		
460	Academic Support	463,364		39,741,044					40,204,408	437.23	463,364		41,326,101			41,789,465		
462	Operations & Maintenance	416,420		22,720,250					23,136,670	414.90	416,420		33,530,217			33,946,637		
462	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(846,728)					(846,728)		
466	Instruction: Business and Hospitality, Retail, and Sports Management	15,668,865	236,570	25,675,354					41,580,789	241.81	15,668,865	236,570	27,274,063			43,179,498		
467	Instruction: Education	7,715,056	75,620	8,207,128					15,997,804	123.27	7,715,056	75,620	9,213,723			17,004,399		
469	Instruction: Law School	6,509,518	84,048	9,121,859					15,715,425	74.65	6,509,518	84,048	10,246,876			16,840,442		
470	Instruction: Mass Communications and Library Science	3,196,623	47,638	5,170,193					8,414,454	56.90	3,196,623	47,638	5,821,519			9,065,780		
471	Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	15,742,034	153,346	16,642,924					32,538,304	309.05	15,742,034	153,346	18,715,325			34,610,705		
1557	Instruction: Honors College	1,546,213	15,745	1,708,792					3,270,750	9.81	1,546,213	15,745	1,708,792			3,270,750		
1560	Palmetto Poison Control Center							200,000	200,000									
463	Scholarships		48,975,947	50,259,488					99,235,435			48,975,947	50,259,488			99,235,435		
464	Institute for Public Service and Policy Research	716,454							716,454		716,454					716,454		
1558	Instruction: Graduate School, DEIS and University 101	3,432,647	54,504	5,915,361					9,402,512	22.40	3,432,647	54,504	5,915,361			9,402,512		
1559	Hydrogen Fuel Cell Research	1,000,000							1,000,000		1,000,000					1,000,000		
461	Student Services	5,180,639	1,360,443	17,829,244					24,370,326	169.33	5,180,639	1,360,443	18,613,767			25,154,849		
474	Small Business Development Center	686,534						250,000	936,534		686,534				686,534			
473	USC NanoCenter	1,000,000							1,000,000							1,000,000		
475	Law School Books and Publications	344,074							344,074		344,074					344,074		
1703	Technology Incubator							200,000	200,000									
472	African American Professors Program	178,805							178,805		178,805					178,805		
478	Auxiliary: Housing			22,304,282					22,304,282	87.76			22,304,282			22,304,282		
479	Auxiliary: Student Health Services			6,377,948					6,377,948	31.84			6,377,948			6,377,948		
1702	Faculty Excellence Initiative	4,000,000							4,000,000		4,000,000					4,000,000		
1561	Epilepsy	75,000							75,000		75,000					75,000		



**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
459	Public Service	643,075	23,127,532	19,351,746				43,122,353	201.14	643,075	23,127,532	20,536,536				44,307,143			
480	Auxiliary: Bookstore			744,218				744,218	1.29			744,218				744,218			
481	Auxiliary: Other			7,818,616				7,818,616	18.87			7,818,616				7,818,616			
1704	Freshwater Initiative	500,000					1,500,000	2,000,000											
477	Auxiliary: Athletics			42,853,786				42,853,786	197.53			42,853,786				42,853,786			
476	Institutional Support	6,703,630		28,357,430				35,061,060	561.27	6,703,630		37,050,826				43,754,456			
1562	Augusta Baker Children's Literacy																		
----	Consolidate Institute for Archaeology & Anthropology with Dept of Archives & History										(496,812)					(496,812)			
----	1% Reduction to Encourage Collaboration										(1,529,071)					(1,529,071)			
	Unemployment Compensation Premium Reduction										(144,324)					(144,324)			
	TERI Savings (All Campuses)										(1,963,146)					(1,963,146)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	5,831,313						5,831,313		5,831,313						5,831,313			
	<b>Total</b>	<b>170,355,770</b>	<b>152,402,829</b>	<b>471,717,321</b>			<b>2,150,000</b>	<b>796,625,920</b>	<b>4,695.95</b>	<b>163,875,689</b>	<b>150,872,030</b>	<b>531,465,630</b>				<b>846,213,349</b>			
<b>H29 USC - Aiken</b>																			
482	Instruction: Arts and Sciences	6,452,633	171,767	4,650,417				11,274,817	95.65	6,452,633	171,767	6,027,256				12,651,656			
483	Instruction: Business and Hospitality, Retail, and Sports Management	1,278,347		884,130				2,162,477	18.04	1,278,347		758,193				2,036,540			
484	Instruction: Education	949,358		759,825				1,709,183	12.65	949,358		685,862				1,635,220			
485	Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	1,341,641		803,315				2,144,956	17.88	1,341,641		657,964				1,999,605			
494	Operations & Maintenance			3,458,287			599,237	4,057,524	32.00			3,458,287				3,458,287			
494	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(126,562)					(126,562)			
492	Academic Support			3,458,286				3,458,286	31.92			3,623,985				3,623,985			
493	Student Services			4,940,409				4,940,409	49.57			4,940,409				5,094,599			
495	Scholarships		3,521,224	7,347,677				10,868,901				3,597,697				11,098,319			
490	Research		128,825	365,216				494,041	0.19			365,216				437,586			
488	Auxiliary: Housing			1,628,235				1,628,235	5.57			1,628,235				1,628,235			
489	Auxiliary: Other			115,339				115,339				120,877				120,877			
487	Auxiliary: Bookstore			1,220,672				1,220,672	4.00			1,220,672				1,220,672			
491	Public Service		472,359	1,997,845				2,470,204	15.47			1,997,845		515,828		2,513,673			
486	Institutional Support			3,458,287				3,458,287	33.82			2,725,304				2,725,304			
	Unemployment Compensation Premium Reduction										(9,157)					(9,157)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	359,283						359,283		359,283						359,283			
	<b>Total</b>	<b>10,381,262</b>	<b>4,294,175</b>	<b>35,087,940</b>			<b>599,237</b>	<b>50,362,614</b>	<b>316.76</b>	<b>10,245,543</b>	<b>4,511,852</b>	<b>35,710,727</b>				<b>50,468,122</b>			
<b>H34 USC - Upstate</b>																			
500	Operations & Maintenance			5,856,855			408,000	6,264,855	56.14			5,856,855				5,856,855			
500	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(214,342)					(214,342)			
502	Instruction: Arts and Sciences	7,718,647	414,826	6,091,433			609,247	14,834,153	133.65	7,718,647	374,378	8,009,491				16,102,516			
504	Instruction: Education	1,473,822		1,039,562			107,647	2,621,031	23.62	1,473,822		1,399,697				2,873,519			
498	Academic Support			5,124,748			135,000	5,259,748	31.67			4,729,853		91,200		4,821,053			
499	Student Services		165,930	7,887,244			162,000	8,215,174	64.35			7,721,314		705,087		8,426,401			
505	Instruction: Public Health to include Public Health, Pharmacy, Nursing, and Social Work	1,857,773		1,282,168			134,482	3,274,423	29.50	1,857,773		1,641,591				3,499,364			
501	Scholarships		5,973,495	12,329,175				18,302,670				12,329,175		6,127,426		18,456,601			
503	Instruction: Business and Hospitality, Retail, and Sports Management	1,233,592		851,381			89,299	2,174,272	19.59	1,233,592		1,181,118				2,414,710			
508	Auxiliary: Housing			974,698				974,698	2.83			974,698				974,698			
496	Research		248,896	483,212				732,108	0.16			483,212				483,212			
497	Public Service		1,493,374	2,899,267				4,392,641	18.46			1,405,893		411,495		1,817,388			
507	Auxiliary: Bookstore			2,490,896				2,490,896	7.24			2,484,572				2,484,572			
509	Auxiliary: Other			194,940				194,940	0.57			194,940				194,940			
506	Institutional Support			5,124,748			232,000	5,356,748	59.72			5,072,593				5,072,593			
	Unemployment Compensation Premium Reduction										(12,733)					(12,733)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	412,425						412,425		412,425						412,425			
	<b>Total</b>	<b>12,696,259</b>	<b>8,296,521</b>	<b>52,630,327</b>			<b>1,877,675</b>	<b>75,500,782</b>	<b>447.50</b>	<b>12,469,184</b>	<b>7,709,586</b>	<b>53,485,002</b>				<b>73,663,772</b>			

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
<b>H36 USC - Beaufort</b>																		
515	Operations & Maintenance			1,861,125			502,175	2,363,300	6.88			1,861,125				1,861,125		
510	Instruction	2,429,247	410,495	3,493,956				6,333,698	38.16	2,429,247	410,495	5,391,891				8,231,633		
513	Academic Support			1,706,031				1,706,031	13.61		71,759	1,706,031				1,777,790		
514	Student Services		70,371	1,325,473				1,395,844	13.19		312,098	1,325,473				1,637,571		
516	Scholarships		504,323	736,427				1,240,750			642,305	1,020,002				1,662,307		
512	Public Service		140,741	324,540				465,281	2.18		1,905	324,540				326,445		
511	Research		46,914	263,274				310,188	1.15		105,239	263,274				368,513		
518	Penn Center - LINE ITEM	180,240						180,240	2.00									
517	Auxiliary: Bookstore			775,469				775,469	3.44			785,045				785,045		
519	Institutional Support			1,240,750				1,240,750	12.73			1,240,750				1,240,750		
	Unemployment Compensation Premium Reduction										(2,966)					(2,966)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	67,560						67,560		67,560						67,560		
	<b>Total</b>	<b>2,677,047</b>	<b>1,172,844</b>	<b>11,727,045</b>			<b>502,175</b>	<b>16,079,111</b>	<b>93.34</b>	<b>2,493,841</b>	<b>1,543,801</b>	<b>13,918,131</b>				<b>17,955,773</b>		
<b>H37 USC - Lancaster</b>																		
520	Instruction: Arts & Sciences	1,774,345	28,344	2,174,893			500,000	4,477,582	24.74	1,774,345	28,344	2,942,280				4,744,969		
523	Academic Support	182,663		299,468				482,131	4.65	182,663		400,509				583,172		
524	Student Services	188,882	127,548	527,299				843,729	7.07	188,882	331,857	541,594				1,062,333		
525	Operations & Maintenance			1,446,391			450,000	1,896,391	11.78			1,446,391				1,446,391		
	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(52,933)					(52,933)		
526	Scholarships		1,147,929	1,744,855				2,892,784			1,398,035	1,744,855				3,142,890		
521	Research										8,746					8,746		
522	Public Service		113,376	1,212,484				1,325,860	9.92			2,239,024				2,239,024		
527	Auxiliary: Bookstore								1.34									
528	Institutional Support	324,364		760,430				1,084,794	5.53	324,364		760,430				1,084,794		
	Unemployment Compensation Premium Reduction										(1,814)					(1,814)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	83,851						83,851		83,851						83,851		
	<b>Total</b>	<b>2,554,105</b>	<b>1,417,197</b>	<b>8,165,820</b>			<b>950,000</b>	<b>13,087,122</b>	<b>65.03</b>	<b>2,499,358</b>	<b>1,766,982</b>	<b>10,075,083</b>				<b>14,341,423</b>		
<b>H38 USC - Salkehatchie</b>																		
529	Instruction: Arts & Sciences	1,335,649	122,100	1,034,589			50,000	2,542,338	21.07	1,335,649	154,629	1,236,367				2,726,645		
532	Academic Support	230,415		351,131				581,546	5.00	230,415		391,060				621,475		
534	Operations & Maintenance			789,240			50,000	839,240	8.12			789,240				789,240		
533	Student Services	187,829	87,214	389,580				664,623	5.11	187,829	249,037	458,803				895,669		
535	Scholarships		1,203,556	873,392				2,076,948			1,317,876	873,392				2,191,268		
530	Research		17,443	24,096				41,539			62,245	24,096				86,341		
531	Public Service		313,971	250,192				564,163	5.23			65,093				65,093		
536	Auxiliary: Bookstore			249,234				249,234	0.13			293,035				293,035		
537	Leadership Center	100,460						100,460										
538	Institutional Support	295,558		452,143				747,701	5.61	295,558		452,143				747,701		
	Unemployment Compensation Premium Reduction										(1,170)					(1,170)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	68,032						68,032		68,032						68,032		
	<b>Total</b>	<b>2,217,943</b>	<b>1,744,284</b>	<b>4,413,597</b>			<b>100,000</b>	<b>8,475,824</b>	<b>50.27</b>	<b>2,116,313</b>	<b>1,783,787</b>	<b>4,583,229</b>				<b>8,483,329</b>		
<b>H39 USC - Sumter</b>																		
539	Instruction: Arts & Sciences	2,281,559	108,603	2,207,168				4,597,330	38.64	2,281,559	106,620	1,368,919				3,757,098		
543	Operations & Maintenance			932,791				932,791	10.78			882,574				882,574		
	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(34,137)					(34,137)		
541	Academic Support	599,102		999,970				1,599,072	16.84	599,102		1,246,046				1,845,148		
542	Student Services	442,630		623,418				1,066,048	15.94	442,630	5,617	683,285				1,131,532		
544	Scholarships		1,287,724	1,377,395				2,665,119			1,395,489	1,377,395				2,772,884		
1705	Research		15,515	24,462				39,977			15,439	24,462				39,901		
545	Auxiliary: Bookstore and Food Service			533,024				533,024	2.12			533,024				533,024		
540	Public Service		139,633	153,530				293,163				738,335				738,335		
546	Institutional Support	659,765		939,306			51,269	1,650,340	14.74	659,765		796,544				1,456,309		
	Unemployment Compensation Premium Reduction										(2,676)					(2,676)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	142,840						142,840		142,840						142,840		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
<b>Total</b>		<b>4,125,896</b>	<b>1,551,475</b>	<b>7,791,064</b>			<b>51,269</b>	<b>13,519,704</b>	<b>99.06</b>	<b>4,089,083</b>	<b>1,523,165</b>	<b>7,650,584</b>				<b>13,262,832</b>		
<b>H40 USC - Union</b>																		
547	Instruction: Arts & Sciences	545,383	174,011	647,326				1,366,720	10.02	545,383	174,011	742,937				1,462,331		
551	Operations & Maintenance			195,246			16,206	211,452	4.36			62,244				62,244		
549	Academic Support	135,707		176,686				312,393	2.95	135,707		234,617				370,324		
550	Student Services	126,970		146,374				273,344	5.39	126,970	59,615	146,374				332,959		
552	Scholarships		482,486	532,792				1,015,278			510,298	532,792				1,043,090		
548	Public Service		134,463	138,881				273,344				138,881				138,881		
553	Auxiliary: Bookstore			117,147				117,147	0.73			119,216				119,216		
554	Institutional Support	150,504		200,929				351,433	6.37	150,504		200,929				351,433		
	Unemployment Compensation Premium Reduction										(600)					(600)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	34,149						34,149				34,149				34,149		
<b>Total</b>		<b>992,713</b>	<b>790,960</b>	<b>2,155,381</b>			<b>16,206</b>	<b>3,955,260</b>	<b>29.82</b>	<b>992,113</b>	<b>743,924</b>	<b>2,177,990</b>				<b>3,914,027</b>		
<b>H47 Winthrop University</b>																		
566	Operation and Maintenance of Plant	2,495,479		7,685,000				10,180,479	111.00	2,495,479		7,685,000				10,180,479		
566	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(372,573)					(372,573)		
556	Instruction- College of Arts and Sciences	5,955,452	56,700	6,939,350			433,797	13,385,299	133.15	5,955,452	56,700	6,939,350				12,951,502		
557	Instruction- College of Education	2,519,463	123,339	2,822,300			187,588	5,652,690	56.55	2,519,463	123,339	2,822,300				5,465,102		
558	Instruction- College of Business	2,792,721		3,015,350			211,036	6,019,107	40.10	2,792,721		3,015,350				5,808,071		
559	Instruction- College of Visual and Performing Arts	2,336,158	52,023	2,404,700			175,863	4,968,744	51.50	2,336,158	52,023	2,404,700				4,792,881		
555	Instruction- General	626,531	201,000	223,000			46,897	1,097,428	6.40	626,531	169,154	223,000				1,018,685		
562	Academic Support	1,656,566	4,255	5,267,900			117,242	7,045,963	65.28	1,656,566		5,267,900				6,924,466		
563	Student Services	1,098,011	220,000	7,900,580				9,218,591	100.00	1,098,011	217,926	7,900,580				9,216,517		
565	Scholarships and Fellowships		4,612,205	13,438,056				18,050,261			4,604,928	13,438,056				18,042,984		
567	Student Direct Lending Program		21,000,000					21,000,000			21,000,000					21,000,000		
568	Center for Education, Recruitment, Retention and Advancement (CERRA); Teaching Fellows Program		62,100	5,750,000				5,812,100	2.00		62,100	5,750,000				5,812,100		
1706	Tillman Hall Repair						6,700,000	6,700,000										
569	Auxiliary Services- Housing			6,200,000				6,200,000	50.11			6,200,000				6,200,000		
570	Auxiliary Services- Health Center			1,150,000				1,150,000	12.00			1,150,000				1,150,000		
571	Auxiliary Services- Cafeteria			3,300,000				3,300,000				3,300,000				3,300,000		
560	Research		444,274	835,050				1,279,324			456,564	835,050				1,291,614		
561	Public Service		289,517	3,341,778				3,631,295	6.00		345,481	3,341,778				3,687,259		
572	Auxiliary Services- Bookstore and Vending			600,000				600,000				600,000				600,000		
564	Institutional Support Services	1,442,259		4,617,000				6,059,259	113.44	1,442,259		4,617,000				6,059,259		
1563	Thurmond Auditorium																	
	Unemployment Compensation Premium Reduction										(22,133)					(22,133)		
	TERI Savings										(106,017)					(106,017)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	809,456						809,456				809,456				809,456		
<b>Total</b>		<b>21,732,096</b>	<b>27,065,413</b>	<b>75,490,064</b>			<b>7,872,423</b>	<b>132,159,996</b>	<b>747.53</b>	<b>21,231,373</b>	<b>27,088,215</b>	<b>75,490,064</b>				<b>123,809,652</b>		
<b>H51 Medical University of South Carolina</b>																		
573	Instruction: College of Medicine	17,362,060	119,364	54,676,388				72,157,812	388.42	17,362,060	119,364	64,190,637				81,672,061		
574	Instruction: College of Pharmacy	1,159,187	7,969	3,650,501				4,817,657	25.89	1,159,187	7,969	3,650,501				4,817,657		
575	Instruction: College of Nursing	1,313,747	9,032	4,137,235				5,460,014	28.77	1,313,747	9,032	4,137,235				5,460,014		
579	Instruction: College of Medicine		3,419,136	681,196				4,100,332	17.26		3,419,136	681,196				4,100,332		
580	Instruction: College of Pharmacy		228,281	45,480				273,761			228,281	45,480				273,761		
581	Instruction: College of Nursing		258,718	51,545				310,263			258,718	51,545				310,263		
583	Instruction: College of Dental Medicine		598,602	119,260				717,862			598,602	119,260				717,862		
576	Instruction: College of Graduate Studies	103,039	709	324,490				428,238	2.88	103,039	709	324,490				428,238		
577	Instruction: College of Dental Medicine	3,039,649	20,897	9,572,425				12,632,971	69.05	3,039,649	20,897	9,572,425				12,632,971		
578	Instruction: College of Health Professions	2,782,051	19,127	8,761,202				11,562,380	60.42	2,782,051	19,127	8,761,202				11,562,380		
584	Instruction: College of Health Professions		547,873	109,154				657,027			547,873	109,154				657,027		
582	Instruction: College of Graduate Studies		20,292	4,042				24,334			20,292	4,042				24,334		
586	Research	7,325,161	134,250,000	37,706,845				179,282,006	1,090.45	7,325,161	129,250,000	37,706,845				174,282,006		
591	Operation & Maint of Plant	14,564,140		45,988,092				60,552,232	302.10	14,564,140		45,988,092				60,552,232		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
591	Reduce Operation & Maintenance by 3.7% to Encourage Collaboration										(2,216,017)					(2,216,017)		
592	Scholarships & Fellowships			2,710,129				2,710,129				2,710,129				2,710,129		
1565	Rural Dentist Incentive	250,000						250,000										
1707	College of Dental Medicine - Construction						7,000,000	7,000,000										
590	Student Services	2,068,280		6,563,966				8,632,246	43.16		2,068,280	6,563,966				8,632,246		
1566	Hollings Cancer Center						500,000	500,000			1,000,000					1,000,000		
588	Public Service - Diabetes Center	289,088						289,088			289,088					289,088		
587	Public Service	5,290,803	9,600,000	18,934,694				33,825,497	184.14		5,290,803	9,600,000	18,934,694			33,825,497		
593	Auxiliary (Parking)			5,290,185				5,290,185	31.65				6,019,763			6,019,763		
585	Instruction - Coll. Of Nursing - FMU																	
589	Administration	30,359,501	900,000	96,604,171			2,545,904	130,409,576	632.98		30,359,501	900,000	98,604,171			129,863,672		
1564	Simulation Lab - College of Nursing																	
----	1% Reduction to Encourage Collaboration										(821,405)					(821,405)		
	Unemployment Compensation Premium Reduction										(153,178)					(153,178)		
	TERI Savings										(399,418)					(399,418)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	3,062,450						3,062,450			3,062,450					3,062,450		
	<b>Total</b>	<b>88,969,156</b>	<b>150,000,000</b>	<b>295,931,000</b>			<b>10,045,904</b>	<b>544,946,060</b>	<b>2,877.17</b>		<b>86,129,138</b>	<b>145,000,000</b>	<b>308,174,827</b>			<b>539,303,965</b>		
	<b>H53 Consortium of Community Teaching Hospitals</b>																	
600	Recruitment - Rural Physician Program	78,977					2,909	81,886	1.00		78,977					78,977		
601	Recruitment - Rural Physician Program	689,845						689,845			689,845					689,845		
602	Recruitment - Nursing Recruitment Center	37,955						37,955	0.25		37,955					37,955		
595	Health Professions Student Programs	627,952					23,131	651,083	1.75		627,952					627,952		
608	Instruction-Family Medicine Residency	6,304,101					232,215	6,536,316	11.03		6,304,101					6,304,101		
604	Instruction-DPRT		866,205					866,205	1.55			1,032,969				1,032,969		
606	Recruitment - National Health Service Corps Loan Repayment		320,000					320,000	0.50			320,000				320,000		
605	Instruction	73,251	470,284				2,698	546,233	0.91		73,251	485,519				558,770		
594	Instruction-Continuing Education	1,298,760					48,099	1,346,859	2.00		1,298,760					1,298,760		
599	Recruitment - Palmetto Initiative for Excellence (PIE)	74,440						74,440			74,440					74,440		
609	Instruction-Graduate Doctor Education Residency Training Programs (excluding Family Medicine Residency Training Programs)	4,157,359					153,139	4,310,498	2.00		4,157,359					4,157,359		
1567	Health Careers Program (Other Funds)			350,155				350,155	0.20			350,155				350,155		
597	Regional Center Administration	385,432					14,391	399,823			385,432					385,432		
596	Health Careers Program (General Funds)	428,543					16,000	444,543	1.80									
1708	Infrastructure Development	415,000						415,000			415,000					415,000		
607	Miscellaneous Federal Grant Opportunities		525,814					525,814				600,814				600,814		
603	Library Information Service	144,680						144,680			144,680					144,680		
598	Miscellaneous Other Funds			844,845				844,845				849,845				849,845		
610	System Wide Administration/Coordination	533,577					19,397	552,974	3.33		533,577					533,577		
	Unemployment Compensation Premium Reduction										(2,591)					(2,591)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	142,956						142,956			142,956					142,956		
	<b>Total</b>	<b>15,392,828</b>	<b>2,182,303</b>	<b>1,195,000</b>			<b>511,979</b>	<b>19,282,110</b>	<b>26.32</b>		<b>14,961,694</b>	<b>2,439,302</b>	<b>1,200,000</b>			<b>18,600,996</b>		
	<b>H59 Technical &amp; Comprehensive Education</b>																	
661	Center for Accelerated Technology Training (formerly Special Schools)	2,079,099		500,000		3,000,000	1,200,000	6,779,099	9.00		3,579,099	250,000				3,829,099		
611	INSTRUCTION: Agriculture, Agriculture Operations, and Related Sciences (CIP 01)	763,932		384,943				1,148,875	10.50		763,932	384,943				1,148,875		
612	INSTRUCTION: Natural Resources and Conservation (CIP 03)	69,651		157,092				226,743	2.25		69,651	157,092				226,743		
615	INSTRUCTION: Computer and Information Sciences and Support Services (CIP 11)	6,056,466	148,836	5,209,642				11,414,944	98.38		6,056,466	148,836	8,980,132			15,185,434		
624	INSTRUCTION: Biological and Biomedical Sciences (CIP 26)	5,044,243	49,135	4,914,889				10,008,267	78.62		5,044,243	49,135	8,685,379			13,778,757		
625	INSTRUCTION: Mathematics and Statistics (CIP 27)	6,407,376	69,202	5,640,081				12,116,659	104.00		6,407,376	69,202	9,410,571			15,887,149		
626	INSTRUCTION: Multi/Interdisciplinary Studies (CIP 30)	69,592		186,498				256,090	1.50		69,592	186,498				256,090		

### FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
628	INSTRUCTION: Basic Skills (CIP 32)	4,401,638	43,743	4,419,399				8,864,780	84.75	4,401,638	43,743	4,419,399				8,864,780		
637	INSTRUCTION: Construction Trades (CIP 46)			22,750				22,750	5.25			22,750				22,750		
638	INSTRUCTION: Mechanic and Repair Technologies/Technicians (CIP 47)	5,291,900	223,970	4,519,088				10,034,958	82.75	5,291,900	223,970	4,519,088				10,034,958		
665	INSTRUCTION: Health Professions and Related Clinical Sciences (CIP 51)	21,001,643	205,133	20,247,890				41,454,666	340.99	21,001,643	205,133	25,985,024				47,191,800		
666	INSTRUCTION: Business, Management, Marketing, and Related Support Services (CIP 52)	7,708,330	137,444	5,913,890				13,759,664	109.75	7,708,330	137,444	5,913,890				13,759,664		
673	Operation and Maintenance of Plant	2,284,576	56,481	45,746,832				48,087,889	415.69	2,284,576	56,481	45,746,832				48,087,889		
613	INSTRUCTION: Communication, Journalism, and Related Programs (CIP 09)	96,452		111,375				207,827	2.25	96,452		111,375				207,827		
614	INSTRUCTION: Communications Technologies/Technicians and Support Services (CIP 10)	461,997		1,050,365				1,512,362	13.75	461,997		1,050,365				1,512,362		
616	INSTRUCTION: Personal and Culinary Services (CIP 12)	1,365,764	18,863	1,932,261				3,316,888	23.00	1,365,764	18,863	1,932,261				3,316,888		
617	INSTRUCTION: Engineering (CIP 14)	363,460		313,552				677,012	6.00	363,460		313,552				677,012		
618	INSTRUCTION: Engineering Technologies/Technicians (CIP 15)	5,891,427	139,923	5,771,124				11,802,474	90.75	5,891,427	139,923	5,771,124				11,802,474		
619	INSTRUCTION: Foreign Languages, Literatures, and Linguistics (CIP 16)	920,636	15,521	673,080				1,609,237	15.00	920,636	15,521	673,080				1,609,237		
620	INSTRUCTION: Family and Consumer Sciences/Human Sciences (CIP 19)	1,243,089	66,765	1,976,287				3,286,141	52.00	1,243,089	66,765	1,976,287				3,286,141		
622	INSTRUCTION: English Language and Literature/Letters (CIP 23)	8,330,304	64,236	7,021,756				15,416,296	135.60	8,330,304	64,236	7,021,756				15,416,296		
623	INSTRUCTION: Liberal Arts and Sciences, General Studies and Humanities (CIP 24)	1,606,569	7,708	1,200,874				2,815,151	25.25	1,606,569	7,708	1,200,874				2,815,151		
631	INSTRUCTION: Physical Sciences (CIP 40)	1,703,341	8,113	1,701,709				3,413,163	25.75	1,703,341	8,113	1,701,709				3,413,163		
632	INSTRUCTION: Science Technologies/Technicians (CIP 41)	8,742		3,007				11,749	7.75	8,742		3,007				11,749		
663	INSTRUCTION: Transportation and Materials Moving (CIP 49)	86,720	75,000	298,329				460,049	10.50	86,720	75,000	298,329				460,049		
674	Scholarships		2,700,631	2,389,619				5,090,250			2,700,631	2,389,619				5,090,250		
629	INSTRUCTION: Interpersonal and Social Skills (CIP 35)	228,167	2,020	135,057				365,244	4.25	228,167	2,020	135,057				365,244		
630	INSTRUCTION: Philosophy and Religion Studies (CIP 38)	291,021	4,000	367,407				662,428	5.25	291,021	4,000	367,407				662,428		
633	INSTRUCTION: Psychology (CIP 42)	2,307,159	19,303	1,773,704				4,100,166	29.25	2,307,159	19,303	1,773,704				4,100,166		
634	INSTRUCTION: Security and Protective Services (CIP 43)	1,404,792	17,477	1,279,090				2,701,359	23.00	1,404,792	17,477	1,279,090				2,701,359		
635	INSTRUCTION: Public Administration and Social Service Professions (CIP 44)	659,787	2,879	642,036				1,304,702	23.25	659,787	2,879	642,036				1,304,702		
636	INSTRUCTION: Social Sciences (CIP 45)	3,114,484	7,542	2,216,194				5,338,220	43.75	3,114,484	7,542	2,216,194				5,338,220		
647	Pathways to Prosperity	1,000,000						1,000,000		1,000,000						1,000,000		
662	INSTRUCTION: Precision Production (CIP 48)	2,194,166	15,690	2,348,157				4,558,013	32.75	2,194,166	15,690	2,348,157				4,558,013		
664	INSTRUCTION: Visual and Performing Arts (CIP 50)	1,192,239	8,000	1,579,898				2,780,137	46.25	1,192,239	8,000	1,579,898				2,780,137		
671	Student Services	10,598,554	17,173,368	31,605,095				59,377,017	718.53	10,598,554	16,669,780	30,932,786				58,201,120		
1575	INSTRUCTION: History (CIP 54)	612,532	11,986	517,961				1,142,479	14.25	612,532	11,986	517,961				1,142,479		
1576	INSTRUCTION: Education (CIP 13)	127,216		10,417				137,633	3.00	127,216		10,417				137,633		
1712	Allied Health Initiative						3,706,698	3,706,698	80.00	3,500,000						3,500,000	100.00	
621	INSTRUCTION: Legal Professions and Studies (CIP 22)	1,111,007	12,106	722,091				1,845,204	14.75	1,111,007	12,106	722,091				1,845,204		
646	Midlands Tech Nursing Program	613,590						613,590	8.00	613,590						613,590		
652	Finance and General Administration	1,363,233						1,363,233	15.00	1,363,233						1,363,233		
653	Academic Affairs	901,727	120,000					1,021,727	14.00	901,727	120,000					1,021,727		
654	Audits of Colleges	279,520						279,520	4.00	279,520						279,520		
656	Innovative Technical Training	552,614						552,614	0.95	552,614						552,614		
660	Multi Media	270,885						270,885	4.00	270,885						270,885		
669	Academic Support - Library	2,510,555	24,264	5,681,236				8,216,055	104.83	2,510,555	24,264	5,681,236				8,216,055		

### FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
1713	Technical College of the Lowcountry - Nursing Program						250,000	250,000											
650	System Office President's Office	902,981						902,981	10.00	902,981									
667	Occupational Upgrading	3,399,361	1,208,753	9,967,251				14,575,365	97.06	3,399,361	1,208,753	9,967,251							
670	Academic Support - Other	12,225,069	4,599,926	34,877,654				51,702,649	566.11	12,225,069	4,456,530	34,877,654							
644	F. E. Dubose Career Center			1,765,146				1,765,146				1,765,146							
645	Missing and Exploited Children	94,050						94,050	1.00	94,050									
649	Trident Technical College Culinary Arts	775,000						775,000											
651	Human Resource Services (HRS)	430,309						430,309	7.00	430,309									
655	Data Processing Support	2,095,086						2,095,086	20.00	2,095,086									
659	Inventory Control	127,610						127,610	3.00	127,610									
668	Community Service Programs	721,934	455,427	3,115,176				4,292,537	25.85	721,934	455,427	3,115,176							
1710	Florence-Darlington - SIMT	1,500,000						1,500,000		1,500,000									
648	Florence-Darlington - Entrepreneurial Operations Equipment	500,000						500,000		500,000									
658	Support Unit and Warehouse	440,800						440,800	7.00	440,800									
1573	Spartanburg Cherokee Expansion	1,500,000		250,000				1,750,000	5.00	1,500,000		250,000							
1709	Williamsburg - Repair/Renovation						300,000	300,000											
1711	Horry-Georgetown Instructional Facility			1,000,000				1,000,000											
639	Auxiliary Enterprises - Food Services	45,120	49,017	1,120,077				1,214,214	6.33	45,120	49,017	1,120,077							
641	Auxiliary Enterprises -Residence Halls			546,664				546,664	1.00			546,664							
640	Auxiliary Enterprises -Bookstores	149,063	18,880	28,423,266				28,591,209	59.05	149,063	18,880	28,423,266							
642	Auxiliary Enterprise - Vending			22,649				22,649				22,649							
627	INSTRUCTION: Parks, Recreation, Leisure and Fitness Studies (CIP 31)																		
643	Sales & Services of Education Departments																		
657	Economic Development - Administration	2,265,890						2,265,890	30.00	2,265,890									
672	Institutional Support	14,467,467	1,694,059	57,783,696				73,945,222	771.40	14,467,467	1,702,703	57,783,696							
672	Savings from Implementing Administration Standards for Non-teaching Personnel									(970,252)									
1568	Piedmont Nursing Program																		
1569	York Infrastructure Project																		
1570	Deferred Maintenance																		
1571	Florence-Darlington - Mullins Satellite Campus																		
1572	Orangeburg Construction																		
1574	Horry-Georgetown Nursing Program																		
	Unemployment Compensation Premium Reduction									(259,781)									
	Travel Savings									(27,913)									
	TERI Savings									(1,338,366)									
	FY 06-07 Health Ins, Pay Plan, POV Allocation	5,181,329						5,181,329		5,181,329									
	<b>Total</b>	<b>161,411,264</b>	<b>29,475,401</b>	<b>310,056,254</b>			<b>3,000,000</b>	<b>5,456,698</b>	<b>509,399,617</b>	<b>4,549.89</b>	<b>163,039,952</b>	<b>28,837,061</b>	<b>325,182,549</b>				<b>517,059,562</b>	<b>100.00</b>	
<b>H63 State Department of Education</b>																			
675	Foundation Education Program - Education Finance Act (EFA)	1,426,956,916						1,426,956,916		1,520,907,785								1,520,907,785	
777	Teacher Quality - Teacher Recruitment				5,936,014			5,936,014					5,936,014					5,936,014	
1714	FIRST STEPS - Pre-Kindergarten Program & Centers of Excellence					2,000,000	7,322,576	9,322,576											
686	Teacher Salary Supplement				96,320,300			96,320,300					75,048,307					75,048,307	
687	Teacher Salary Supplement Employer Contributions				18,397,177			18,397,177					18,397,177					18,397,177	
690	Professional Development and Support for Math and Science		1,795,766		2,900,382			4,696,148			2,189,761		2,900,382					5,090,143	
691	Critical Teaching Needs				602,911			602,911					602,911					602,911	
----	Technical Assistance - Below Average Schools												14,190,000					14,190,000	
----	Technical Assistance - Unsatisfactory Schools												50,400,000					50,400,000	
----	Public Choice Innovation Schools												2,560,000					2,560,000	

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
----	EOC 4 year-old Evaluation																		
696	Service to Students with Disabilities - Special Needs Children	129,928						129,928		1.70									
698	Career and Technology Education - Modernize Vocational Equipment	4,800,452			3,963,520			8,763,972					3,963,520						
718	Charter School Program		2,577,831					2,577,831		1.70									
744	Alternative Certification Programs		574,731		198,236			772,967		1.00									
779	Career Changer Loan	1,622,662						1,622,662											
1719	Education and Economic Development (Education and Economic Development Act)	13,914,200						13,914,200		7.00									
676	Employer Contributions	423,722,526						423,722,526											
677	Retiree Insurance	62,762,209						62,762,209											
682	Advanced Placement (AP)				3,078,265			3,078,265					3,970,000						
685	Early Child Development and Academic Assistance				120,599,723			120,599,723					120,599,723						
756	Student Identifier and LDS				1,158,155			1,158,155					1,158,155						
760	Instructional Materials - Textbooks	26,498,804		1,550,142	23,557,280		1,855,727	3,144,273	56,606,226	5.00									
799	FIRST STEPS - Early Education	3,671,522		700,000	537,500				4,909,022										
694	Services to Students with Disabilities - Special Needs - Children w/ Disabilities P.L.108-446 (formerly P.L. 99-457)				3,973,584				3,973,584										
695	Services to Students with Disabilities - Special Needs Children	43,316						43,316											
697	Service to Students with Disabilities				4,205,017				4,205,017					4,205,017					
701	Nursing Program	597,562						597,562											
713	Enhance Teacher Skills and Student Performance in English, Math, Science and Social Studies in Grades K-5 and 6-8				72,342	48,500,000			48,572,342	0.60									
722	21st Century Community Learning Center Program (Competitive Grants)		12,825,734					12,825,734											
750	School Transportation System - EAA & EEDA	4,957,440						4,957,440											
787	State Agency Teacher Pay				9,225,936			9,225,936					9,820,837						
689	Teacher Supplies				12,500,000			12,500,000					12,750,000						
700	High Schools That Work (HSTW)	1,100,000			1,000,000			2,100,000					1,000,000						
712	SAT Improvement	331,524						331,524		0.50									
714	Academic / Instructional Assistance to High Poverty Schools and Students (Title I, Part A, of NCLB (Basic Grants))		168,873,813					168,873,813		10.00									
720	Reduce Dropouts and Truancy - Juvenile Justice & Delinquency Prevention		1,000,000					1,000,000					1,000,000						
736	Early Childhood Education--Four-Year Old Early Childhood	94,576			22,884,345			22,978,921		13.00									
740	Adult Education (AE)	2,571,140	8,473,300	1,208,660	14,277,703			26,530,803		20.00									
741	Career and Technology Education (CATE)	461,236	19,543,406					20,004,642		29.00									
749	School Transportation System	45,145,641		7,270,731	647,501		9,784,856	62,848,729		481.02									
755	Data Collection-SASI				1,548,450			1,548,450											
768	GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs)			20,000				20,000											
1715	Public School Child Development Education Pilot Program							15,717,104		15,717,104									
678	Reduce Class Size				35,047,429			35,047,429											
684	Gifted and Talented (G&T) Instruction				34,497,533			34,497,533											
747	Teacher Quality - Title II A of the No Child Left Behind Act		39,789,035					39,789,035		2.00									
748	Teacher Advancement Program (TAP) NON-EAA			300,000				300,000		0.50									
752	Technology Support and Assistance	2,276,040		803,140	2,151,893			5,231,073		49.30									
757	Technology Initiative				13,683,697			13,683,697											

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
778	Teacher Loan				5,367,044			5,367,044					5,367,044			5,367,044		
800	FIRST STEPS - Child Care	4,817,725		700,000	537,500			6,055,225		4,817,725		700,000	537,500			6,055,225		
801	FIRST STEPS - Parenting/Family Literacy	6,663,948		700,000	537,500			7,901,448		6,663,948		700,000	537,500			7,901,448		
702	School Lunch Program Aid	413,606						413,606		413,606						413,606		
708	School Transportation System - State Supplement for Bus Drivers - Salary, Employer's Contribution, and Workers Compensation	45,237,084			450,776			45,687,860		45,237,084			450,776			45,687,860		
711	Professional Development on Reading to Teachers - Institute of Reading	1,000,000			1,312,874			2,312,874		1,000,000			1,312,874			2,312,874		
717	Comprehensive School Reform - CSR (Title I, Part F and Fund for Improvement, in NCLB)		5,460,255					5,460,255	1.45									
738	Competitive Teacher Grants				1,287,044			1,287,044										
739	Services to Students with Disabilities - Special Education	260,220	162,681,963					162,942,183	26.00	260,220	176,499,004					176,759,224		
742	Teacher Certification	1,554,870		400,000	2,293,362			4,248,232	35.00	1,554,870	777,300	400,000	2,293,362			5,025,532		
751	School Transportation System - Bus Purchase	10,676,931					26,123,069	36,800,000		10,676,931						10,676,931		
758	Conduct Research and Prepare Reports	1,007,622			971,793			1,979,415	17.00	1,007,622			971,793			1,979,415		
770	Parental and Community Partnerships	102,292						102,292	1.00	102,292			156,250			258,542		
802	FIRST STEPS - Health	597,329		50,000	387,500			1,034,829		597,329		50,000	387,500			1,034,829		
1716	Student Health and Fitness Education (Student Health and Fitness Act of 2005)	4,140,340						4,140,340	3.00	4,140,340						4,140,340		
1578	Interpreter Recruitment	100,000					50,000	150,000		100,000						100,000		
693	Teacher Quality - ADEPT	2,217,245						2,217,245										
699	Tech Prep		1,661,751		4,064,483			5,726,234			1,661,751					1,661,751		
707	Safe Schools - Alternative Schools				10,976,277			10,976,277					11,688,777			11,688,777		
715	Academic/Instructional Assistance to Migrant Children (Title I, Part C, of NCLB (Migrant))		766,511					766,511	1.00		766,511					766,511		
716	Academic/Instructional Assistance to Neglected and Delinquent Children (Title I, Part D, of NCLB (Neglected and Delinquent))		1,239,248					1,239,248	0.80		1,239,248					1,239,248		
719	Character Education Program	339,104						339,104	1.00	305,194	324,898					630,092		
735	Arts Scholarship - Archibald Rutledge Scholarship	15,963						15,963		15,963						15,963		
743	Teacher Recognition (Teacher of the Year)				166,102			166,102					166,102			166,102		
745	Teacher Education				293,804			293,804					293,804			293,804		
753	Uniform Management Information Reporting System (UMIRS)																	
766	School Health Finance System (Medicaid)			3,020,830				3,020,830	6.10			3,020,830				3,020,830		
792	Centers Of Excellence				721,101			721,101					721,101			721,101		
804	FIRST STEPS - FEDERAL PROGRAM		1,778,849					1,778,849			1,778,849					1,778,849		
1717	Educational Services to Homeless (Safe Schools-McKinney-Vento Homeless Program)		899,316					899,316			899,316					899,316		
679	Summer Schools				31,000,000			31,000,000					31,000,000			31,000,000		
680	Increase Credits for High School Diploma				23,632,801			23,632,801					23,632,801			23,632,801		
704	School Facilities - Buildings			10,300,000				10,300,000				10,300,000				10,300,000		
706	Safe Schools -Middle School Initiative				4,937,500			4,937,500					4,937,500			4,937,500		
709	Curriculum and Standards Services	1,323,684	20,504,403	884,954	229,052			22,942,093	30.00	1,323,684	20,437,921	884,954	229,052			22,875,611		
710	Professional Development on Standards				4,413,485			4,413,485					4,413,485			4,413,485		
725	External Reviews - External Review Teams				699,010			699,010					1,372,000			1,372,000		
733	Rural Education Achievement Program - REAP (Title VI of NCLB)		2,431,320					2,431,320	0.55		2,431,320					2,431,320		
737	Parenting and Family Literacy Services		3,045,630		6,105,803			9,151,433			3,045,630		6,105,803			9,151,433		
763	School Food Services and Food Distribution System	149,825	162,014,676					162,164,501	18.00	149,825	182,275,849					182,425,674		
771	OSL-Foundational Leadership				42,000			42,000					42,000			42,000		
784	Holocaust	44,065						44,065		44,065						44,065		



**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1577	Robert C. Byrd Scholarship		547,187					547,187			547,187					547,187		
1718	FIRST STEPS - School Transition	308,869						308,869		308,869						308,869		
761	School Facilities Support	508,994		90,000				598,994	8.00	508,994		90,000				598,994		
688	National Board Certification (NBC) Incentive	6,061,304			42,051,196			48,112,500		377,824			50,523,700			50,901,524		
703	Principal Salary Supplement				3,098,123			3,098,123					3,098,123			3,098,123		
724	Retraining Grants				6,144,000			6,144,000					1,030,000			1,030,000		
727	Accreditation of Schools	644,718						644,718	12.00									
734	Arts Curricula Instruction				1,723,554			1,723,554	1.31				1,723,554			1,723,554		
746	Teacher Evaluation (ADEPT)				100,000			100,000	1.00				100,000			100,000		
754	Enhancing Education Through Technology (E2T2); Title II Part D of NCLB		9,098,845					9,098,845			6,355,587					6,355,587		
759	Assessment and Testing Activities	3,870,327	7,877,108		17,233,589			28,981,024	29.00	7,820,327	6,892,411		17,233,589			31,946,327		
772	OSL-Principal Evaluation, Induction, and Assessment				90,000			90,000					90,000			90,000		
781	Status Offender	527,835						527,835		527,835						527,835		
788	Writing Improvement Network				288,444			288,444					288,444			288,444		
723	Teacher Specialists Assistance and Technical Support	10,564			26,638,410	11,000,000		37,648,974	25.00				13,207,816			13,207,816		
726	Palmetto Gold and Silver Awards Program				3,000,000			3,000,000					3,000,000			3,000,000		
731	English Speakers of Other Languages - ESOL (Title III, of NCLB)		2,498,113					2,498,113	1.00		2,498,113					2,498,113		
762	Safe and Drug-Free Program	357,204	5,085,941					5,443,145	16.20	357,204	5,085,941					5,443,145		
765	Healthy Schools Programs (HIV Prevention & Youth Risk Behavior Surveillance)		205,813					205,813			205,813					205,813		
769	Commission on National and Community Service		2,751,552					2,751,552	3.50		2,751,552					2,751,552		
780	Archives & History	34,918						34,918		34,918						34,918		
783	Aid Sch Dist-Felton Lab	165,659						165,659		165,659						165,659		
790	SC Geographic Alliance				184,508			184,508					184,508			184,508		
794	State Board of Education and SCSBA	67,621						67,621		67,621						67,621		
683	Junior Scholars				223,767			223,767					223,767			223,767		
721	Homework Centers				10,586,000			10,586,000					610,000			610,000		
730	OSL-School Leadership On-Line Campus				7,500			7,500					7,500			7,500		
764	Coordinated School Health Programs		455,429					455,429		29,887,860	455,429					30,343,289		
773	OSL-Executive Institute -- Tapping Executive Educators (OSL-TEE)				25,000			25,000					25,000			25,000		
774	OSL-Technical Assistance				731,320			731,320	13.00				731,320			731,320		
775	OSL-Institute for District Administrators (SLEI DA)				19,000			19,000					19,000			19,000		
776	OSL-Leadership Sustainment and Enhancement Programs				20,000			20,000					20,000			20,000		
785	Youth in Government	18,445						18,445										
786	EOC Family Involvement				45,318			45,318					45,318			45,318		
789	Education Oversight Committee (EOC)				1,214,540			1,214,540					1,214,540			1,214,540		
791	School Improvement Council				180,192			180,192					180,192			180,192		
796	Governmental Services - Policy & Planning	93,651						93,651	2.00	93,651						93,651		
728	Principal Specialists, Mentors, Leaders	33,135			4,720,244			4,753,379										
729	OSL-Progress Energy School Leadership Executive Institute (SLEI)				906,370			906,370					906,370			906,370		
732	Innovative Programs (Title V of NCLB)		4,784,349					4,784,349	4.90		1,575,125					1,575,125		
795	Ombudsman Services	80,555						80,555	1.00									
793	EOC Public Relations				226,592			226,592					226,592			226,592		
767	Community Service Learning								1.50									
797	Finance	3,517,069		939,181	353,185			4,809,435	48.00	2,862,679		939,181	353,185			4,155,045		
798	Administration	3,076,938		88,000	214,090			3,379,028	50.09	3,076,938		88,000	214,090			3,379,028		
803	FIRST STEPS - Administration	2,329,897	540,381	850,000			536,000	4,256,278	14.00	2,096,907	540,381	850,000				3,487,288		
	Unemployment Compensation Premium Reduction										(24,960)					(24,960)		
	Travel Savings										(25,533)					(25,533)		
	TERI Savings										(243,345)					(243,345)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	21,268,393						21,268,393		21,268,393						21,268,393		

### FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
<b>Total</b>		<b>2,145,295,643</b>	<b>651,782,256</b>	<b>29,875,638</b>	<b>653,416,646</b>	<b>59,500,000</b>	<b>29,978,796</b>	<b>36,554,809</b>	<b>3,606,403,788</b>	<b>993.02</b>	<b>2,306,702,942</b>	<b>689,892,684</b>	<b>29,875,638</b>	<b>673,000,000</b>	<b>48,500,000</b>		<b>3,747,971,264</b>	<b>3.00</b>	<b>60,000,000</b>
<b>H64 Governor's School for Arts and Humanities</b>																			
807	Art Programs	1,044,997		50,000					1,094,997	21.00	1,044,997		50,000				1,094,997		
806	Academic Programs	1,710,471		25,000					1,735,471	16.66	1,710,471		25,000				1,735,471		
809	Admissions, Outreach, Recruiting, and Special Programs (Summer Programs)	444,237		379,771					824,008	3.00	444,237		379,771				824,008		
810	Library	199,190							199,190	3.00	199,190						199,190		
1720	CRF and Supplemental Funds-Non-recurring							2,000,000	500,000										
808	Residential Life	645,109		50,000					695,109	19.00	1,114,399		50,000		1,575,000		2,739,399		
811	Institutional Advancement			250,000					250,000				250,000				250,000		
812	Administration	2,691,924		250,000					2,941,924	26.68	2,423,122		250,000				2,673,122		
1579	Residential Life - One Time actions / improvements.																		
<b>Total</b>		<b>6,735,928</b>		<b>1,004,771</b>				<b>2,000,000</b>	<b>500,000</b>	<b>10,240,699</b>	<b>89.34</b>	<b>6,936,416</b>		<b>1,004,771</b>		<b>1,575,000</b>	<b>9,516,187</b>		
<b>H65 Governor's School for Math and Science</b>																			
813	Academics-Instruction	1,542,850		57,429				800,000	200,000	2,600,279	16.90	1,880,250		57,429			1,937,679		
814	Life in Residence	1,366,038		142,782				800,000	200,000	2,508,820	11.42	1,489,112		142,782			1,631,894		
815	Statewide Outreach	352,045		532,589				300,000	75,000	1,259,634	1.85	352,045		532,589			884,634		
816	Administrative Overhead	275,247		13,700				100,000	25,000	413,947	2.75	247,722		13,700			261,422		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	56,110								56,110		56,110					56,110		
<b>Total</b>		<b>3,592,290</b>		<b>746,500</b>				<b>2,000,000</b>	<b>500,000</b>	<b>6,838,790</b>	<b>32.92</b>	<b>4,025,239</b>		<b>746,500</b>			<b>4,771,739</b>		
<b>H67 Educational Television Commission</b>																			
825	Pre K - 12 Educational Services	2,915,067		2,842,769				448,000		6,205,836	71.00	2,915,067		2,917,769			5,832,836		
824	Agency Fundraising	411,917		505,474					917,391	10.70	370,725		505,474				876,199		
827	Higher & Medical Education Services	971,663		265,108				658,000	265,108	1,894,771	17.46	971,663		265,108			1,236,771		
830	Educational Television - Local Programming	4,517,539		1,233,564				98,000		5,849,103	69.99	4,517,539		1,243,564			5,761,103		
829	Education Services to City, County and State Government	716,206		227,044				196,000		1,139,250	16.90	716,206		217,044			933,250		
826	Educational Radio	251,059		969,324					1,220,383	8.62			969,324				969,324		
828	Educational Television - National Programming	685,903		1,926,417					2,612,320	4.53	685,903		1,926,417				2,612,320		
831	Administration	2,951,777		130,300					3,082,077	30.00	2,656,599		130,300				2,786,899		
	Unemployment Compensation Premium Reduction											(16,859)					(16,859)		
	Travel Savings											(22,776)					(22,776)		
	TERI Savings											(98,928)					(98,928)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	329,375								329,375		329,375					329,375		
<b>Total</b>		<b>13,750,506</b>		<b>8,100,000</b>				<b>1,400,000</b>		<b>23,250,506</b>	<b>229.20</b>	<b>13,024,514</b>		<b>8,175,000</b>			<b>21,199,514</b>		
<b>H71 Wil Lou Gray Opportunity School</b>																			
834	Vocational Program	160,120		94,106					254,226	3.23	160,120		96,225				256,345		
833	Academic Program	1,051,591		710,166				75,000	1,836,757	19.38	1,051,591		724,651		62,500		1,838,742		
835	Library Program	56,370		18,524					74,894	0.81	56,370		18,940				75,310		
836	Student Services Program (Residential Program)	335,668		8,000					343,668	13.15	335,668		8,000				343,668		
837	Support Services Program	1,125,226	240,000	460,800				500,000	200,000	2,526,026	16.69	1,125,226	240,000	460,800	250,000		2,076,026		
832	Administration Program	396,817							68,000	8.00	357,190						357,190		
	Unemployment Compensation Premium Reduction											(1,162)					(1,162)		
	Travel Savings											(553)					(553)		
	TERI Savings											(37,240)					(37,240)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	86,666								86,666		86,666					86,666		
<b>Total</b>		<b>3,212,458</b>	<b>240,000</b>	<b>1,291,596</b>				<b>500,000</b>	<b>343,000</b>	<b>5,587,054</b>	<b>61.26</b>	<b>3,133,876</b>	<b>240,000</b>	<b>1,308,616</b>		<b>312,500</b>	<b>4,994,992</b>		
<b>H73 Vocational Rehabilitation</b>																			
839	Direct Client Services	10,175,557	30,371,119	908,407				740,000		42,195,083	740.91	10,675,557	32,094,927	131,718			42,902,202		
845	SSI Program		2,000,000							2,000,000	4.00		2,011,503				2,011,503		
850	Disability Determination Services		31,915,000	2,683,500						34,598,500	318.36		36,037,129	2,858,500			38,895,629		

FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
842	Supported Employment		528,000					528,000	17.00		528,000					528,000			
849	Workshop Production			17,000,000				17,000,000				17,000,000							
840	Case Services, Purchased	796,769	8,829,033					9,625,802		796,769	8,829,033					9,625,802			
846	BPAO Grant	16,000	400,000					416,000	1.00	16,000	350,149					366,149			
843	Independent Living	35,000	315,000					350,000		35,000	315,000					350,000			
847	Extended Rehabilitation	3,000						3,000		3,000						3,000			
844	Workshop Contracts			1,250,000				1,250,000	9.00		1,050,000	450,000				1,500,000			
841	In-Service Training	27,500	247,500					275,000		27,500	234,000					261,500			
1516	Residential Substance Abuse Treatment Centers Case Services, Purchased	3,231	20,967					24,198		3,231	20,967					24,198			
1517	Residential Substance Abuse Treatment Centers	546,855	1,915,014	5,698				2,467,567	38.00	546,855	1,915,014	5,698				2,467,567			
848	Miscellaneous Grants		190,000	198,000				388,000			190,000	230,502				420,502			
838	Administration	1,747,179	5,301,088	11,895				7,060,162	73.00	1,747,179	5,287,497	11,895				7,046,571			
838	Administrative Savings from Restructuring									(342,277)						(342,277)			
	Unemployment Compensation Premium Reduction									(51,135)						(51,135)			
	Travel Savings									(3,139)						(3,139)			
	TERI Savings									(89,607)						(89,607)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	368,893						368,893		368,893						368,893			
	<b>Total</b>	<b>13,719,984</b>	<b>82,032,721</b>	<b>22,057,500</b>			<b>740,000</b>	<b>118,550,205</b>	<b>1,201.27</b>	<b>13,733,826</b>	<b>88,863,219</b>	<b>20,688,313</b>				<b>123,285,358</b>			
<b>H75 School for the Deaf &amp; the Blind</b>																			
851	Education	6,127,208	494,246	9,310,059				15,931,513	229.96	6,127,208	494,246	9,310,059			690,742	16,622,255			
852	Student Support	1,417,177	114,315	580,848				2,112,340	65.66	1,417,177	114,315	593,848			1,076,213	3,201,553			
854	Outreach	1,792,312	144,575	734,601				2,671,488	30.84		288,088	1,197,401				1,485,489			
856	Physical Support	1,333,814	107,591	546,680				1,988,085	25.09	1,333,814	107,591	556,396				1,997,801			
853	Residential	2,709,310	218,544	1,110,443				4,038,297	38.55	2,709,310	218,544	1,110,443				4,038,297			
855	Administration	1,228,070	104,229	529,595				1,861,894	19.13	1,105,444	87,729	521,893				1,715,066			
	---- Targeted Case Management	180,000						180,000		180,000						180,000			
	Unemployment Compensation Premium Reduction									(10,568)						(10,568)			
	Travel Savings									(13,904)						(13,904)			
	TERI Savings									(77,921)						(77,921)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	327,024						327,024		327,024						327,024			
	<b>Total</b>	<b>15,114,915</b>	<b>1,183,500</b>	<b>12,812,226</b>				<b>29,110,641</b>	<b>409.23</b>	<b>13,097,584</b>	<b>1,310,513</b>	<b>13,290,040</b>			<b>1,766,955</b>	<b>29,465,092</b>			
<b>H79 Department of Archives &amp; History</b>																			
863	Teaching American History in South Carolina Program		294,143					294,143			294,143					294,143			
857	Archival Services	825,174	84,567	39,365				949,106	17.00	825,174	51,006	39,365				915,545			
858	Records Management Services	731,987	48,000	9,000				788,987	18.00	731,987	8,000	9,000				748,987			
859	Micrographics and Photocopy Services	309,957		252,217				562,174	7.00	309,957		252,217				562,174			
860	State Historic Preservation Program	232,381	392,896	599,910				1,225,187	15.00	267,381	394,441	599,910				1,261,732			
861	State Historical Marker Program			47,300				47,300	1.00			47,300				47,300			
864	Publication Program	41,200		3,000				44,200	1.00	41,200		3,000				44,200			
866	Hunley Project			480,492				480,492				480,492				480,492			
1580	Pass Through	150,000						150,000		150,000						150,000			
862	National History Day Program	57,400		1,000				58,400	1.00										
865	Administration	1,572,542		296,385			65,000	1,933,927	11.00	1,572,542		296,385				1,868,927			
865	Administrative Savings from Consolidation of Cultural Agencies									(172,418)						(172,418)			
	Unemployment Compensation Premium Reduction									(1,292)						(1,292)			
	Travel Savings									(2,579)						(2,579)			
	TERI Savings									(32,341)						(32,341)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	97,106						97,106		97,106						97,106			
	<b>Total</b>	<b>4,017,747</b>	<b>819,606</b>	<b>1,728,669</b>			<b>65,000</b>	<b>6,631,022</b>	<b>71.00</b>	<b>3,786,717</b>	<b>747,590</b>	<b>1,727,669</b>				<b>6,261,976</b>			
<b>H87 State Library</b>																			
870	DISCUS - South Carolina's Virtual Library	2,132,396	341,106					2,473,502	2.00	2,132,396	341,106					2,473,502			
869	Information Technology Services (ITS)	33,915	223,966					257,881	4.00	33,915	223,966					257,881			
873	Library Development Services (LDS)	206,147	755,168					961,315	6.00	206,147	766,213					972,360			
874	Continuing Education (CE)		76,573					76,573	1.00		76,573					76,573			

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
868	Talking Book Services (TBS)		501,878	25,000				526,878	12.00		550,425	25,000				575,425		
871	Collection Management Services (CMS)	454,804	373,217					828,021	9.00	454,804	378,449					833,253		
872	Information Services (IS)	317,964	35,418					353,382	9.00	317,964	35,418					353,382		
1725	DISCUS - Content Enhancement						250,000	250,000										
1726	Bill & Melinda Gates Foundation Grants			100,000				100,000				100,000				100,000		
1727	Pass Through: 73.14- Individual County Libraries						200,000	200,000										
875	Pass Through: Aid to County Libraries	8,189,638						8,189,638		8,189,638						8,189,638		
1581	Pass Through: 73.14 - Individual County Libraries						250,000	250,000										
1721	Pass Through: 73.14- Individual County Libraries						250,000	250,000										
1722	Pass Through: 73.14- Individual County Libraries						250,000	250,000										
1723	Pass Through: 73.17- Individual County Libraries			1,000,000				1,000,000										
1724	Pass Through: Public Library Construction Grants						100,000	100,000										
867	Administration	1,427,179	90,708	5,000				1,522,887	7.00	1,427,179	90,708	5,000				1,522,887		
867	Administrative Savings from Consolidation of Cultural Agencies										(85,230)					(85,230)		
	Unemployment Compensation Premium Reduction										(807)					(807)		
	Travel Savings										(622)					(622)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	45,763						45,763		45,763						45,763		
	<b>Total</b>	<b>12,807,806</b>	<b>2,398,034</b>	<b>1,130,000</b>			<b>1,300,000</b>	<b>17,635,840</b>	<b>50.00</b>	<b>12,721,147</b>	<b>2,462,858</b>	<b>130,000</b>				<b>15,314,005</b>		
<b>H91 Arts Commission</b>																		
879	Contributions	225,757						225,757										
876	Arts Education	751,224	230,035	144,015			183,971	1,309,245	6.86	751,224	188,453	144,015				1,083,692		
877	Community Arts Development	1,681,640	822,479	335,176		821,364	779,665	4,440,324	18.11	1,429,394	654,542	269,463				2,353,399		
878	Artist Development	172,804	24,744	12,822				210,370	2.47									
880	Administration	735,761						735,761	11.12	735,761	178					735,939		
880	Administrative Savings from Consolidation of Cultural Agencies										(179,384)					(179,384)		
	Unemployment Compensation Premium Reduction										(1,905)					(1,905)		
	Travel Savings										(2,771)					(2,771)		
	TERI Savings										(7,489)					(7,489)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	56,934						56,934		56,934						56,934		
	<b>Total</b>	<b>3,624,120</b>	<b>1,077,258</b>	<b>492,013</b>		<b>821,364</b>	<b>963,636</b>	<b>6,978,391</b>	<b>38.56</b>	<b>2,781,764</b>	<b>843,173</b>	<b>413,478</b>				<b>4,038,415</b>		
<b>H95 State Museum</b>																		
881	Collections	449,787		81,287			200,000	731,074	7.00	449,787		81,287				531,074		
884	Operations	187,142		970,770				1,157,912	6.00	187,142		970,770				1,157,912		
882	Education	515,477		115,739				631,216	7.00	515,477		115,739				631,216		
883	Exhibits	545,722		142,334				688,056	9.00	545,722		142,334				688,056		
885	Facilities	2,548,444		112,882				2,661,326	9.00	2,548,444		150,583				2,699,027		
1735	Observatory, Planetarium, Theater						5,000,000	5,000,000										
1728	Coastal Discovery Museum						400,000	400,000										
1734	Myrtle Beach Children's Museum						750,000	750,000										
1729	Cherokee County Museum						450,000	450,000										
1730	Chapman Cultural Center						500,000	500,000										
1731	Mauldin Cultural Center						100,000	100,000										
1732	Cayce Museum						50,000	50,000										
1733	York County Museum						450,000	450,000										
1736	SC Hall of Fame	25,000						25,000										
1737	African-American Museum in Charleston						500,000	500,000										
1739	Greer Museum						100,000	100,000										
1582	Greenville Children's Museum						700,000	700,000										
1738	Spartanburg Memorial Auditorium						500,000	500,000										
886	Administration	551,186		69,287				620,473	6.00	551,186		69,287				620,473		
886	Administrative Savings from Consolidation of Cultural Agencies										(76,634)					(76,634)		
---	Lease Savings										(1,726,833)					(1,726,833)		
	Unemployment Compensation Premium Reducior										(2,474)					(2,474)		
	Travel Savings										(1,073)					(1,073)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	52,748						52,748		52,748						52,748		
	<b>Total</b>	<b>4,875,506</b>		<b>1,492,299</b>			<b>9,700,000</b>	<b>16,067,805</b>	<b>44.00</b>	<b>3,043,492</b>		<b>1,530,000</b>				<b>4,573,492</b>		
<b>J02 Department of Health &amp; Human Services</b>																		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
NEW	Private Rehabilitative Therapy										1,500,000	3,427,727				4,927,727		
901	Hospital Services	182,992,533	479,212,362	31,051,826				693,256,721		196,992,533	514,135,236	33,131,270				744,259,039		
---	Medicaid - Shift to Other Funds Generated from Cigarette Tax Increase									(107,270,000)		107,270,000						
907	Physician Services	106,140,642	257,601,603	5,120,380			3,000,000	371,862,625		106,140,642	248,958,846	5,193,113				360,292,601		
909	Dental Services	26,439,414	68,308,758	3,929,713				98,677,885		26,439,414	70,951,200	4,611,633				102,002,247		
911	Community Long Term Care	33,586,492	76,035,470	1,848,769				111,470,731	151.00	36,086,492	86,142,286	632,827				122,861,605		
888	Clinic Services	27,472,664	66,461,557	2,075,217				96,009,438		27,472,664	67,521,373	3,201,912				98,195,949		
905	Pharmaceutical Services	50,832,030	313,716,254	88,480,214				453,028,498		50,832,030	308,999,306	90,122,214				449,953,550		
905	Pharmaceutical Services- Move from the old (AWP - 10 percent) standard to a standard more in line with the southeastern average (AWP -12)									(2,300,000)						(2,300,000)		
913	Home Health Services	3,746,075	8,743,595	133,867				12,623,537		4,746,075	11,144,634	7,390				15,898,099		
915	EPSDT Screening	5,278,053	12,319,335	188,613				17,786,001		5,278,053	12,489,530	2,868				17,770,451		
917	Medical Professional Svcs.	9,454,863	22,068,295	337,873				31,861,031		9,454,863	22,413,446					31,868,309		
926	Hospice Care	4,665,799	10,673,373	79,444				15,418,616		4,665,799	24,554,504					29,220,303		
939	Palmetto Senior Care	2,741,989	6,163,464					8,905,453		3,741,989	8,944,214					12,686,203		
892	Coordinated Care	47,969,145	128,847,863	9,118,695				185,935,703		47,969,145	161,783,651					209,752,796		
903	Nursing Facility Services	139,877,019	327,440,431	5,568,573				472,886,023		147,877,019	325,040,809	3,774,249				476,692,077		
919	Transportation Services	18,100,581	42,247,989	646,831				60,995,401		18,100,581	42,818,816	23,849				60,943,246		
921	Lab and X-Ray Services	12,550,381	29,293,445	448,492				42,292,318		12,550,381	29,700,077	4,706				42,255,164		
925	Medicare Premium Payments	44,826,963	102,697,722	12,449,667				159,974,352		49,826,963	109,605,902	4,626,796				164,059,661		
937	Disproportionate Share	21,292,776	472,217,564	188,786,386				682,296,726		21,292,776	642,064,867	259,679,831				923,037,474		
942	Medicaid Eligibility	10,733,671	25,995,685	10,749,649				47,479,005	493.00	11,233,671	26,495,685	8,795,449				46,524,805		
1743	Targeted Case Management	(transferred per proviso 8.42)																
890	Durable Medical Equipment	19,598,816	45,710,771	681,920				65,991,507		19,598,816	46,344,547					65,943,363		
894	DMH Medicaid Services		123,516,542	54,949,781				178,466,323			125,081,633	54,736,701				179,818,334		
895	DDSN Medicaid Services		316,929,345	140,994,864				457,924,209			318,766,844	139,494,864				458,261,708		
896	DHEC Medicaid Services		27,697,271	12,321,904				40,019,175			28,157,413	12,321,904				40,479,317		
897	MUSC Medicaid Services		40,163,026	17,867,643				58,030,669			40,830,264	17,867,643				58,697,907		
898	USC Medicaid Services		7,985,247	3,552,460				11,537,707			8,117,908	3,552,460				11,670,368		
899	DAODAS Medicaid Services		8,683,913	3,863,281				12,547,194			10,999,074	4,813,281				15,812,355		
900	Continuum of Care		5,858,963	2,606,523				8,465,486			7,213,132	3,156,523				10,369,655		
932	DSS Medicaid Services		34,072,132	15,157,939				49,230,071			26,046,221	11,398,030				37,444,251		
933	DJJ Medicaid Services		29,884,869	13,295,118				43,179,987			30,381,354	13,295,118				43,676,472		
944	Automated Claims Processing	6,384,401	27,817,101	2,495,147				36,696,649	28.00	6,384,401	27,817,101	2,495,147				36,696,649		
928	Optional State Supplemental	19,800,000						19,800,000		19,800,000						19,800,000		
1740	GAPS Assist Program	12,000,000	26,973,693					38,973,693		12,000,000						12,000,000		
920	Transportation Services Administration	216,035	376,916	35,623				628,574	8.50	216,035	376,916	35,623				628,574		
943	Medicaid Eligibility Support	1,039,128	1,732,845	517,417				3,289,390	68.00	1,039,128	1,732,845	517,417				3,289,390		
946	Audits/Compliance	826,711	1,323,188	141,280				2,291,179	29.00	826,711	1,323,188	141,280				2,291,179		
1744	MMA Phased Down Contributions	78,000,000						78,000,000		80,000,000						80,000,000		
1585	Prevention Partnership Grants	2,000,000						2,000,000		6,000,000						6,000,000		
893	Coordinated Care Administration	304,990	532,117	50,291				887,398	12.00	304,990	532,117	50,291				887,398		
908	Physician Services Administration	383,780	669,581	63,282				1,116,643	15.10	383,780	669,581	63,282				1,116,643		
931	School for the Deaf and Blind		2,572,731	1,144,551				3,717,282			3,358,147	1,469,551				4,827,698		
1742	Department of Corrections Medicaid		321,234	142,910				464,144			1,469,147	642,910				2,112,057		
930	Integrated Personal Care	671,880	1,510,257					2,182,137		671,880	1,535,347					2,207,227		
889	Clinic Services Administration	256,330	446,146	44,983				747,459	9.10	256,330	446,146	44,983				747,459		
902	Hospital Services Administration	348,905	572,509	56,315				977,729	16.84	348,905	572,509	56,315				977,729		
904	Nursing Facility Administration	1,412,436	5,029,102	2,161,467				8,603,005	11.33	1,412,436	5,029,102	2,593,467				9,035,005		
910	Dental Services Administration	114,372	199,544	18,860				332,776	4.50	114,372	199,544	18,860				332,776		
912	Community Long Term Care Administration	1,537,658	3,372,207	425,736				5,335,601	51.00	1,537,658	3,372,207	425,736				5,335,601		
914	Home Health Services Administration	38,123	66,514	6,287				110,924	1.50	38,123	66,514	6,287				110,924		
916	EPSDT Screening Administration	40,666	70,949	6,707				118,322	1.60	40,666	70,949	6,707				118,322		
927	Hospice Care Administration	38,123	66,514	6,287				110,924	1.50	38,123	66,514	6,287				110,924		
935	Commission for the Blind		213,773	95,103				308,876			217,325	95,103				312,428		
936	Disease		49,451,770	22,000,000				71,451,770		13,000,000	50,273,325	22,000,000				85,273,325		
938	Other Entities Medicaid Ser		18,925,024	8,419,325				27,344,349			19,239,430	8,419,325				27,658,755		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1741	John De La Howe School Medicaid		368,820	164,080				532,900			374,948	164,080				539,028		
887	Integrated Personal Care Administration	152,496	266,059	25,146				443,701	6.00	152,496	266,059	25,146				443,701		
922	Lab and X-Ray Services Administration	40,666	70,949	6,707				118,322	1.60	40,666	70,949	6,707				118,322		
940	MUSC Maxillofacial Services	250,000						250,000		250,000						250,000		
891	Durable Medical Equipment Administration	139,788	243,886	23,050				406,724	5.50	139,788	243,886	23,050				406,724		
906	Pharmaceutical Services Administration	152,496	266,059	25,146				443,701	6.00	152,496	266,059	25,146				443,701		
918	Medical Professional Svcs. Administration	66,081	115,292	10,895				192,268	2.60	66,081	115,292	10,895				192,268		
934	Dept of Education Medicaid		55,881,109	24,860,271				80,741,380			43,498,471	19,035,271				62,533,742		
941	Other Agencies Administration	2,970,351	39,832,790	29,634,830				72,437,971	26.00	2,970,351	39,832,790	29,497,030				72,300,171		
929	Optional State Supplemental Administration	106,835	172,426	18,176				297,437	5.00	106,835	172,426	18,176				297,437		
1745	Wil Lou Gray Opportunity School Medicaid		75,308	33,503				108,811			76,559	33,503				110,062		
923	Family Planning Services	2,317,183	21,509,244	72,733				23,899,160		2,317,183	21,509,244	10,000				23,836,427		
924	Family Planning Services Administration	50,831	88,686	8,381				147,898	2.00	50,831	88,686	8,381				147,898		
1586	Rural Hospital Grants						6,500,000	6,500,000		1,500,000						1,500,000		
945	Special Projects	75,000	75,000				2,310,000	2,460,000										
1583	Regenesis	100,000						100,000										
947	Internal Information Technology	878,934	1,175,948	159,809				2,214,691	24.00	878,934	1,175,948	159,809				2,214,691		
948	Agency Administration	5,171,688	7,478,365	970,670				13,620,723	147.33	5,171,688	8,401,872	1,138,747				14,712,307		
1584	Trauma Center Fund																	
	Unemployment Compensation Premium Reduction									(43,864)						(43,864)		
	Travel Savings									(15,532)						(15,532)		
	TERI Savings									(78,358)						(78,358)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	666,435						666,435		666,435						666,435		
	<b>Total</b>	<b>906,852,228</b>	<b>3,360,410,500</b>	<b>720,150,610</b>			<b>11,810,000</b>	<b>4,999,223,338</b>	<b>1,128.00</b>	<b>850,969,474</b>	<b>3,593,591,642</b>	<b>870,959,143</b>				<b>5,315,520,259</b>		
<b>J04 Department of Health &amp; Environmental Control</b>																		
	Hospital Infections Disclosure Act - Hospital Infections Report										276,245					276,245	3.25	
951	Water Management - Drinking Water	500	1,709,269	4,941,125				6,650,894	91.23	756,577	2,020,003	5,235,605				8,012,185	2.00	
957	Air Quality Improvement	1,209,243	2,992,631	11,663,641				15,865,515	265.63	1,209,243	2,121,391	11,701,459				15,032,093		
984	Independent Living - Home Health Program		7,371	28,936,533				28,943,904	387.51		5,455	26,152,757				26,158,212		
968	Infectious Disease Prevention - Immunization Program	4,128,561	2,817,842	377,781			2,357,390	9,681,574	66.11	5,128,561	2,692,989	360,634				8,182,184	8.00	
952	Water Management - Water Pollution Control Program	11,244,796	13,657,593	8,028,898				32,931,287	336.24	12,190,066	13,098,438	8,254,752				33,543,256	42.00	
950	Underground Storage Tanks		3,111,556	1,762,254				4,873,810	54.68		2,249,822	1,351,987				3,601,809		
967	Infectious Disease Prevention - Surveillance, Investigation and Control Program	7,273,769	48,712,528	235,641				56,221,938	148.10	7,782,769	48,482,711	1,313,314				57,578,794	63.72	
967	Infectious Disease Prevention - Aids Drug Assistance Program									1,300,000						1,300,000		
975	Assuring Public Health Services	48,518,997	27,526,904	27,610,951				103,656,852	1,288.63	48,518,997	19,751,622	27,092,725			3,365,000	98,728,344		
985	Independent Living - Children with Special Health Care Needs Program	8,222,746	9,361,932	1,523,578			276,750	19,385,006	164.69	8,222,746	8,666,112	2,375,160				19,264,018		
959	Land & Waste Management	3,344,459	9,757,207	12,718,863				25,820,529	261.68	3,844,459	11,568,159	13,577,501				28,990,119		
960	Land & Waste Management - Emergency Response	365,580	764,201	234,503				1,364,284	18.84	365,580	826,355	248,801				1,440,736		
961	Land & Waste Management - Waste Minimization Program	65,577	137,238	67,459				270,274	3.58	65,577	83,145	68,971				217,693		
970	Maternal and Infant Health	3,438,310	110,565,396	20,622,680				134,626,386	728.62	3,938,310	106,415,256	12,131,583				122,485,149	16.00	
992	Emergency Medical Services	4,722,940	1,215,233	140,010			2,000,000	8,078,183	23.53	4,722,940	921,652	93,024				5,737,616		
955	National Estuary Research Reserve		600,783					600,783			591,325					591,325		
966	Infectious Disease Prevention - General Sanitation Program	2,287,348	161,265	3,631,230				6,079,843	98.18	3,007,348	605,600	3,551,296				7,164,244	42.00	
978	Protection from Public Health Emergencies		17,982,231	26,219				18,008,450	116.40	203,468	25,485,831	5,787,334		1,000,000		32,476,633	26.60	
977	Minority Health	423,886	149,064	70,486				643,436	7.27	423,886	237,156	17,131				678,173		
991	Certification		6,085,622	3,000				6,088,622	84.60		4,151,767	3,000				4,154,767		
954	Coastal Resource Improvement	1,216,419	5,150,107	1,702,521				8,069,047	64.37	1,216,419	5,495,770	1,956,951				8,669,140		
972	Maternal and Infant Health - Newborn Hearing and Screening Program	750,653	76,802					827,455		750,653	76,802					827,455		
993	Emergency Medical Services - Counties and Regions (pass thru funds)	1,566,652						1,566,652		1,566,652						1,566,652		

### FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
953	Water Management Recreational Waters Program			923,574				923,574	12.55			1,024,305				1,024,305		
973	Chronic Disease Prevention	1,777,563	5,610,208	70,762			850,000	8,308,533	40.84	3,777,563	6,214,734	172,068				10,164,365	37.00	
983	Rape Violence Prevention	1,216,512	774,052					1,990,564		1,216,512	863,463					2,079,975		
987	Camp Burnt Gin	223,899		2,346				226,245	0.81	223,899		40,946				264,845		
994	Laboratory	2,734,276	3,022,453	6,730,821				12,487,550	115.34	2,734,276	2,897,666	7,027,921				12,659,863		
976	Injury and Violence Protection		849,231	58,005				907,236	1.50		609,897	30,703				640,600		
988	Radiological Health	890,358	57,530	768,658				1,716,546	26.46	890,358	57,859	922,777				1,870,994		
990	Health Facilities Licensing	1,897,912		747,736				2,645,648	44.67	1,897,912		793,110				2,691,022		
995	Vital Records	259,540	1,090,382	4,843,514				6,193,436	78.82	259,540	1,365,281	5,308,788				6,933,609		
979	Family Health Centers (pass through funds)	440,343						440,343										
989	Health Facilities & Services Development	875,994	98,852	282,808				1,257,654	14.91	875,994	103,484	359,190				1,338,668		
963	Land & Waste Management - Radiological Waste Program	50,319	107,083	761,824				919,226	15.12	50,319	64,655	687,386				802,360		
964	Savannah River Plant	89,461						89,461		89,461						89,461		
980	Family Health Center Lancaster-Kershaw (pass through+D35 funds)	174,055						174,055										
982	Drug Control			2,147,787				2,147,787	36.13			2,249,091				2,249,091		
986	Independent Living - Sickle Cell Program (pass thru funds)	1,499,474		36,280				1,535,754	5.84	1,499,474		70,101				1,569,575		
958	Air Quality Improvement - Asbestos Program			275,109				275,109	4.85			381,235				381,235		
1747	Competitive Grants (pass through)						2,800,000	2,800,000										
962	Land & Waste Management - Mining Program	408,187		149,012				557,199	10.24	432,187		215,908				648,095		
969	Palmetto Aids Life Support (pass through funds)	18,158						18,158		18,158						18,158		
974	Youth Smoking Prevention						1,150,000	1,150,000										
1746	Lakelands Rural Health Network-Electronic Records (pass through funds)						98,000	98,000										
1748	Midlands Community Health Center (pass through funds)						675,000	675,000										
981	Biotechnology Center (pass through funds)	577,620						577,620		577,620						577,620		
956	Hunting Island Beach Renourishment (pass through funds)						5,000,000	5,000,000										
949	Administration	9,754,663	457,695	15,782,654				25,995,012	302.70	9,754,663	105,501	15,297,208				25,157,372		
949	Administrative Savings from Restructuring									(4,839,407)						(4,839,407)		
949	Administrative Savings from Consolidating Regional Offices									(1,000,000)						(1,000,000)		
---	Increase Rate of Collections 10% per LAC Report									(180,000)						(180,000)		
965	Hazardous Waste Contingency Fund																	
971	Kids Count (pass through funds)																	
----	Targeted Case Management	115,600						115,600		115,600						115,600		
	Unemployment Compensation Premium Reduction									(109,745)						(109,745)		
	Travel Savings									(275,332)						(275,332)		
	TERI Savings									(721,850)						(721,850)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	3,022,782						3,022,782		3,022,782						3,022,782		
	<b>Total</b>	<b>124,807,152</b>	<b>274,610,261</b>	<b>157,878,263</b>			<b>15,207,140</b>	<b>572,502,816</b>	<b>4,920.67</b>	<b>125,800,480</b>	<b>267,829,901</b>	<b>155,854,722</b>			<b>4,365,000</b>	<b>553,850,103</b>	<b>240.57</b>	
<b>J12</b>	<b>Department of Mental Health</b>																	
1004	Inpatient Psych for Children	9,386,239	130,382	6,485,795				16,002,416	279.52	9,386,239	122,594	6,485,795				15,994,628		
999	Crisis Stabilization	11,372,247	776,044	7,511,901			617,339	20,277,531	271.10	11,989,586	647,821	7,511,901			2,005,000	22,154,308		
1003	Acute Psych	21,679,726		14,826,558			3,898,800	40,405,084	556.02	24,304,726		14,826,558			5,057,673	44,188,957		
1592	Outpatient Services	38,064,106	4,644,672	44,168,940			689,936	87,567,654	1,435.88	41,564,106	4,240,947	45,442,940				91,247,993		
1000	Intensive Family Services (Family Preservation)	1,323,010	157,120	1,535,198			23,980	3,039,308	73.58	1,346,990	83,532	1,535,198				2,965,720		
1002	Long Term Inpatient Psych	13,366,589		9,654,137			1,751,200	24,771,926	349.57	14,366,589		9,654,137				24,020,726		
1590	Community Residential (Housing) Support	11,933,612	2,111,375	13,847,560			216,304	28,108,851	507.26	11,933,612	2,238,035	13,847,560				28,019,207		
1591	Day Treatment	4,421,518	476,614	5,130,654			80,143	10,108,929	167.47	4,421,518	476,614	5,130,654				10,028,786		
997	School-Based Services	9,521,842	1,385,391	11,048,984			172,589	22,128,806	427.55	9,521,842	1,091,197	11,048,984				21,662,023		
1007	Nursing Home for Mentally Ill	12,061,520		15,626,026				27,687,546	467.46	12,061,520		15,626,026				27,687,546		
1589	Community Based Rehabilitation	8,509,784	917,306	9,874,608			154,245	19,455,943	264.57	8,509,784	917,306	9,124,608				18,551,698		
1006	Inpatient Alcohol & Drug	11,286,940		1,896,009				13,182,949	199.88	11,286,940		1,896,009				13,182,949		
998	Employment Services	308,522	33,257	358,004			5,592	705,375	26.27	308,522	33,257	358,004				699,783		
1588	Assertive Community Treatment	1,436,483	154,845	1,666,869			26,037	3,284,234	52.02	1,436,483	154,845	1,666,869				3,258,197		
1587	Forensic - Community Mental Health	763,247	111,289	885,659			13,835	1,774,030	41.53	763,247	117,483	885,659				1,766,389		
1005	Inpatient Forensics	8,686,322		10,498,756			2,560,000	21,745,078	94.19	8,686,322		10,498,756				19,185,078		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
1008	Veterans Nursing Homes	11,891,831		15,792,775				2,400,000	30,084,606	141.24	14,291,831		15,792,775				30,084,606		
1009	Sexually Violent Predator Program	3,946,025		12,844					3,958,869	60.60	6,600,318		12,844				6,613,162		
1011	Pass Through Funds	248,000		400,000				90,000	738,000		248,000		400,000				648,000		
1010	Administration	11,585,829	1,105,481	982,504					13,673,814	144.75	11,585,829	1,105,481	982,504				13,673,814		
1010	Administrative Savings from Restructuring										(6,360,367)						(6,360,367)		
---	Increase Rate of Collections 10% per LAC Report										(840,000)						(840,000)		
----	Targeted Case Management	632,641							632,641		632,641						632,641		
	Unemployment Compensation Premium Reduction										(185,897)						(185,897)		
	Travel Savings										(7,663)						(7,663)		
	TERI Savings										(1,169,421)						(1,169,421)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	4,882,039							4,882,039		4,882,039						4,882,039		
	<b>Total</b>	<b>197,308,072</b>	<b>12,003,776</b>	<b>172,203,781</b>				<b>12,700,000</b>	<b>394,215,629</b>	<b>5,560.46</b>	<b>201,565,336</b>	<b>11,229,112</b>	<b>172,727,781</b>			<b>7,062,673</b>	<b>392,584,902</b>		
<b>J16 Department of Disabilities and Special Needs</b>																			
1027	Mental Retardation - Community Training Homes	36,744,263	217,937	103,214,822				1,968,000	142,145,022	35.00	38,712,263	217,937	133,410,458				172,340,658		
1026	Intermediate Care Facility/Mental Retardation (ICF-MR)	14,773,500		34,471,500					49,245,000	23.00	14,773,500		34,471,500				49,245,000		
1018	Waiver Services	16,180,008		19,833,494				1,457,003	37,470,505	4.00	17,680,008		13,709,925				31,389,933		
1028	Mental Retardation - Assisted Living	1,043,236		10,048,122					11,091,358	5.00	1,043,236		10,048,122				11,091,358		
1019	Respite/Family Support Stipends	3,228,329	190,000					706,143	4,124,472		3,756,329	190,000					3,946,329		
1024	Head and Spinal Cord Injury Waiver Services	3,858,506		8,617,292				1,489,500	13,965,298		4,858,506		12,867,292				17,725,798		
1032	Regional Centers - Intermediate Care Facility/Mental Retardation (ICF/MR)	53,834,810	40,000	44,812,387					98,687,197	2,356.50	53,834,810	40,000	45,141,323				99,016,133		
1012	Greenwood Genetic Center	2,129,849		5,016,051					7,145,900		2,129,849		5,516,051				7,645,900		
1015	Center Based Child Development	300,000		953,353					1,253,353		300,000		953,353				1,253,353		
1016	Other Family Support	509,339	66,000					200,000	775,339		709,339	66,000					775,339		
1020	Adult Development and Supported Employment	10,517,600		44,354,977				1,710,690	56,583,267		10,949,600		49,849,377				60,798,977		
1025	Head and Spinal Cord Injury Family Support	308,578	115,000					190,000	613,578	4.00	308,578	115,000					423,578		
1014	Early Intervention	4,098,630		13,121,149					17,219,779	2.00	4,098,630		13,371,149				17,469,779		
1022	Autism Family Support	838,630	55,000	5,509,034				3,414,664	9,817,328	14.00	3,838,630	55,000	5,509,034				9,402,664		
1029	Autism Community Training Homes	3,511,855		9,412,954				360,000	13,284,809	50.00	3,511,855		9,768,040				13,279,895		
1031	Head and Spinal Cord Injury Assisted Living	175,773		117,645					293,418		175,773		117,645				293,418		
1030	Head and Spinal Cord Injury Community Training Homes	775,239		1,758,809				72,000	2,606,048		847,239		1,808,809				2,656,048		
1021	Service Coordination	3,589,519		16,440,991					20,030,510	9.00	3,281,562		16,440,991				19,722,553		
1023	Head and Spinal Cord Injury Service Coordination	626,235		1,653,826					2,280,061		626,235		1,653,826				2,280,061		
1013	Other Prevention	39,045	90,500	15,000					144,545		39,045	90,500	15,000				144,545		
1017	Special Olympics- state funds are passed through to Special Olympics Organization	200,000		130,000					330,000				130,000				130,000		
1033	Administration	5,345,422		2,315,151					7,660,573	97.00	5,345,422		2,325,168				7,670,590		
1033	Administrative Savings from Restructuring										(2,171,659)						(2,171,659)		
	Unemployment Compensation Premium Reduction										(159,046)						(159,046)		
	Travel Savings										(7,197)						(7,197)		
	TERI Savings										(399,361)						(399,361)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	4,964,184							4,964,184		4,964,184						4,964,184		
	<b>Total</b>	<b>167,592,550</b>	<b>774,437</b>	<b>321,796,557</b>				<b>11,568,000</b>	<b>501,731,544</b>	<b>2,599.50</b>	<b>173,047,330</b>	<b>774,437</b>	<b>357,107,063</b>				<b>530,928,830</b>		
<b>J20 Department of Alcohol &amp; Other Drug Abuse Services</b>																			
1036	Chemical Dependency Community-Based Intervention Services	748,468	1,331,230	13,148					2,092,846	1.25	748,468	1,331,230	13,148				2,092,846		
1037	Chemical Dependency Community-Based Treatment Services	9,054,758	15,125,491	1,035,298					25,215,547	4.75	9,379,758	15,450,279	1,156,744				25,986,781		
1038	Direct Chemical Dependency Services		720,028						720,028	1.00		720,028					720,028		
1035	Chemical Dependency Community-Based Prevention Services	185,726	6,932,443						7,118,169	4.75	185,726	6,023,497	174,367				6,383,590		
1034	Chemical Dependency Service Accountability	199,858	375,250	268,965					844,073	15.85	199,858	850,667	522,652				1,573,177		
1039	Gambling Services		4,251	350,000					354,251	0.60		4,251	350,000				354,251		
1749	Pass Through							6,200,000	6,200,000										
1040	Alcohol and Drug Abuse Administration	414,122	226,452	26,589					667,163	12.61	414,122	231,572	26,589				672,283		
1040	Administrative Savings from Restructuring										(414,122)						(414,122)		



FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
----	Targeted Case Management	272,000						272,000		272,000						272,000			
	Unemployment Compensation Premium Reduction									(26,945)						(26,945)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	253,015						253,015		253,015						253,015			
	<b>Total</b>	<b>11,127,947</b>	<b>24,715,145</b>	<b>1,694,000</b>				<b>6,200,000</b>	<b>43,737,092</b>	<b>40.81</b>	<b>11,011,880</b>	<b>24,611,524</b>	<b>2,243,500</b>			<b>37,866,904</b>			
<b>K05 Department of Public Safety</b>																			
1058	Highway Traffic Enforcement	57,245,101	1,271,000	14,062,690				3,957,574	4,149,243	80,685,608	1,107.00				9,099,527	88,282,235	100.00	5,541,103	
1061	Size & Weight Enforcement	1,228,063		3,671,404						4,899,467	57.50	1,228,063		4,161,849		5,389,912			
1059	Commercial Motor Vehicle (CMV) Safety Inspections	994,236	1,269,403	265,000						2,528,639	36.55	994,236	2,161,974	264,277		3,420,487			
1081	State House and Complex	1,362,807	220,000	277,747						1,860,554	25.66	1,603,898	200,000	277,747	39,148	2,120,793	5.00		
1056	Aggressive Criminal Enforcement			1,624,310						1,624,310				1,124,310		1,124,310			
1060	CMV Traffic Enforcement	461,220	368,976							830,196	12.00	1,878,209	368,976		1,361,325	3,608,510	25.00		
1083	Governor's Mansion/Complex	724,241		141,625						865,866	12.43	724,241		153,625		877,866			
1082	Judicial Division	316,062		174,951						491,013	6.40	316,062		178,666		494,728			
1055	Communication and Intelligence	6,126,953								6,126,953	128.00	6,126,953				6,126,953			
1043	Office of Justice Programs	318,846	17,875,510	650,000				52,572		18,896,928	24.58	318,846	20,885,896	797,500		22,002,242			
1044	Office of Highway Safety	403,266	10,594,220							10,997,486	14.70	403,266	10,594,220			10,997,486			
1049	Uninsured Motor Vehicle Enforcement			3,773,560						3,773,560	1.00			3,403,314		3,403,314			
	Hazardous Material and Radioactive Shipment																		
1068	Inspections	207,900	125,154							333,054	4.50	207,900	125,154			333,054			
1063	Drug Interdiction	214,404		90,000						304,404	4.00	214,404		170,000		384,404			
1084	Contractual Services			1,760,959						1,760,959	25.51			1,815,959		1,815,959			
1062	Compliance Reviews	341,595	546,550							888,145	12.00	341,595	546,550			888,145			
1065	Data Collection & Reporting	185,532	199,364	39,565						424,461	7.00	185,532	199,364	48,565		433,461			
1050	Special Operations																		
1066	Training	155,816	8,288							164,104	2.00	155,816	8,288			164,104			
1069	Fuel Tax and Registration Enforcement			518,873						518,873	7.50			340,873		340,873			
1067	Dyed Fuel Inspections	106,636		80,158						186,794	2.70	106,636		68,158		174,794			
1045	School Bus Transportation Safety										2.00								
1086	General Operations			208,876						208,876	2.00			404,401		404,401			
1085	H. L. Hunley Commission	130,039						23,292		153,331	2.00								
1087	Collections Management			20,658						20,658				20,658		20,658			
1041	Core Administration and Office of Professional Resp	6,311,323		4,667,224						10,978,547	130.47	7,096,523		6,012,174		13,108,697	9.00		
1051	Highway Patrol Pilot																		
1052	Executive Protection										2.00								
1054	Information Technology Section																		
1057	Multi-disciplinary Accident Investigation Team																		
	Unemployment Compensation Premium Reduction															(39,205)		(39,205)	
	Travel Savings															(2,647)		(2,647)	
	TERI Savings															(26,872)		(26,872)	
	FY 06-07 Health Ins, Pay Plan, POV Allocation	2,146,285								2,146,285		2,146,285				2,146,285			
	<b>Total</b>	<b>78,980,325</b>	<b>32,478,465</b>	<b>32,027,600</b>				<b>3,957,574</b>	<b>4,225,107</b>	<b>151,669,071</b>	<b>1,629.50</b>	<b>86,566,762</b>	<b>35,690,422</b>	<b>35,237,763</b>		<b>10,500,000</b>	<b>167,994,947</b>	<b>139.00</b>	<b>5,541,103</b>
<b>L04 Department of Social Services</b>																			
1101	Child Support Enforcement	5,323,467	31,902,868	13,281,915				16,500,000		67,008,250	329.91	5,545,738	31,032,067	11,581,562	16,000,000	64,159,367			
1105	Food Stamp Program	10,212,843	600,168,106	10,639,334						621,020,283	924.42	11,077,123	673,349,621	9,610,674		694,037,418			
1088	Adoptions	3,378,630	4,568,047	7,115,350						15,062,027	134.81	3,851,824	9,360,854	1,732,648		14,945,326			
1095	Foster Care Services	6,048,500	24,128,849	14,391,672						44,569,021	521.07	7,227,187	35,258,689	5,767,347		48,253,223			
1103	Child Care	4,463,263	78,700,263	4,951,340						88,114,866	73.14	10,072,737	72,548,644	8,139,562		90,760,943			
1104	Temporary Assistance to Needy Families (TANF)/Family Independence	18,661,722	76,475,962	8,142,973						103,280,657	594.19	21,297,099	87,630,322	2,783,141		111,710,562	42.00		
1092	Child Abuse and Neglect - Intake and Assessment	3,763,575	28,920,530	4,905,367						37,589,472	366.85	4,672,571	31,477,401	661,212		36,811,184			
1094	Child Protective Treatment Services - In-Home	8,634,746	19,044,277	6,239,062						33,918,085	459.63	9,745,741	27,905,551	1,152,922		38,804,214			
1106	Child and Adult Care Food, After School Snack Program, Emergency Shelters Food Program, Summer Food Service Program		33,666,546	312,022						33,978,568	8.31		31,454,387			31,454,387			
1093	Chafee Foster Care Independence Program	370,548	1,803,454	80,315						2,254,317	3.14	370,548	1,615,095	79,083		2,064,726			
1107	USDA Food Distribution	93,211	9,529,356	69,065						9,691,632	20.54	93,211	7,249,527	47,031		7,389,769			
1091	Adult Protective Services	2,256,838	5,602,885	4,349,661						12,209,384	158.88	2,565,460	6,610,739	378,098		9,554,297			

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1100	Foster Care Treatment Services for Emotionally Disturbed Children	22,218,390	6,395,732	13,275,534				41,889,656	243.67							38,152,862		
1098	Licensing Services - Foster Care and Group or Institutional Facilities and Child Placing Agencies	1,690,883	549,989	2,529,805				4,770,677	9.57							2,241,626		
1096	Foster Home Payments	9,609,082	10,854,739	2,867,892				23,331,713								19,126,881		
1090	Adoption Subsidy- Special Needs	9,866,719	13,100,074	3,680,850				26,647,643								26,084,563		
1102	Child Care Licensing	66,402	3,509,633	221,879				3,797,914	42.83							5,231,348		
1097	Homemaker Services		4,546,366					4,546,366	112.79							5,400,242		
1099	Domestic Violence		3,601,984	1,104,380				4,706,364	0.46							4,490,110		
1089	Adoption Subsidy- Legal Costs	750,000	750,000					1,500,000								1,500,000		
1109	Pass Through Funds	3,280,009					1,000,000	4,280,009								3,280,009		
1108	Administration	877,232	1,381,605	437,998				2,696,835	35.58							2,510,687		
----	Targeted Case Management	17,000,000						17,000,000								17,000,000		
	Unemployment Compensation Premium Reduction														(295,008)	(295,008)		
	Travel Savings														(33,836)	(33,836)		
	TERI Savings														(455,885)	(455,885)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	1,589,146						1,589,146							1,589,146			
	<b>Total</b>	<b>130,155,206</b>	<b>959,201,265</b>	<b>98,596,414</b>		<b>16,500,000</b>	<b>1,000,000</b>	<b>1,205,452,885</b>	<b>4,039.79</b>		<b>145,198,303</b>	<b>1,063,623,348</b>	<b>50,946,510</b>		<b>16,000,000</b>	<b>1,275,768,161</b>	<b>42.00</b>	
<b>L12 John de la Howe School</b>																		
1111	Cottage Life	726,054		160,226				886,280	33.00							886,280		
1112	Social Services	226,149		56,407				282,556	11.00							282,556		
1113	Medical Care	107,286		21,042				128,328	3.00							128,328		
1114	Therapeutic Activities	199,583		8,670				208,253	7.00							208,253		
1115	Family Enrichment	153,813		32,492				186,305	7.00							186,305		
1116	Education	752,533	59,640	260,946				1,073,119	17.96							1,261,654		
1117	Buildings and Grounds	515,914		150,551				666,465	5.55							686,465		
1124	Information Technology	36,720		12,094				48,814	1.00							67,784		
1118	Dietary	263,084	80,000	54,440				397,524	6.00							409,179		
1119	Garbage Pickup/Motor Vehicle Operations	90,829		94,005				184,834	1.00							184,834		
1120	Laundry/Supply/ Housekeeping Services	62,156						62,156	2.00							62,156		
1593	Therapeutic Wilderness Camping	374,639						374,639	10.00							374,639		
1123	Public Relations & Alumni	41,210		5,000				46,210	1.00							46,210		
1121	Business Operations	332,536		13,273				345,809	8.00							346,080		
1122	Administration	147,318		1,000				148,318	3.00							148,318		
	Unemployment Compensation Premium Reduction														(11,034)	(11,034)		
	Travel Savings														(771)	(771)		
	TERI Savings														(16,227)	(16,227)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	118,373						118,373								118,373		
	<b>Total</b>	<b>4,148,197</b>	<b>139,640</b>	<b>870,146</b>				<b>5,157,983</b>	<b>116.51</b>		<b>4,328,700</b>	<b>154,396</b>	<b>886,286</b>			<b>5,369,382</b>		
<b>L24 Commission for the Blind</b>																		
1129	Prevention of Blindness	804,856						804,856	7.00							904,856	2.00	
1126	Vocational Rehab Services	790,302	5,480,952					6,271,254	24.75							6,696,254	5.00	
1128	Training and Employment	325,078	489,718	80,000				894,796	10.00							894,796		
1132	Children's Services	432,728		25,000				457,728	3.00							457,728		
1125	Adjustment to Blindness	242,000	910,660					1,152,660	19.25							1,152,660		
1130	Older Blind & Independent Living	20,000	391,179					411,179	6.50							411,179		
1131	Radio Reading Services	129,990						129,990	3.00									
1127	Business Enterprise Program	29,754	717,382	597,520				1,344,656	16.00							1,344,656		
1133	Administration	787,194	518,755				104,000	1,409,949	23.25							1,305,949		
1133	Administrative Savings from Restructuring														(125,147)	(125,147)		
1594	Renovation of Residential Building														1,052,992	1,052,992		
	Unemployment Compensation Premium Reduction														(12,104)	(12,104)		
	Travel Savings														(1,156)	(1,156)		
	TERI Savings														(20,363)	(20,363)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	71,085						71,085								71,085		
	<b>Total</b>	<b>3,632,987</b>	<b>8,508,646</b>	<b>702,520</b>		<b>104,000</b>		<b>12,948,153</b>	<b>112.75</b>		<b>3,684,427</b>	<b>8,693,446</b>	<b>702,520</b>		<b>1,052,992</b>	<b>14,133,385</b>	<b>7.00</b>	
<b>L32 Housing Finance and Development Authority</b>																		
1135	Housing Initiatives		9,542,779	721,289				10,264,068	16.50							14,238,425		
1134	Rental Assistance		11,336,463					11,336,463	17.00							11,410,975		

### FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
1136	Homeownership			1,964,755				1,964,755	23.00							3,544,397			3,544,397
1595	Special Initiatives			7,000,000				7,000,000								7,000,000			7,000,000
1137	Property Administration and Compliance		88,853,907	1,946,290				90,800,197	26.25		90,000,000	1,980,908				91,980,908			91,980,908
1138	Tax Credit			909,903				909,903	6.25			574,212				574,212			574,212
1139	Administration		104,713	2,946,034				3,050,747	33.00		107,532	3,776,626				3,884,158			3,884,158
	<b>Total</b>		<b>109,837,862</b>	<b>15,488,271</b>				<b>125,326,133</b>	<b>122.00</b>		<b>115,125,569</b>	<b>17,507,506</b>				<b>132,633,075</b>			
<b>L36 Human Affairs Commission</b>																			
Employment Discrimination Receipt, Processing & Resolution																			
1146	Resolution	676,366		364,094			31,146	1,071,606	21.75	676,366		364,551				1,040,917			
1148	Fair Housing Investigations	44,894	177,631					222,525	3.50	44,894	177,528					222,422			
1147	Mediation	44,284		30,848			2,593	77,725	1.00	44,284		30,848				75,132			
1149	Fair Housing - Education & Outreach		193,469					193,469	1.00										
1145	Intake & Referral	112,833		179,253			12,965	305,051	5.00	112,833		179,253				292,086			
1144	Community Relations	7,758		72,120			2,593	82,471	5.00	7,758		72,120				79,878			
1140	Board of Commissioners	9,500						9,500		9,500						9,500			
1141	Administration	562,649		3,500			69,359	635,508	9.00	562,649		3,500				566,149			
1142	Legal	163,777					2,593	175,961	2.75	163,777						163,777			
1143	Technical Services & Training	251,175		70,185			12,965	334,325	5.00	251,175		73,228				324,403			
	Unemployment Compensation Premium Reduction										(861)					(861)			
	Travel Savings										(432)					(432)			
	TERI Savings										(84,049)					(84,049)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	51,223						51,223		51,223						51,223			
	<b>Total</b>	<b>1,924,459</b>	<b>371,100</b>	<b>720,000</b>			<b>134,214</b>	<b>3,159,364</b>	<b>54.00</b>	<b>1,839,117</b>	<b>177,528</b>	<b>723,500</b>				<b>2,740,145</b>			
<b>L46 Commission on Minority Affairs</b>																			
1152	African American Affairs	70,000		50,000				120,000	1.00	70,000		50,000				120,000			
1150	Hispanic/Latino Affairs			115,500				115,500	1.00			115,500				115,500			
1151	Native American Affairs			115,500				115,500	1.00			115,500				115,500			
1153	Research	168,750		50,000				218,750	1.00	168,750		50,000				218,750			
1154	Administration (Overhead Cost)	260,953						260,953	4.00	260,953						260,953			
	Unemployment Compensation Premium Reduction										(1,189)					(1,189)			
	Travel Savings										(1,013)					(1,013)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	10,855						10,855		10,855						10,855			
	<b>Total</b>	<b>510,558</b>		<b>331,000</b>				<b>841,558</b>	<b>8.00</b>	<b>508,356</b>		<b>331,000</b>				<b>839,356</b>			
<b>N04 Department of Corrections</b>																			
1155	Incarcerate Offenders	208,109,376	4,377,919	1,664,000			3,522,900	217,674,195	4,895.50	213,012,962	669,562	1,664,000			13,050,000	228,396,524	44.00		
1156	Provide Inmate Health Care	58,100,000	1,000,000	2,295,000			489,850	62,374,700	437.00	59,600,500	1,000,000	2,295,000			1,300,000	64,195,500			
1167	Education of Inmates	3,838,316	2,198,628	3,471,000				9,507,944	87.50	3,838,316	2,278,181	3,471,000				9,587,497			
1162	Prison Industries-Traditional			10,614,200				10,614,200	42.00			10,614,200				10,614,200			
1622	Food Service	19,000,000	356,454					19,356,454	197.00	19,000,000	356,454					19,356,454			
1161	Work and Vocational	1,960,069		1,583,000			50,000	3,593,069	50.00	1,960,069		1,583,000				3,543,069			
1163	Prison Industries "PIE" Prog			9,500,000				9,500,000	19.00			17,170,000				17,170,000			
1165	Agriculture Operation	500,000		2,730,000				3,230,000	27.00	250,000		2,730,000				2,980,000			
1168	Inmate Program Services	6,478,558	578,035	591,400				7,647,993	117.00	6,478,558	151,421	591,400				7,221,379			
1171	Federal Grant Allocation	35,000	1,440,000					1,475,000	1.00	35,000	1,440,000					1,475,000			
1157	Institutions Canteen Operations			18,611,600				18,611,600	30.00			18,611,600				18,611,600			
1158	Vehicle Maintenance	3,400,000		475,000				3,875,000	37.00	2,900,000		975,000				3,875,000			
1164	Prison Industries-Service			4,000,000				4,000,000	23.00			4,000,000				4,000,000			
1159	Agency Training Academy	1,810,000						1,810,000	44.00	1,810,000						1,810,000			
1169	Penal Facilities Inspection	100,000						100,000	5.00	100,000						100,000			
1160	Recycling Operation	100,000		509,000				609,000	4.00			609,000				609,000			
1166	Palmetto Pride	500,000		100,000				600,000	22.00			600,000				600,000			
1170	Administration & Support	10,312,415	224,917	506,600				11,043,932	151.00	10,312,415		506,600			650,000	11,469,015			
	Unemployment Compensation Premium Reduction										(400,020)					(400,020)			
	Travel Savings										(601)					(601)			
	TERI Savings										(7,321)					(7,321)			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	8,036,171						8,036,171		8,036,171						8,036,171			
	<b>Total</b>	<b>322,279,905</b>	<b>10,175,953</b>	<b>56,650,800</b>			<b>4,012,750</b>	<b>393,659,258</b>	<b>6,189.00</b>	<b>326,926,049</b>	<b>5,895,618</b>	<b>65,420,800</b>			<b>15,000,000</b>	<b>413,242,467</b>	<b>44.00</b>		

### FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
<b>N08 Department of Probation, Parole &amp; Pardon Services</b>																		
1172	Community Supervision - Regular	15,185,785	47,490	20,744,183				35,977,458	669.00	16,641,392		21,111,830			62,604	37,815,826	22.00	
1173	Community Supervision - Intensive	765,670		1,045,928				1,811,598	34.00	765,670		1,045,928				1,811,598		
1175	Residential Programs	124,994		2,960,998				3,085,992	24.00	124,994		2,960,998				3,085,992		
1174	Victim Services			541,989				541,989	21.00			541,989				541,989		
1750	Sex Offender Monitoring	2,700,000		670,569		200,000		3,570,569	37.00	3,963,089		920,569			192,868	5,076,526	9.00	
1176	Statewide Emergency Operations Plan	97,823		454,161				551,984	8.00			551,984				551,984		
1177	Parole Board Support	517,061		682,185				1,199,246	23.00	517,061		757,684				1,274,745		
1178	Parole Board	182,289		25,800				208,089		182,289		25,800				208,089		
1179	Core Administration	1,171,905		1,076,407				2,248,312	34.00	1,171,905		1,045,309				2,217,214		
---	Consolidation of Dept of Corrections and DPPP									(552,935)						(552,935)		
	Unemployment Compensation Premium Reduction									(19,362)						(19,362)		
	Travel Savings									(8,718)						(8,718)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	602,712						602,712		602,712						602,712		
	<b>Total</b>	<b>21,348,239</b>	<b>47,490</b>	<b>28,202,220</b>		<b>200,000</b>		<b>49,797,949</b>	<b>850.00</b>	<b>23,388,097</b>		<b>28,962,091</b>			<b>255,472</b>	<b>52,605,660</b>	<b>31.00</b>	
<b>N12 Department of Juvenile Justice</b>																		
1180	Incarceration Services	24,616,025	381,406	327,168			3,357,566	28,682,165	478.62	25,330,328	381,406	460,352			9,303,829	35,475,915	17.00	
1181	Alternative Residential Placement Services	21,273,742	381,406	4,794,495				26,449,643	120.13	21,554,062	471,406	6,951,345				28,976,813		
1182	Evaluation Services	10,739,590	381,406	3,598,193				14,719,189	310.22	10,739,590	381,406	4,150,784				15,271,780		
1184	Medical Services	5,632,165		222,165				5,854,330	54.57	5,632,165		315,439				5,947,604		
1185	Educational Services	4,189,672	1,323,664	7,932,832				13,446,168	212.54	4,189,672	1,319,611	7,972,204				13,481,487		
1183	Detention Services	582,329	381,407	4,728,910				5,692,646	83.76	582,329	381,407	5,023,014				5,986,750		
1186	Other Community Services	16,328,349	1,016,493	3,830,579		222,236	500,000	21,897,657	382.31	20,231,089	107,478	3,126,153			42,671	23,507,391	28.00	
1751	Sex Offender Electronic Monitoring	377,410						377,410		377,410						377,410		
1187	Prevention and Diversion Services	770,156		514,288				1,284,444	8.79	770,156		514,288				1,284,444		
1189	Victim Services	272,739		9,389				282,128	5.59	272,739		9,389				282,128		
1190	Parole Board	806,862						806,862	17.25	806,862						806,862		
---	Combine parole boards at the DJJ and the DPPP									(425,000)						(425,000)		
1188	Volunteer Services																	
1191	Administrative Services	3,546,246		5,000				3,551,246	72.33	3,546,246		143,099				3,689,345		
	Unemployment Compensation Premium Reduction									(154,172)						(154,172)		
	Travel Savings									(3,500)						(3,500)		
	TERI Savings									(131,368)						(131,368)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	1,775,737						1,775,737		1,775,737						1,775,737		
	<b>Total</b>	<b>90,911,022</b>	<b>3,865,782</b>	<b>25,963,019</b>		<b>3,579,802</b>	<b>500,000</b>	<b>124,819,625</b>	<b>1,746.11</b>	<b>95,094,345</b>	<b>3,042,714</b>	<b>28,666,067</b>			<b>9,346,500</b>	<b>136,149,626</b>	<b>45.00</b>	
<b>N20 Law Enforcement Training Council</b>																		
1070	Training - Basic/Mandated Activity			1,584,696				1,584,696	22.00		200,000	1,784,696				1,984,696		
1073	Training - Range Operations Activity			669,695				669,695	8.00			669,695				669,695		
1080	Homeland Security Activity		1,000,000					1,000,000			100,000					100,000		
1079	Facilities Planning & Maintenance Activity			1,928,484		1,000,000		2,928,484	15.00			2,028,484			2,000,000	4,028,484		
1753	Certification/Non-Compliance Support	102,773				580,000		682,773	3.00	102,773						102,773		
1071	Training - Regional Activity			297,342				297,342	5.00			397,342				397,342		
1072	Training -Advanced/Specialized Activity			1,256,656				1,256,656	15.00			1,365,956				1,365,956		
1074	Registrar Activity			656,275				656,275	16.00			656,275				656,275		
1076	Standards and Testing Activity			497,058				497,058	8.25			497,058				497,058		
1075	Media/Library Activity			560,844				560,844	8.00			560,844				560,844		
1078	Student Housing Activity			100,273				100,273	2.00			200,273				200,273		
1077	Food Service Activity			743,012				743,012	6.00			843,012				843,012		
1752	Administration			597,365				597,365				597,365				597,365		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
<b>Total</b>		<b>102,773</b>	<b>1,000,000</b>	<b>8,891,700</b>			<b>1,580,000</b>	<b>11,574,473</b>	<b>108.25</b>	<b>102,773</b>	<b>300,000</b>	<b>9,601,000</b>			<b>2,000,000</b>	<b>12,003,773</b>		
<b>P12 Forestry Commission</b>																		
1624	Wildland Fire Equipment	1,735,890		202,500			262,946	2,201,336	10.00	1,735,890		202,500				1,938,390		
1192	Wildland Firefighting	9,090,770	1,248,646	77,000			470,000	10,886,416	221.30	8,090,770	1,320,099	1,138,000				10,548,869		
1623	Wildland Fire Dispatch	1,263,197	43,384					1,306,581	39.00	1,263,197	43,384					1,306,581		
1204	State Forest Resource Management			2,321,400				2,321,400	22.50			3,646,023				3,646,023		
1193	Wildland Fire Prevention	346,510	327,521					674,031	29.00	346,510	778,850					1,125,360		
1197	Pass-through Programs		185,000					185,000			185,000					185,000		
1202	Forestry Best Management Practices		225,075	7,000			152,096	384,171	5.00		227,761	7,000				234,761		
1200	Forest Resource Development	211,346	334,942				84,958	631,246	10.50	211,346	314,047					525,393		
1205	Forestry Program Outreach	164,662						164,662	2.00	164,662						164,662		
1194	Law Enforcement - Timber Theft and Fraud	297,662		25,000				322,662	6.00			25,000				25,000		
1196	Forest Management Assistance	883,183	641,056	332,000				1,856,239	27.00	883,183	693,289	332,000				1,908,472		
1198	Forest Renewal Program Financial Assistance	200,000		800,000				1,000,000	1.50			800,000				800,000		
1199	Community Forestry Assistance		589,310					589,310	4.00		473,711					473,711		
1203	State Forest Education			194,600				194,600	2.50			194,600				194,600		
1195	Forest Health - (Insects and Disease)	10,855	1,727,020					1,737,875	5.50	10,855	1,708,020					1,718,875		
1201	Nurseries and Tree Improvement		60,000	850,000			30,000	940,000	8.00		60,000	898,377				958,377		
1206	Administration	1,103,982						1,103,982	17.50	1,103,982						1,103,982		
1206	Administrative Savings from Restructuring									(513,588)						(513,588)		
	Unemployment Compensation Premium Reduction									(10,921)						(10,921)		
	Travel Savings									(11,716)						(11,716)		
	TERI Savings									(113,530)						(113,530)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	419,876						419,876		419,876						419,876		
<b>Total</b>		<b>15,727,933</b>	<b>5,381,954</b>	<b>4,809,500</b>			<b>1,000,000</b>	<b>26,919,387</b>	<b>411.30</b>	<b>13,580,516</b>	<b>5,804,161</b>	<b>7,243,500</b>				<b>26,628,177</b>		
<b>P16 Department of Agriculture</b>																		
1216	Marketing & Promotions	1,458,464	120,000	87,500			800,000	2,465,964	23.75	1,858,464	120,000	87,500				2,065,964		
1215	Consumer Services	390,606		1,243,000				1,633,606	40.00			1,633,606				1,633,606		
1218	Inspection Services			1,809,865				1,809,865	25.81			1,809,865				1,809,865		
1214	Laboratory Services	1,420,546	5,000	121,500				1,547,046	22.00	1,420,546	5,000	121,500				1,547,046		
1217	Market Services			1,817,511			750,000	2,567,511	20.00			1,817,511				1,817,511		
1219	Market Bulletin			341,500				341,500	4.00			341,500				341,500		
1207	Soybean Board (Pass Thru)			350,000				350,000	1.00			350,000				350,000		
1209	Cotton Board (Pass Thru)			413,700				413,700				413,700				413,700		
1210	Peanut Board (Pass Thru)			167,900				167,900				167,900				167,900		
1211	Watermelon Board (Pass Thru)			99,077				99,077				99,077				99,077		
1208	Pork Board (Pass Thru)			150,000				150,000				150,000				150,000		
1213	S. C. Beef Board (Pass Thru)			300,000				300,000	1.00			300,000				300,000		
1212	Tobacco Board (Pass Thru)			138,000				138,000				138,000				138,000		
1220	Administrative Services	1,407,823		20,000				1,427,823	14.00	1,407,823		20,000				1,427,823		
	Unemployment Compensation Premium Reduction									(5,755)						(5,755)		
	Travel Savings									(29,392)						(29,392)		
	TERI Savings									(30,364)						(30,364)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	149,703						149,703		149,703						149,703		
<b>Total</b>		<b>4,827,142</b>	<b>125,000</b>	<b>7,059,553</b>			<b>750,000</b>	<b>13,561,695</b>	<b>151.56</b>	<b>4,771,025</b>	<b>125,000</b>	<b>7,450,159</b>				<b>12,346,184</b>		
<b>P20 Clemson PSA</b>																		
1481	BioEngineering Alliance	110,361						110,361	1.05	110,361						110,361		
1487	Natural Resources and Environmental Research and Education: Water Quality and Quantity	1,278,423	399,888	47,089				1,725,400	20.85	1,278,423	399,888	47,089				1,725,400		
1490	Sustainable Agricultural Production Systems: Organic Crops	96,669	24,400	9,846				130,915	1.50	96,669	24,400	9,846				130,915		
1491	Reducing the Impact of Animal Agriculture on the Environment	313,723	98,340	40,123				452,186	4.40	213,723	98,340	40,123				352,186		
1512	Growth and Population Research and Education		4,224	3,441				7,665	0.20		4,224	3,441				7,665		
1485	Natural Resources and Environmental Research and Education: Recreation and Tourism	66,012	28,986	8,770				103,768	2.20		28,986	8,770				37,756		
1497	Integrated Pest Management (IPM) for Agriculture and Forestry	948,419	293,773	169,861				1,412,053	17.01	948,419	293,773	169,861				1,412,053		
1509	Food Safety and Nutrition	3,392,572	1,888,765	49,109				5,330,446	63.00	3,392,572	1,888,765	49,109				5,330,446		
1495	Agricultural Biotechnology	2,729,737	537,553	586,922				3,854,212	21.54	2,729,737	537,553	586,922				3,854,212		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1498	Sustainable Forestry Management and Environmental Enhancement	1,883,839	502,515	287,814				2,674,168	26.52	1,883,839	502,515	287,814				2,674,168		
1498	Sustainable Forestry Management - Integrate PSA forestry efforts with Clemson academic programs and allow the Forestry Commission to perform any outstanding activities if they are a priority									(1,883,839)	(502,515)	(287,814)				(2,674,168)		
1499	Natural Resources and Environmental Research and Education: Nuisance Species	87,277	28,056	17,927				133,260	2.00		28,056	17,927				45,983		
1474	Natural Resources and Environmental Research and Education: Master Wildlifer/Master Naturalist		46,082	140,539				186,621	2.27		46,082	140,539				186,621		
1483	The South Carolina Institute for Energy Studies	86,532						86,532	2.05	86,532						86,532		
1503	Livestock-Poultry Health Programs: Meat Inspection	1,224,003	1,224,003	80,000				2,528,006	42.08	612,002	1,387,624	80,000				2,079,626		
1511	Natural Resources and Environmental Research and Education: Urban wildlife		76,779	7,337				84,116	2.40		76,779	7,337				84,116		
1508	4-H and Agricultural & Natural Resource Programs for Youth	4,463,849	1,183,901	2,420,412				8,068,162	135.92		1,183,901	2,420,412				3,604,313		
1496	Risk Management Systems for Agricultural Firms	904,418	379,237	295,457				1,579,112	22.00	904,418	379,237	295,457				1,579,112		
1488	Natural Resources and Environmental Research and Education	1,216,025	516,559	92,753				1,825,337	26.10	1,216,025	516,559	92,753				1,825,337		
1514	Sustainable Agricultural Production Systems: Agronomic Crops	5,909,957	1,260,317	776,995			700,000	8,647,269	81.56	5,909,957	1,260,317	776,995				7,947,269		
1476	Government and Public Affairs Research and Education		33,561	146,631				180,192	3.00		33,561	146,631				180,192		
1482	Sustainable Agricultural Production Systems: Horticultural Crops	3,519,624	1,071,532	505,208				5,096,364	55.04	3,374,424	1,071,532	505,208				4,951,164		
1489	Sustainable Agricultural Production Systems: Nutraceutical Crops	336,847	75,108	61,365				473,320	5.73	336,847	75,108	61,365				473,320		
1493	Agricultural Biosecurity	241,790	88,682	11,876				342,348	4.00	241,790	88,682	11,876				342,348		
1494	Environmental Horticulture Education		202,063	409,132				611,195	10.62		202,063	409,132				611,195		
1504	Livestock-Poultry Health Programs: Animal Health and Diagnostic Laboratory	1,265,886		114,973				1,380,859	35.25	1,265,886		114,973				1,380,859		
1492	Agro Medicine (pass-thru)	228,591						228,591										
1475	Rural Community Enhancement and Improvement		177,923	390,311				568,234	11.00		177,923	390,311				568,234		
1477	Agricultural Education Teachers' Salaries (pass-thru)	405,599		276,533				682,132		405,599		276,533				682,132		
1484	Rural Community Leadership Development	380,251	146,820	80,249				607,320	8.00									
1486	Natural Resources and Environmental Research and Education: Alternative Income Opportunities for Landowners	109,917	39,711	27,315				176,943	2.00	109,917	39,711	27,315				176,943		
1506	Boll Weevil Eradication Programs (pass-thru)	134,974						134,974		134,974						134,974		
1510	Sustainable Agricultural Production Systems: Animal Production Systems	4,316,964	895,514	602,867			300,000	6,115,345	44.42	4,316,964	895,514	602,867				5,815,345		
1500	Rural Community Public Issues Education		150,713	21,308				172,021	3.59		150,713	21,308				172,021		
1502	Rural Community Economic Development	913,475	375,658	33,616				1,322,749	23.14	913,475	375,658	33,616				1,322,749		
1513	Community and Economic Affairs Research and Education		28,590	124,908				153,498	2.12		28,590	124,908				153,498		
1480	Distance Education: Television, Web and Print Productions	1,244,819	319,560					1,564,379	30.47	834,029	319,560					1,153,589		
1507	Regulatory and Public Service Programs: Pesticide Regulation	189,948	644,806	2,000,000				2,834,754	38.09	189,948	420,869	2,000,000				2,610,817		
1515	Household and Structural Pest Control and Pesticide Training	375,463	167,993	86,874				630,330	8.50	187,731	167,993	86,874				442,598		
1479	Distance Education: Radio Productions	69,395		33,243				102,638	2.00			33,243				33,243		
1505	Regulatory and Public Service Programs: Plant and Seed Certification	957,385	171,625	53,852				1,182,862	31.33	957,385	57,315	53,852				1,068,552		
1478	Administration	4,130,340	371,267	139,225				4,640,832	34.00	4,130,340	371,267	139,225				4,640,832		
1501	Natural Resources and Environmental Research and Education: Coastal Natural Hazards																	
	Unemployment Compensation Premium Reduction									(21,018)						(21,018)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	1,386,353						1,386,353		1,386,353						1,386,353		
	<b>Total</b>	<b>44,919,437</b>	<b>13,454,504</b>	<b>10,153,881</b>			<b>1,000,000</b>	<b>69,527,822</b>	<b>826.95</b>	<b>36,263,482</b>	<b>12,630,543</b>	<b>9,903,697</b>				<b>58,797,722</b>		
<b>P21</b>	<b>South Carolina State PSA</b>																	
1222	Nutrition Education, Diet, and Health	586,052	651,169					1,237,221	11.00	586,052	663,354					1,249,406		
1223	Youth and Family Development	728,061	738,281					1,466,342	13.00	728,061	750,466					1,478,527		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1224	Community Leadership and Economic Development	571,353	610,401					1,181,754	11.00							1,193,941		
1221	Sustainable Agriculture, Natural Resources and Environment	714,192	763,385					1,477,577	13.00	714,192	775,570					1,489,762		
1225	Administration	257,109	286,840				300,000	843,949	7.00	257,109	286,840					543,949		
	Unemployment Compensation Premium Reduction												(9,985)			(9,985)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	23,011						23,011					23,011			23,011		
	<b>Total</b>	<b>2,879,778</b>	<b>3,050,076</b>				<b>300,000</b>	<b>6,229,854</b>	<b>55.00</b>	<b>2,869,793</b>	<b>3,098,818</b>					<b>5,968,611</b>		
<b>P24 Department of Natural Resources</b>																		
1234	Game and fish licensing (Charleston Office)	5,778		106,851				112,629	2.25	5,778		106,851				112,629		
1235	Game and fish licensing (Columbia Office)	147,919		450,000				597,919	9.00	147,919		1,510,000				1,657,919		
1253	Enforce boating safety laws and investigate boating accidents		1,908,987	954,494				2,863,481	15.00		1,908,987	954,494				2,863,481		
1241	Provide the registration and titling of watercraft and outboard motors as required by law			1,228,809				1,228,809	27.00			1,228,809				1,228,809		
1247	Enforce game, fish and related natural resource laws	9,138,976	455,000	8,925,729			505,000	19,024,705	257.20	10,138,976	455,000	8,925,729				19,519,705	25.00	
1256	Heritage Trust Program	347,050	20,000	510,277				877,327	21.00	347,050	20,000	510,277				877,327		
1620	Services provided through Water Recreation Resources Fund			1,003,687				1,003,687				1,003,687				1,003,687		
1226	Environmental Conservation	628,201	8,025,966	914,471				9,568,638	14.00	628,201	8,025,966	914,471				9,568,638		
1229	Marine Crustacean Resources Monitoring and Management	123,729	240,209	161,900				525,838	6.50	123,729	240,209	161,900				525,838		
1232	Marine Environmental Monitoring and Management	548,242	1,803,424	1,085,166				3,436,832	20.20	548,242	1,803,424	1,085,166				3,436,832		
1227	Marine Shellfish Monitoring and Management	471,892	348,357	520,471				1,340,720	12.00	471,892	348,357	520,471			1,000,000	2,340,720		
1228	Marine Finfish Monitoring and Management	887,348	3,030,202	2,275,179				6,192,729	57.60	1,137,348	3,030,202	2,275,179				6,442,729		
1242	Wildlife Regional Operations		3,147,000	4,967,169			600,000	8,714,169	90.00		3,147,000	4,967,169				8,114,169		
1261	Hydrology Section	1,544,122		300,000			250,000	2,094,122	17.00	2,044,122		300,000				2,344,122		
1243	Statewide Projects - Wildlife Section	271,562	1,432,355	1,838,092				3,542,009	30.00	271,562	1,432,355	1,838,092				3,542,009		
1244	District Operations		1,626,542	1,005,977				2,632,519	30.00		1,626,542	1,005,977				2,632,519		
1251	Services provided through County Funds			1,008,829				1,008,829				1,008,829				1,008,829		
1230	Mariculture Aquaculture	1,000,979	828,946	180,432				2,010,357	16.10	582,163	828,946	180,432				1,591,541		
1233	Special Marine Projects	127,916	656,979	264,532				1,049,427	3.60	127,916	656,979	264,532				1,049,427		
1240	Manage and grow the Wildlife Shop			382,316				382,316	2.00			382,316				382,316		
1245	Hatchery Operations		756,000	1,681,207				2,437,207	27.00		756,000	1,681,207				2,437,207		
1252	Provide hunter education and promote hunter safety.		950,617	237,654				1,188,271	9.00		950,617	237,654				1,188,271		
1231	Marine Education and Outreach	236,782	1,219,423	445,101				1,901,306	14.75	236,782	3,653,942	476,101				4,366,825		
1239	South Carolina Wildlife (SCW) Magazine			747,851				747,851	8.00			747,851				747,851		
1257	Conservation Districts	1,401,128						1,401,128	29.00	1,401,128						1,401,128		
1237	Provide public information	505,335						505,335	13.00	505,335						505,335		
1238	Provide outreach and education services	437,181	156,563	77,066				670,810	9.00	437,181	156,563	77,066				670,810		
1255	Provide boating access facility assistance			655,984				655,984	4.00			655,984				655,984		
1754	Aid to Conservation Districts (Pass-thru)	552,000						552,000		552,000						552,000		
1254	Purchase law enforcement equipment	750,000					1,500,000	2,250,000							1,000,000	1,000,000		
1246	Rediversion		200,000	220,084				420,084	2.00		200,000	220,084				420,084		
1259	Southeast Regional Climate Center (SERCC)			337,969				337,969	7.00			337,969				337,969		
1258	South Carolina State Climatology Office (SCO)	371,339						371,339	5.00	371,339						371,339		
1248	Provide aviation services	200,000		184,000				384,000	1.00	200,000		184,000				384,000		
1249	Provide staff development and training to agency law enforcement officers.	200,000		60,000				260,000	1.00	200,000		260,000				460,000		
1260	Geological Survey	613,603	222,716					836,319	11.00	613,603	222,716					836,319		
1236	Agency Support Services (Administration)	3,941,870		1,340,035			1,500,000	6,781,905	57.00	3,941,870		1,340,035				5,281,905		
1236	Administrative Savings from Restructuring									(932,077)						(932,077)		

### FY 2007-08 Governor's Purchase Plan

Activity Number      Activity Name		FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1250	Maintain a victim's assistance program																	
	Unemployment Compensation Premium Reduction																	
	Travel Savings																	
	TERI Savings																	
	FY 06-07 Health Ins, Pay Plan, POV Allocation	636,429							636,429		636,429							
	<b>Total</b>	<b>25,089,381</b>	<b>27,029,286</b>	<b>34,071,332</b>				<b>3,000,000</b>	<b>1,355,000</b>	<b>90,544,999</b>	<b>828.20</b>	<b>24,544,191</b>	<b>29,463,805</b>	<b>35,362,332</b>		<b>2,000,000</b>	<b>91,370,328</b>	<b>25.00</b>
<b>P26 Sea Grant Consortium</b>																		
1262	Research and Education		6,457,202	133,100					6,590,302	2.00		5,457,202	191,100				5,648,302	
1263	Communications	153,990	113,222	50,390					317,602	5.00	153,990	113,222	50,390				317,602	
1264	Sea Grant Extension Program		439,576	36,000					475,576	1.00		439,576	36,000				475,576	
1265	Administration	391,758	160,000	5,010					556,768	6.00	391,758	160,000	5,010				556,768	
	Unemployment Compensation Premium Reduction																	
	Travel Savings																	
	FY 06-07 Health Ins, Pay Plan, POV Allocation	15,088							15,088		15,088							
	<b>Total</b>	<b>560,836</b>	<b>7,170,000</b>	<b>224,500</b>					<b>7,955,336</b>	<b>14.00</b>	<b>559,117</b>	<b>6,170,000</b>	<b>282,500</b>				<b>7,011,617</b>	
<b>P28 Department of Parks, Recreation &amp; Tourism</b>																		
1274	Media Placement & Productions	9,565,935		1,000,000				1,000,000	11,565,935		13,915,935		1,000,000				14,915,935	
1275	Tourism Marketing Partnership Program	3,149,243							3,149,243	2.00	3,149,243						3,149,243	
1276	Marketing & Sales	1,061,485							1,061,485	15.00	1,061,485						1,061,485	
1270	State Parks--Field Operations	5,734,557		17,140,624					22,875,181	314.67	5,734,557		17,640,624		1,000,000		24,375,181	
1269	State Parks--Central Support	2,272,651							2,272,651	32.00	2,272,651						2,272,651	
1268	Communications & Public Relations - Tourism	123,558							123,558	1.50	123,558						123,558	
1279	Tourism Community & Economic Development	582,842		125,000					707,842	7.00	9,582,842		125,000				9,707,842	
1280	Heritage Corridor & Discovery Centers	175,000	1,238,220						1,413,220		175,000	1,238,220					1,413,220	
1277	Welcome Centers	2,192,913							2,192,913	43.00	2,192,913						2,192,913	
1278	Research & Policy Development	252,122							252,122	3.00	252,122						252,122	
1770	Advertising							5,000,000	5,000,000									
1272	Recreation & Grants	218,424	2,325,080	1,565,000					4,108,504	3.00	218,424	2,325,080	1,565,000				4,108,504	
1288	Executive Office - Parks	900,755							900,755	9.00	900,755						900,755	
1596	Recreation Land Trust Fund	358,875							358,875		358,875						358,875	
1602	State Parks - Charlestowne Landing							7,000,000	7,000,000									
1273	Engineering & Planning	622,824							622,824	8.00	622,824						622,824	
1290	Communications & Public Relations - Parks	245,270							245,270	3.50	245,270						245,270	
1603	Competitive Grants							3,000,000	3,000,000									
1281	Pass Through Funds	1,375,000						550,000	1,925,000		1,375,000						1,375,000	
1283	Pass Through Funds - Line Item			3,000,000					3,000,000				3,200,000				3,200,000	
1604	Pass Through Funds	225,000							225,000									
1759	H Cooper Black	300,000		60,000				531,300	891,300	2.00	300,000		60,000				360,000	
1762	Pass Through Funds	246,000							246,000									
1767	Pass Through Funds - Line Item							100,000	100,000									
1282	Pass Through Funds - Line Item	200,000						100,000	300,000									
1287	Pass Through Funds - Line Item Contributions	38,766							38,766									
1774	Pass Through Funds - Line Item	200,000							200,000									
1599	Pass Through Funds	50,000							50,000									
1755	Pass Through Funds	5,000							5,000									
1756	Pass Through Funds	40,507							40,507									
1757	Pass Through Funds	25,000							25,000									
1758	Pass Through Funds	5,649							5,649									
1760	Pass Through Funds	5,000							5,000									
1761	Pass Through Funds	4,133							4,133									
1763	Pass Through Funds - Line Item							250,000	250,000									
1764	Pass Through Funds	166,191							166,191									
1765	Pass Through Funds	3,000							3,000									
1766	Pass Through Funds - Line Item							108,000	108,000									
1768	Pass Through Funds - Line Item							175,000	175,000									
1769	Pass Through Funds - Line Item							20,000	20,000									
1271	Interpretive & Resource Management	598,701		98,630					697,331	10.00			98,630				98,630	
	Pass Through Funds - Line Item Canadian																	
1284	Promotions	85,000							85,000									
1772	Pass Through Funds	8,266							8,266									
1773	Pass Through Funds	26,074							26,074									
1771	Pass Through Funds - Line Item							180,000	180,000									



**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding									FY 2007-08 Governor's Purchase Plan							
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1266	Administration - Executive Office - Tourism	453,764						453,764	5.00	453,764						453,764		
1267	Administration - Tourism	1,130,759						1,130,759	10.00	1,130,759						1,130,759		
1286	Pass Through Funds																	
1289	Administration - Parks	2,244,640		5,000				2,249,640	19.00	2,244,640		5,000				2,249,640		
1597	Pass Through Funds - Line Item																	
1598	Pass Through Funds																	
1600	Pass Through Funds - Line Item																	
1601	Pass Through Funds - Line Item																	
	Unemployment Compensation Premium Reduction									(43,370)						(43,370)		
	Travel Savings									(30,396)						(30,396)		
	TERI Savings									(53,326)						(53,326)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	577,867						577,867		577,867						577,867		
	<b>Total</b>	<b>35,470,771</b>	<b>3,563,300</b>	<b>22,994,254</b>				<b>18,014,300</b>	<b>487.67</b>	<b>80,042,625</b>		<b>46,761,392</b>	<b>3,563,300</b>	<b>23,694,254</b>	<b>1,000,000</b>	<b>75,018,946</b>		
<b>P32 Department of Commerce</b>																		
1291	Business Development - Project Management	1,599,962						1,599,962	20.00	1,599,962						1,769,962	3.00	
1300	Grants and Incentives - Highway Set Aside			19,000,000				19,000,000	5.00			19,982,334				19,982,334	2.00	
1779	Grants and Incentives - Deal Closing Fund						7,000,000	7,000,000		7,000,000						7,000,000		
NEW	Broadband													2,000,000		2,000,000		
1304	Grants and Incentives - CDBG	350,000	35,876,911	1,000,000				37,226,911	12.00	500,000	30,310,464	1,000,000				31,810,464		
1292	Marketing and Communications (RENAMED)	2,239,258						2,239,258	6.00	2,239,258						2,239,258		
1293	Business Development - Foreign Offices	1,007,850						1,007,850		1,422,850						1,422,850		
1298	Community and Rural Development	343,498		615,285				958,783	9.00	343,498		615,285				958,783		
1302	Grants and Incentives - Tourism Infrastructure Fund			1,000,000				1,000,000				1,000,000				1,000,000		
1605	Workforce Investment Act		60,000,000					60,000,000	29.00		60,000,000					60,000,000		
1777	Research	1,044,202						1,044,202	10.00	1,044,202						1,044,202		
1294	Business Solutions - International Trade	507,127		20,000				527,127	4.00	507,127		20,000				527,127		
1301	Grants and Incentives - Enterprise Zone			275,000				275,000	3.00			275,000				275,000		
1303	Grants and Incentives - Rural Infrastructure Fund			5,384,715				5,384,715				7,642,381				7,642,381		
1299	Community Development Corporation	1,100,000		5,000				1,105,000	1.00	1,100,000		5,000				1,105,000		
1775	Business Solutions - Venture Capital Investment Act								1.00							197,500		
1296	Business Solutions - Film	591,648						591,648	5.00	591,648						591,648		
1776	Grants and Incentives - Motion Picture Incentive Fund			4,000,000				4,000,000				5,000,000				5,000,000		
1306	Aeronautics - Airport Development	991,535	1,000,000	750,000				2,741,535	6.00	991,535	410,000	1,125,000			5,000,000	7,526,535	1.00	5,000,000
1295	Business Solutions - Small Business	591,648						591,648	5.00	591,648						591,648		
1297	Business Solutions - Recycling			209,000				209,000	2.00			209,000				209,000		
1307	Agency Pass Through	1,240,328					4,231,230	5,471,558		942,640						942,640		
1778	Business Solutions - Small Business Regulatory Committee								1.00									
1305	Aeronautics - Flight Operations	510,791		387,500				898,291	6.00	510,791		387,500				898,291		
1308	Administration	3,209,235		7,000				3,216,235	28.00	3,324,235		17,000				3,341,235		
	Unemployment Compensation Premium Reduction									(12,371)						(12,371)		
	Travel Savings									(17,412)						(17,412)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	245,137						245,137		245,137						245,137		
	<b>Total</b>	<b>15,572,219</b>	<b>96,876,911</b>	<b>32,653,500</b>			<b>11,231,230</b>	<b>156,333,860</b>	<b>153.00</b>	<b>23,292,248</b>	<b>90,720,464</b>	<b>37,278,500</b>			<b>7,000,000</b>	<b>158,291,212</b>	<b>6.00</b>	<b>5,000,000</b>
<b>P34 Jobs - Economic Development Authority</b>																		
1608	Pass-through		150,000					150,000										
1607	Administration		154,480					154,480	1.00		23,500	346,000				369,500		
	<b>Total</b>		<b>304,480</b>					<b>304,480</b>	<b>1.00</b>		<b>23,500</b>	<b>346,000</b>				<b>369,500</b>		
<b>P36 Patriots Point Development Authority</b>																		
1312	Operations/Maintenance			2,537,229				2,537,229	50.00			2,537,229				2,537,229		
1313	Retail Operations			1,423,764				1,423,764	5.00			1,423,764				1,423,764		
1316	Visitor Services			926,093				926,093	9.00			926,093				926,093		
1315	Collections			145,526				145,526	2.00			145,526				145,526		
1314	Education/Overnight Camping			1,081,639				1,081,639	6.00			1,081,639				1,081,639		
1317	Administration			1,038,049				1,038,049	8.00			1,038,049				1,038,049		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
<b>Total</b>				<b>7,152,300</b>				<b>7,152,300</b>	<b>80.00</b>			<b>7,152,300</b>				<b>7,152,300</b>		
<b>P40 SC Conservation Bank</b>																		
Conservation Land Bank - Grants & loans to public & private entities to acquire interests in real property worthy of conservation																		
1318				15,250,000				15,250,000	1.00			21,250,000			20,000,000	41,250,000		
<b>Total</b>				<b>15,250,000</b>				<b>15,250,000</b>	<b>1.00</b>			<b>21,250,000</b>			<b>20,000,000</b>	<b>41,250,000</b>		
<b>R04 Public Service Commission</b>																		
1319	Utility Regulation			3,257,541				3,257,541	28.00			3,257,541				3,257,541		
1321	Administration			971,767				971,767	10.00			1,271,767				1,271,767		
<b>Total</b>				<b>4,229,308</b>				<b>4,229,308</b>	<b>38.00</b>			<b>4,529,308</b>				<b>4,529,308</b>		
<b>R06 Office of Regulatory Staff</b>																		
1520	Utilities-Electric			414,148				414,148	4.13			441,373				441,373		
1524	Dual Party Relay			2,500,000				2,500,000				4,183,697				4,183,697		
1522	Telecommunications			714,158				714,158	7.88			755,324				755,324		
1610	Utilities-Natural Gas			622,805				622,805	6.86			622,805				622,805		
1611	Audit			1,195,406				1,195,406	16.00			1,195,406				1,195,406		
1612	Water/Wastewater			276,696				276,696	2.25			276,696				276,696		
1609	Legal			839,874				839,874	8.00			839,874				839,874		
1523	Consumer Services			517,165				517,165	8.00			1,075,732				1,075,732		
1521	Transportation			659,468				659,468	7.88			659,468				659,468		
1525	Administration			1,105,694				1,105,694	12.00			1,105,694				1,105,694		
<b>Total</b>				<b>8,845,414</b>				<b>8,845,414</b>	<b>73.00</b>			<b>11,156,069</b>				<b>11,156,069</b>		
<b>R08 Workers' Compensation Commission</b>																		
1324	Adjudication	2,317,190		1,238,395				3,555,585	49.00	2,317,190		1,238,395				3,555,585		
1613	Computer Project						854,757	854,757										
1323	Administration	934,758		661,605				1,596,363	16.00	934,758		661,605				1,596,363		
	Unemployment Compensation Premium Reduction									(3,364)						(3,364)		
	Travel Savings									(1,015)						(1,015)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	99,126						99,126		99,126						99,126		
<b>Total</b>		<b>3,351,074</b>		<b>1,900,000</b>			<b>854,757</b>	<b>6,105,831</b>	<b>65.00</b>	<b>3,346,695</b>		<b>1,900,000</b>				<b>5,246,695</b>		
<b>R12 State Accident Fund</b>																		
1326	Workers' Compensation Insurance Services			5,640,711				5,640,711	78.12			5,630,711				5,630,711		
1325	Administration			1,088,810				1,088,810	12.00			1,088,810				1,088,810		
<b>Total</b>				<b>6,729,521</b>				<b>6,729,521</b>	<b>90.12</b>			<b>6,719,521</b>				<b>6,719,521</b>		
<b>R14 Patient's Compensation Fund</b>																		
1328	Risk Management Services			66,234				66,234				44,149				44,149		
1329	Claims Service			99,380				99,380	1.00			99,380				99,380		
1327	Membership Services			573,007				573,007	3.00			573,007				573,007		
1331	Contracted Services			200,000				200,000				200,000				200,000		
1330	Administration			165,634				165,634	1.00			165,634				165,634		
<b>Total</b>				<b>1,104,255</b>				<b>1,104,255</b>	<b>5.00</b>			<b>1,082,170</b>				<b>1,082,170</b>		
<b>R16 Second Injury Fund</b>																		
1332	Claims Administration			685,165				685,165	9.00			685,165				685,165		
1333	Legal			385,025				385,025	5.00			385,025				385,025		
1334	Recoveries			118,008				118,008	1.00			118,008				118,008		
1335	Administration			542,204				542,204	8.00			542,204				542,204		

### FY 2007-08 Governor's Purchase Plan

		FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
Activity Number	Activity Name	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
<b>Total</b>		<b>1,730,402</b>							<b>1,730,402</b>	<b>23.00</b>	<b>1,730,402</b>						<b>1,730,402</b>		
<b>R20 Department of Insurance</b>																			
1336	Solvency Monitoring	486,499		1,846,496					2,332,995	20.20	740,499		1,846,496				2,586,995		
1337	Licensing	148,035		684,238					832,273	13.00	148,035		684,238				832,273		
1340	Form and Rate Review	753,974							753,974	8.80	753,974						803,974		
1342	Captive Formation	298,806		1,425,413					1,724,219	10.00	298,806		1,425,413				1,724,219		
1338	Taxation	112,966							112,966	1.00	112,966						112,966		
1339	Consumer Services	877,508							877,508	11.50	877,508						877,508		
1345	Legal and Investigations	831,894							831,894	8.75	831,894						831,894		
1341	Pass Through Funds			2,555,000					2,555,000				2,555,000				2,555,000		
1344	Executive Services	409,817							409,817	4.00	409,817						409,817		
1346	Administration	514,413		173,653			996,000		1,684,066	16.75	514,413		173,653		150,000		838,066		
	Unemployment Compensation Premium Reduction													(1,881)			(1,881)		
	Travel Savings													(13,669)			(13,669)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	122,513							122,513		122,513						122,513		
<b>Total</b>		<b>4,556,425</b>		<b>6,684,800</b>			<b>996,000</b>		<b>12,237,225</b>	<b>94.00</b>	<b>4,844,875</b>		<b>6,684,800</b>		<b>150,000</b>		<b>11,679,675</b>		
<b>R23 Board of Financial Institutions</b>																			
1348	Consumer Finance			1,239,780					1,239,780	17.00			1,336,444				1,336,444		
1347	Bank Examining			1,955,309					1,955,309	25.00			1,955,309				1,955,309		
<b>Total</b>		<b>3,195,089</b>							<b>3,195,089</b>	<b>42.00</b>	<b>3,291,753</b>						<b>3,291,753</b>		
<b>R28 Department of Consumer Affairs</b>																			
1349	Consumer Services	719,489		40,000			20,400	50,000	829,889	16.00	719,489		40,000				759,489		
1351	Advocacy Division	249,609		66,394				25,000	341,003	3.00	249,609		66,394				316,003		
1350	Legal Division	71,954	30,000	869,852				50,000	1,021,806	18.00	71,954	30,000	1,109,852				1,211,806		
1352	Public Information	217,281		17,500				25,000	259,781	5.00	217,281		17,500				234,781		
1353	Administration	752,627		342,351				50,000	1,144,978	13.00	752,627		342,351				1,094,978		
	Unemployment Compensation Premium Reduction													(1,141)			(1,141)		
	Travel Savings													(2,207)			(2,207)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	51,965							51,965		51,965						51,965		
<b>Total</b>		<b>2,062,925</b>	<b>30,000</b>	<b>1,336,097</b>			<b>20,400</b>	<b>200,000</b>	<b>3,649,422</b>	<b>55.00</b>	<b>2,059,577</b>	<b>30,000</b>	<b>1,576,097</b>				<b>3,665,674</b>		
<b>R36 Department of Labor, Licensing &amp; Regulation</b>																			
1354	Occupational Safety & Health Program (OSHA)	1,775,122	2,473,830						4,248,952	63.15	1,775,122	2,473,830					4,248,952		
1355	Payment of Wages and Child Labor	199,059							199,059	3.00	199,059						199,059		
1356	Labor-Management Mediation	72,500							72,500	1.00	72,500						72,500		
1398	Fire Training			4,703,476					4,703,476	46.00			5,428,476				5,428,476		
1614	State Emergency Preparedness		158,176	190,000					348,176			158,176	190,000				348,176		
1393	Board of Pharmacy			1,000,000					1,000,000	10.20			1,000,000				1,000,000		
1395	State Fire Marshal's Office - Field Services			1,417,620					1,417,620	21.50			1,417,620				1,417,620		
1780	Boiler Inspection Program			122,310					122,310	1.00			122,310				122,310		
1357	Elevator and Amusement Ride Inspection			847,430					847,430	14.00			882,430				882,430		
1358	Board of Chiropractic Examiners			135,000					135,000	1.25			135,000				135,000		
1359	Board of Medical Examiners			1,223,001					1,223,001	19.00			1,223,001				1,223,001		
1366	Board of Examiners for Licensure of Professional Counselors, Marriage and Family Therapists and Psycho-Educational Specialists			156,000					156,000	2.20			156,000				156,000		
1367	Board of Examiners in Psychology			100,000					100,000	1.10			100,000				100,000		
1368	Board of Social Work Examiners			150,000					150,000	2.75			150,000				150,000		
1397	State Fire Marshal's Office - Engineering Section			385,000					385,000	7.50			585,000				585,000		
1360	Board of Nursing			1,570,000					1,570,000	25.00			1,828,334				1,828,334		
1370	Board of Veterinary Medical Examiners			110,000					110,000	1.10			110,000				110,000		
1386	Board of Dentistry			400,000					400,000	4.40			400,000				400,000		
1390	Board of Long Term Health Care Administrators			150,000					150,000	2.30			150,000				150,000		
1362	Board of Examiners in Opticianry			75,000					75,000	1.25			75,000				75,000		
1363	Board of Examiners in Optometry			85,000					85,000	1.25			85,000				85,000		
1369	Board of Speech-Language Pathology and Audiology			85,000					85,000	1.75			85,000				85,000		

### FY 2007-08 Governor's Purchase Plan

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1371	Board of Architectural Examiners			275,000				275,000	2.75			275,000				275,000		
1372	Building Codes Council			475,000				475,000	4.00			475,000				475,000		
1373	Contractors' Licensing Board			1,100,000				1,100,000	12.42			1,333,333				1,333,333		
1374	Board of Registration for Professional Engineers and Land Surveyors			550,000				550,000	7.00			550,000				550,000		
1375	Environmental Certification Board			400,000				400,000	7.25			400,000				400,000		
1376	Manufactured Housing Board			321,851				321,851	7.25			321,851				321,851		
1381	Board of Accountancy			325,000				325,000	5.30			325,000				325,000		
1396	Fire Education			125,000				125,000	2.00			125,000				125,000		
1378	Real Estate Commission			1,165,000				1,165,000	20.00			1,398,333				1,398,333		
1379	Real Estate Appraisers Board			400,000				400,000	6.02			400,000				400,000		
1380	Residential Builders Commission			1,150,000				1,150,000	18.50			1,150,000				1,150,000		
1388	Board of Funeral Service			175,000				175,000	1.90			175,000				175,000		
1361	Board of Occupational Therapy			100,000				100,000	1.70			100,000				100,000		
1364	Board of Physical Therapy			110,000				110,000	2.10			110,000				110,000		
1365	Board of Podiatry Examiners			7,500				7,500	0.50			7,500				7,500		
1382	State Athletic Commission			30,000				30,000				30,000				30,000		
1385	Board of Cosmetology			875,000				875,000	10.90			875,000				875,000		
1387	Board of Registration for Foresters			45,000				45,000	0.65			45,000				45,000		
1394	Pilotage Commission			5,000				5,000				5,000				5,000		
1377	Board of Pyrotechnic Safety	60,000						60,000	1.00	60,000						60,000		
1384	Board of Barber Examiners			300,000				300,000	4.90			300,000				300,000		
1389	Board of Registration for Geologists			65,000				65,000	0.85			65,000				65,000		
1383	Auctioneers Commission			150,000				150,000	2.15			150,000				150,000		
1391	Massage Bodywork Therapy Panel			175,000				175,000	2.05			175,000				175,000		
1392	Perpetual Care Cemetery Board			65,000				65,000	1.15			65,000				65,000		
1399	Administration	766,787		2,998,091				3,764,878	55.37	766,787		3,273,091				4,039,878		
	Unemployment Compensation Premium Reduction									(6,437)						(6,437)		
	Travel Savings									(50,180)						(50,180)		
	TERI Savings									(14,331)						(14,331)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	105,437						105,437		105,437						105,437		
	<b>Total</b>	<b>2,978,905</b>	<b>2,632,006</b>	<b>24,292,279</b>				<b>29,903,190</b>	<b>408.41</b>	<b>2,907,957</b>	<b>2,632,006</b>	<b>26,252,279</b>				<b>31,792,242</b>		
<b>R40 Department of Motor Vehicles</b>																		
1401	Customer Service Centers - 68 centers throughout the state			36,647,131				36,647,131	911.00			42,717,033				42,717,033	50.00	
1407	Compliance - Driver Records			3,713,811				3,713,811	67.00			4,113,811				4,113,811		
1617	Compliance - Financial Responsibility			3,948,354				3,948,354	55.00			4,685,059				4,685,059		
1402	Customer Service Delivery / Alternative Media			4,914,863				4,914,863	61.00			4,956,407				4,956,407		
1615	Motor Carrier Services - Regulation		638,474	1,761,614				2,400,088	38.00		893,014	1,890,335				2,783,349		
1616	Motor Carrier Services - Commercial Driver's License Regulation			604,232				604,232	10.00			604,232				604,232		
1406	Customer Service Delivery / Product Development and Partnerships			1,938,352				1,938,352	14.00			1,737,468				1,737,468		
1405	Customer Service Delivery / Call Center			3,513,930				3,513,930	60.00			3,513,930				3,513,930		
1408	Compliance - Driver Improvement and Medical Review			936,922				936,922	14.00			936,922				936,922		
1618	Administration - Internal Affairs / Document Review and Fraud			647,273				647,273	13.00			647,273				647,273		
1410	Compliance - Dealer Licensing, Regulation, and Enforcement			1,306,777				1,306,777	23.00			1,306,777				1,306,777		
1411	Motor Carrier Services - State Highway Fuel Tax Funding			1,005,881				1,005,881	5.00			1,005,881				1,005,881		
1412	Compliance - Highway Safety Statistical Data Entry			371,245				371,245	16.00			371,245				371,245		
1400	Administration			4,331,658				4,331,658	81.00			3,756,472				3,756,472		
	<b>Total</b>		<b>638,474</b>	<b>65,642,043</b>				<b>66,280,517</b>	<b>1,368.00</b>		<b>893,014</b>	<b>72,242,845</b>				<b>73,135,859</b>	<b>50.00</b>	
<b>R44 Department of Revenue</b>																		
1413	Collections	6,106,302		1,325,400				7,431,702	100.73	6,106,302		1,325,400				7,431,702		
1414	Compliance	10,991,344		2,385,720				13,377,064	181.31	10,991,344		2,385,720				13,377,064		
1414	Compliance - FY05 Appropriation was for nonrecurring technology expenses associated with enforced collections									(3,000,000)						(3,000,000)		
1415	Processing	4,477,955		971,960				5,449,915	73.87	4,477,955		971,960				5,449,915		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan								
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs
1417	Legal	1,628,347		714,440				2,342,787	26.86	1,628,347		714,440				2,342,787		
1420	Technology Services	7,327,563		4,290,480				11,618,043	120.87	7,327,563		4,290,480				11,618,043		
1416	Taxpayer Assistance	3,663,781		795,240				4,459,021	60.44	3,663,781		795,240				4,459,021		
1418	Property	1,628,347		353,440				1,981,787	46.86	1,628,347		353,440				1,981,787		
1419	Regulatory	814,174		176,720				990,894	13.43	814,174		176,720				990,894		
1421	Administrative Support	4,070,869		883,600				4,954,469	67.13	4,070,869		883,600				4,954,469		
---	Lease Savings									(1,003,779)						(1,003,779)		
	Unemployment Compensation Premium Reduction									(11,344)						(11,344)		
	Travel Savings									(58,586)						(58,586)		
	TERI Savings									(187,007)						(187,007)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	1,181,636						1,181,636		1,181,636						1,181,636		
	<b>Total</b>	<b>41,890,318</b>		<b>11,897,000</b>				<b>53,787,318</b>	<b>691.50</b>	<b>37,629,602</b>		<b>11,897,000</b>				<b>49,526,602</b>		
<b>R52 State Ethics Commission</b>																		
1424	Financial Disclosure	32,692		5,000				37,692	1.20	32,692		5,000				37,692		
1425	Enforcement	84,827		39,763				124,590	3.20	84,827		39,763				124,590		
1422	Lobbying Activities	9,100		15,512				24,612	0.70	9,100		15,512				24,612		
1423	Campaign Finance	32,692		5,000				37,692	1.20	32,692		5,000				37,692		
1426	Administration	313,513		160,237				473,750	3.70	313,513		160,237				473,750		
	Unemployment Compensation Premium Reduction									(138)						(138)		
	Travel Savings									(461)						(461)		
	FY 06-07 Health Ins, Pay Plan, POV Allocation	12,672						12,672		12,672						12,672		
	<b>Total</b>	<b>485,496</b>		<b>225,512</b>				<b>711,008</b>	<b>10.00</b>	<b>484,897</b>		<b>225,512</b>				<b>710,409</b>		
<b>R60 Employment Security Commission</b>																		
1428	Employment Services		17,067,482	11,345,991				28,413,473	354.65		17,123,122	13,053,951				30,177,073		
1431	Unemployment Insurance (UI)		37,875,585	2,233,969				40,109,554	555.98		39,760,629	2,447,246				42,207,875		
1432	SC Occupational Information	437,557		333,099				770,656	5.00	437,557		288,707				726,264		
1430	Labor Market Information Department		1,517,223	85,088				1,602,311	28.56		1,517,223	85,088				1,602,311		
1427	Administration		8,159,075	2,283,250		933,189		11,375,514	151.81		8,052,788	2,362,369				10,415,157		
	Unemployment Compensation Premium Reduction									(78,628)						(78,628)		
	<b>Total</b>	<b>437,557</b>	<b>64,619,365</b>	<b>16,281,397</b>		<b>933,189</b>		<b>82,271,508</b>	<b>1,096.00</b>	<b>358,929</b>	<b>66,453,762</b>	<b>18,237,361</b>				<b>85,050,052</b>		
<b>S60 Procurement Review Panel</b>																		
1436	Hearings	91,005		3,000				94,005	1.85									
1435	Administration	23,784						23,784	0.15									
	FY 06-07 Health Ins, Pay Plan, POV Allocation	3,415						3,415										
	<b>Total</b>	<b>118,204</b>		<b>3,000</b>				<b>121,204</b>	<b>2.00</b>									
<b>U12 Department of Transportation</b>																		
1440	Engineering - Construction	1,000,000		702,436,127			7,000,000	710,436,127	516.00	1,000,000		442,221,403				443,221,403		
1441	Maintenance			311,903,001				311,903,001	3,599.59			274,877,603				274,877,603		
1438	Engineering Operations			26,072,063				26,072,063	408.50			24,494,198				24,494,198		
1439	Engineering - Preliminary Design, Planning and Rights of Way Acquisition			38,586,653				38,586,653	591.87			38,586,653				38,586,653		
1619	Statewide Secondary Resurfacing			50,000,000				50,000,000				50,000,000				50,000,000		
1442	Acquisition of maintenance equipment			7,500,000				7,500,000				7,500,000				7,500,000		
1443	Safety Programs			66,000,000				66,000,000				66,000,000				66,000,000		
1452	Mass Transit Allocation to Other Entities - Restricted			19,770,804				19,770,804				19,770,804				19,770,804		
1447	Capital Facilities - Land and Buildings			8,550,000				8,550,000				7,030,000				7,030,000		
1445	Mass Transit			1,739,295			1,680,000	3,419,295	16.00			7,472,624				7,472,624		
1448	Allocation to Municipalities - Restricted			11,000,000				11,000,000				11,000,000				11,000,000		
1449	Allocation to Counties - Restricted			1,000,000				1,000,000				1,000,000				1,000,000		
1446	Toll Operations			3,526,617				3,526,617	4.00			3,731,713				3,731,713		
1444	Keep S.C. Beautiful			233,048				233,048				233,048				233,048		
1451	Mass Transit Allocation to Other Entities	100,990						100,990		100,990						100,990		
1450	Allocation to Other Entities - Restricted																	
1437	General Administration			37,221,925				37,221,925	273.00			44,980,964				44,980,964		

**FY 2007-08 Governor's Purchase Plan**

Activity Number	Activity Name	FY 2006-07 Agency Funding								FY 2007-08 Governor's Purchase Plan									
		General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Supplemental Funding	Total Funds	Total FTEs	General Funds	Federal Funds	Other Funds	EIA	Lottery	Capital Reserve Fund	Total Funds	New FTEs	Contingency Reserve Fund
	Unemployment Compensation Premium Reduction															(144,298)	(144,298)		
	<b>Total</b>	<b>1,100,990</b>		<b>1,285,539,533</b>				<b>8,680,000</b>	<b>1,295,320,523</b>	<b>5,408.96</b>	<b>956,692</b>		<b>998,899,010</b>			<b>999,855,702</b>			
<b>U15</b>	<b>Infrastructure Bank Board</b>																		
1453	Provide financial assistance for construction of major transportation projects			62,000,000				62,000,000					70,000,000			70,000,000			
1454	Administration			389,700				389,700	1.00				400,000			400,000			
	<b>Total</b>			<b>62,389,700</b>				<b>62,389,700</b>	<b>1.00</b>				<b>70,400,000</b>			<b>70,400,000</b>			
<b>U20</b>	<b>County Transportation Fund</b>																		
1456	Allocation Municipal - Restricted			5,000,000				5,000,000					5,000,000			5,000,000			
1457	Allocation County - Restricted			58,000,000				58,000,000					58,000,000			58,000,000			
1458	Allocation Other Entities - Restricted			500,000				500,000					500,000			500,000			
1455	County Administration			27,000,000				27,000,000					23,500,000			23,500,000			
	<b>Total</b>			<b>90,500,000</b>				<b>90,500,000</b>					<b>87,000,000</b>			<b>87,000,000</b>			
<b>V04</b>	<b>Debt Service</b>																		
1459	Debt Service	228,393,608						228,393,608					228,393,608			228,393,608			
1459	Prepayment of Bonds												(1,920,000)			(1,920,000)			
	<b>Total</b>	<b>228,393,608</b>						<b>228,393,608</b>					<b>226,473,608</b>			<b>226,473,608</b>			
<b>X12</b>	<b>Aid to Subdivisions - Comptroller General</b>																		
1460	Pay Supplements	2,731,924						2,731,924					2,731,924			2,731,924			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	81,434						81,434					81,434			81,434			
	<b>Total</b>	<b>2,813,358</b>						<b>2,813,358</b>					<b>2,813,358</b>			<b>2,813,358</b>			
<b>X22</b>	<b>Aid to Subdivisions - Treasurer</b>																		
1461	Aid to Subdivisions	261,323,624					110,000	261,433,624					261,323,624			261,323,624			
	FY 06-07 Health Ins, Pay Plan, POV Allocation	10,296						10,296					10,296			10,296			
	<b>Total</b>	<b>261,333,920</b>					<b>110,000</b>	<b>261,443,920</b>					<b>261,333,920</b>			<b>261,333,920</b>			
<b>Y14</b>	<b>Ports Authority</b>																		
1470	Harbor Dredging						2,400,000	2,400,000					2,400,000			2,400,000			
NEW	Ports Access Road																	100,000,000	
	<b>Total</b>						<b>2,400,000</b>	<b>2,400,000</b>					<b>2,400,000</b>			<b>2,400,000</b>		<b>100,000,000</b>	
	<b>GRAND TOTAL</b>	<b>6,108,004,521</b>	<b>6,465,288,666</b>	<b>5,743,349,601</b>	<b>653,416,646</b>	<b>287,300,000</b>	<b>102,325,596</b>	<b>245,394,169</b>	<b>19,605,079,199</b>	<b>70,286.55</b>	<b>6,242,788,933</b>	<b>6,818,086,582</b>	<b>5,795,905,688</b>	<b>673,000,000</b>	<b>270,540,219</b>	<b>111,821,213</b>	<b>19,912,142,635</b>	<b>787.20</b>	<b>171,541,103</b>

# **Executive Budget Savings Plan**

## Improve our K-12 Student Performance

Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
<b>SAVINGS PROPOSALS</b>					
688	State Department of Education	National Board Certification (NBC) Incentive	By adopting the Governor's Office proposal to move to a two-tiered system of pay for NBC teachers, the state could realize a cost savings by reducing the number of new teachers receiving program loan forgiveness and the NBC annual bonus.	(1,618,997)	General Funds
719	State Department of Education	Character Education Program	This is a worthwhile yet lower priority function that can be performed at lower costs.	(33,910)	General Funds
727	State Department of Education	Accreditation of Schools	The Legislative Audit Council has recommended that the State Department of Education simply adopt the accreditation standards set by the Southern Association of Colleges and Schools.	(644,718)	General Funds
797	State Department of Education	Finance	This is a worthwhile yet lower priority function that can be performed at lower costs. (Over the past two years, the Department has carried forward an average of \$2.4 million per year. These funds should be available to offset any reductions)	(351,707)	General Funds
798	State Department of Education	Administration	This is a worthwhile yet lower priority function that can be performed at lower costs. (Over the past two years, the Department has carried forward an average of \$2.4 million per year. These funds should be available to offset any reductions)	(302,683)	General Funds
803	State Department of Education	FIRST STEPS - Administration	This is a worthwhile yet lower priority function that can be performed at lower costs. (Over the past two years, the Department has carried forward an average of \$2.4 million per year. These funds should be available to offset any reductions)	(232,990)	General Funds
812	Governor's School for Arts and Humanities	Administration	This is a worthwhile yet lower priority function that can be performed at lower costs.	(268,802)	General Funds
816	Governor's School for Math and Science	Administrative Overhead	This is a worthwhile yet lower priority function that can be performed at lower costs.	(27,525)	General Funds
824	Educational Television Commission	Agency Fundraising	This is a worthwhile yet lower priority function that can be performed at lower costs.	(41,192)	General Funds
831	Educational Television Commission	Administration	This is a worthwhile yet lower priority function that can be performed at lower costs. (Over the past two years, the Department has carried forward an average of \$540 thousand per year. These funds should be available to offset any reductions)	(295,178)	General Funds
832	Wil Lou Gray Opportunity School	Administration Program	This is a worthwhile yet lower priority function that can be performed at lower costs.	(39,627)	General Funds
855	School for the Deaf & the Blind	Administration	This is a worthwhile yet lower priority function that can be performed at lower costs.	(122,626)	General Funds
			<b>Cost Savings Subtotal</b>	<b>(3,979,955)</b>	
<b>MAKING TOUGH CHOICES BELOW THE LINE SAVINGS</b>					
693	State Department of Education	Teacher Quality - ADEPT	Ineffective program that is not tied to raising student achievement.	(2,217,245)	General Funds



723	State Department of Education	Teacher Specialist and Technical Assistance	Ineffective program that is not tied to raising student achievement.	(10,564)	General Funds
728	State Department of Education	Principal Specialists, Mentors, Leaders	The Education Oversight Committee has demonstrated that this activity fails to fulfill its intended purpose. Since its implementation, the percentage of failing schools has increased from 24 percent in 2001 to 39 percent in 2006.	(33,135)	General Funds
785	State Department of Education	Youth in Government	Not tied to improved student achievement	(18,445)	General Funds
795	State Department of Education	Ombudsman Services	Can be funded through other services. Unusually high salary	(80,555)	General Funds
826	Educational Television Commission	Educational Radio	This activity is not essential to raising student achievement. The service has not been tied to student achievement. Individuals wishing to take advantages of the services provided through this activity should do so using existing programmatic funding devoted to curriculum mastery.	(251,059)	General Funds
854	School for the Deaf & the Blind	Outreach	Not a primary function of the agency.	(1,792,312)	General Funds
1271	Dept of Parks, Recreation & Tourism	Interpretive & Resource Management	This activity is not essential to raising student achievement. The service has not been tied to student achievement. Schools wishing to take advantages of the services provided through this activity should do so using existing programmatic funding devoted to curriculum mastery.	(598,701)	General Funds
1508	Clemson PSA	4-H and Agricultural & Natural Resource Programs for Youth	This is a low-priority activity that, if worthwhile, should be funded through vocational or Education and Economic Development Act.	(4,463,849)	General Funds
1704	University of South Carolina - Columbia	Freshwater Initiative	This activity is not essential to raising student achievement. The service has not been tied to student achievement. School wishing to take advantages of the services provided through this activity should do so using existing programmatic funding devoted to curriculum mastery.	(500,000)	General Funds
			<b>Below the Line Savings Subtotal</b>	<b>(9,965,865)</b>	
			<b>TOTAL GOAL AREA SAVINGS</b>	<b>(13,945,820)</b>	

## Improve our Higher Education System and Cultural Resources

Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
<b>SAVINGS PROPOSALS</b>					
421	Francis Marion University	Pass Through Savings - Omega Project	Eliminate pass through expenditure used solely to fund the Palmetto Project's voter initiative in the Pee Dee region. This is not a part of the University's core educational mission.	(56,147)	General Funds
537	USC-Salkehatchie	Pass Through Savings - Leadership Center	Give local school districts the choice to fund this program designed for middle and high school students.	(100,460)	General Funds
293	Commission on Higher Education	Youth Leadership Conference	Focus expenditures on the CHE core mission, and ask the private sector to support this activity.	(50,000)	General Funds
296	Commission on Higher Education	Professor of the Year	Solicit funding through the private sector or provide a collaborative effort among participating colleges and universities.	(14,850)	General Funds
285	Commission on Higher Education	Access and Equity	Reduce by 33% through increased scholarship availability.	(234,832)	General Funds
283, 284	Commission on Higher Education	Pass Through Savings - University Center of Greenville /Lowcountry Graduate Center	A reduction to the agency's recurring general funds for these pass throughs	(1,537,101)	General Funds
649	Board for Technical & Comprehensive Education	Trident Tech-Culinary Arts	Suspend funding for this program, as it was added by the General Assembly without appropriate program review. This is an example of our higher education governance structure's failings.	(775,000)	General Funds
877	Arts Commission	Community Arts Development	Reduce pass through grants and technical assistance to local art activities by 15%.	(252,246)	General Funds
374	University of Charleston	Public Service	Allow this small sum to be more effectively applied to academic programs within the higher education arena.	(72,922)	General Funds
345	The Citadel	Coeducation Initiative	This program has been in place since 1997. Institution should be closer to its goal now. Recommend reducing funding for those costs which appear to be duplicative of existing, non-coed administration initiatives.	(66,269)	General Funds
383	University of Charleston	Governor's School Summer Program	Adjust program, due to long standing operation, to no longer require a State appropriation.	(288,017)	General Funds
	Statewide	OM Maintenance	Reduce Operating and Maintenance by 3.7% for those colleges/tech schools within a 25 mile radius of one other. This savings is based on the centralization of facilities management that will afford a reduction in overhead.	(6,957,065)	General Funds
	Commission on Higher Education	Academic Program Review	Eliminate programs/majors based on previous CHE recommendations.	(241,282)	General Funds
	University of South Carolina	Program Restructuring	Consolidate Institute for Archeology and Anthropology with the Division of Archives and History.	(496,812)	General Funds
	Statewide	Administration	Implement Administration standards for Four Year institutions & Tech Schools during a two-year phase in	(1,593,316)	General Funds
473	University of South Carolina	Funding Source Change - NanoCenter	Apply for endowed chairs	(1,000,000)	General Funds
350	Clemson	Funding Source Change - Wireless	Apply for endowed chairs	(1,000,000)	General Funds
	Clemson	Collaboration and Cooperation	Reduce by 1% to encourage collaboration.	(881,615)	General Funds
	University of South Carolina	Collaboration and Cooperation	Reduce by 1% to encourage collaboration.	(1,529,071)	General Funds

	Medical University of South Carolina	Collaboration and Cooperation	Reduce by 1% to encourage collaboration.	(821,405)	General Funds
1565	Medical University of South Carolina	Pass Through Savings, Part 1A - Rural Dentist Incentive	A reduction to the agency's recurring general funds for the Rural Dentist Incentive which lacks in accountability.	(250,000)	General Funds
	Consolidating Cultural Agencies	Administration	Consolidate State Library, Museum, Arts Commission, and Archives to one entity will reduce administration costs for each agency by 18% each	(513,666)	General Funds
879	Arts Commission	Pass Through Funds - Contributions	Eliminate pass through funds: Spoleto USA and Penn Center	(225,757)	General Funds
1736	State Museum	Pass Through Funds - Contributions	Eliminate pass through funds: Hall of Fame (Redirected from PRT)	(25,000)	General Funds
			<b>Cost Savings Subtotal</b>	<b>(18,982,833)</b>	
<b>MAKING TOUGH CHOICES BELOW THE LINE SAVINGS</b>					
317	Higher Education Tuition Grants	SC Student Legislature	Provide funding through statewide civic organizations or private sector funds.	(17,780)	General Funds
290	Commission on Higher Education	Arts Program Tuition Assistance	Eliminate unnecessary funding for students attending the NC School of the Arts as we have established the SC Governor's School for the Arts in Greenville.	(10,274)	General Funds
1547	Commission on Higher Education	National Foundation of Teaching Entrepreneurship (NFTE)	Focus expenditures on the CHE core mission, and ask the private sector to support this activity.	(250,000)	General Funds
282	Commission on Higher Education	Greenville Higher Ed Center	With 7 institutions (1 of which is private) comprising the Higher Ed Center, funding of this activity should be able to be shifted to other revenue sources.	(180,287)	General Funds
878	Arts Commission	Artist Development	Solicit funding through the private sector or provide a collaborative effort among participating venues and arts supporters.	(172,804)	General Funds
518	USC Beaufort	Pass Through Savings - Penn Center	Eliminate the cost to the state, as this is an activity that is not a function of USC Beaufort's core mission, and should not be done with general funds.	(180,240)	General Funds
862	Archives and History	National History Day Program	Divert funding for more effective statewide educational tools.	(57,400)	General Funds
			<b>Below the Line Savings Subtotal</b>	<b>(868,785)</b>	
			<b>TOTAL GOAL AREA SAVINGS</b>	<b>(19,851,618)</b>	

## Improve the Conditions for Economic Growth

Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
<b>SAVINGS PROPOSALS</b>					
239	Budget and Control Board	Local Government Infrastructure Grants	Combine with Rural Infrastructure Fund within Department of Commerce - there are eight FTEs in this program that could be reduced to a maximum of four after reviewing the program in further detail. GF dollars are half because of reduction in staff.	(137,771)	General Funds
1215	Department of Agriculture	Consumer Services - Petroleum Inspection & Testing Program	Use the gasoline tax pursuant to Code 12-28-2355 that states "for the purpose of providing funds for inspecting, testing, and analyzing petroleum products and for general state purposes, there must be paid to the department a charge of one-fourth cent a gallon ..."	(390,606)	General Funds
multiple activities	Department of Parks, Recreation and Tourism	Pass Through Funds - Contributions	Eliminate pass through funds: Canadian Promotions, Contributions, Pass Through Funds, Wildlife Expo. US Youth Games, Palmetto Trails, Gaston Collard Festival, Greenville Zoo, Gilbert Peach Festival, Pelion Peanut Festival, Pendleton Agric. Museum, Oakley Park, Riverbanks Zoo, SC Sr. Sports Classic, Walhalla-Stumphouse Tunnel, Francis Marion Trail, SC Jr. Golf Assn.	(1,333,586)	General Funds
1307	Department of Commerce	Pass Through Funds - Contributions	Eliminate pass through funds: South Carolina World Trade Park & Education Center	(297,688)	General Funds
			<b>Cost Savings Subtotal</b>	<b>(2,159,651)</b>	
<b>MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS</b>					
1484	Clemson PSA	Rural Community Leadership Development	Suspend activity. This activity, which reaches outside Clemson PSA's core mission of agriculture, was not ranked as a priority by the results team. For further explanation, please see text.	(380,251)	General Funds
			<b>Below the Line Savings Subtotal</b>	<b>(380,251)</b>	
			<b>TOTAL GOAL AREA SAVINGS</b>	<b>(2,539,902)</b>	

## Improve the Health and Protections of Our Children and Adults

Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
<b>SAVINGS PROPOSALS</b>					
905	Department of Health and Human Services	Pharmaceutical Services	Move from the old (AWP - 10 percent) standard to a standard more in line with the southeastern average (AWP -12).	(2,300,000)	General Funds
1033	Department of Disabilities and Special Needs	Administration	Adjust for administrative savings from restructuring. For further information, see text. (Includes Case Workers)	(2,171,659)	General Funds
1645	Continuum of Care (Governor's Office - OEPP)	Procurement Services	Adjust for administrative savings from restructuring. For further information, see text.	(140,269)	General Funds
1010	Department of Mental Health	Administration	Adjust for administrative savings from restructuring. For further information, see text.	(6,360,367)	General Funds
949	Department of Health and Environmental Control - Health	Administration	Adjust for administrative savings from restructuring. For further information, see text.	(4,839,407)	General Funds
949	Department of Health and Environmental Control	Administration	Adjust for administrative savings from consolidating regional offices and reduction in force.	(1,000,000)	General Funds
945	Department of Health and Human Services	Special Projects	Allocate money through the normal budget process. No outcome measures are listed for the Special Projects activity.	(75,000)	General Funds
1040	Department of Alcohol and Other Drug Abuse Services	Administration	Adjust for administrative savings from restructuring. For further information, see text.	(414,122)	General Funds
1021	Department of Disabilities and Special Needs	Service Coordination	Provide funding specific to agency needs and mission. Service coordination is typically provided to individuals who are being served through multiple agencies. According to DDSN, the majority of DDSN's clients are only served through that agency. Therefore, service coordination is less of a high priority for this population relative to funding specifically for direct services.	(307,957)	General Funds
74	Governor's Office - OEPP	Advocacy for Women	Enter into a public-private partnership with Columbia College to effectively support the research function of this agency. This partnership was implemented upon the recommendation of an Advisory Committee established by the Governor's Office in 2003 to study creative and more effective ways to develop policies and actions to improve the quality of life of women and families in South Carolina. The Advisory Committee also recommended that the funding for the commission be reduced to reflect the additional support provided by Columbia College.	(100,000)	General Funds
838	Vocational Rehabilitation	Administrative Savings	Merge the Vocational Rehabilitation Department and the Commission for the Blind to realize efficiencies and lower costs without adversely affecting the quality of service provided by both agencies as recommended by a 2002 LAC report. Both agencies agree that they have similar primary missions and that a merger of administrative functions is appropriate. For further explanation, please see text.	(342,277)	General Funds
1133	Commission for the Blind	Administrative Savings	Merge the Vocational Rehabilitation Department and the Commission for the Blind to realize efficiencies and lower costs without adversely affecting the quality of service provided by both agencies as recommended by a 2002 LAC report. Both agencies agree that they have similar primary missions and that a merger of administrative functions is appropriate. For further explanation, please see text.	(125,147)	General Funds

109	Lieutenant Governor's Office	Local Provider Salary Supplement	Divert salary supplements to non-state aging employees to the Long Term Ombudsman. This funding provides salary supplements to non-state employees working for the local aging service providers.	(87,550)	General Funds
	Department of Mental Health	Collections	Increase Rate of Collections by 10% per LAC Report recommendations. This can be done by verifying income for reduced fee patients, using Setoff Debt and GEAR programs and having community mental health centers utilize the lien process against estates like DMH headquarters does.	(840,000)	General Funds
	Department of Health and Environmental Control	Collections	Increase Rate of Collections by 10% per LAC Report recommendations. This can be done by verifying income for reduced fee patients, implementing a uniform billing and collection policy for health districts, and participating in the Department of Revenue's programs for debt collection in health service programs.	(180,000)	General Funds
			<b>Cost Savings Subtotal</b>	<b>(19,283,755)</b>	
<b>MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS</b>					
1017	Department of Disabilities and Special Needs	Special Olympics	Make Special Olympics contributions voluntary. Special Olympics offers a pleasant and supportive recreational experience for individuals with disabilities. This funding helps provide transportation to Special Olympics events for DDSN clients. While this is a noble purpose, it is not as much of a core function of government as ensuring adequate, basic health care for all South Carolinians. Voluntary private donations are admired and encouraged.	(200,000)	General Funds
596	Area Health Education Consortium	Health Careers Program	Formerly known as Student Development and Diversity Program. This is a well-intended program to get more students interested in health professions, but less of a core government function relative to other health services.	(428,543)	General Funds
52	Governor's Office - OEPP	Pass Through Funds	Eliminate pass through funds relating to case management for head and spinal cord injuries. Money is really for DDSN training; sent through the Governor's office in order get a good federal match rate .	(54,176)	General Funds
979	Department of Health and Environmental Control	Family Health Centers (pass-through funds)	Eliminate pass through funds. By funding these family health centers through pass through funds, the legislature is limiting DHEC's ability to allocate funds in the most effective, efficient manner.	(440,343)	General Funds
980	Department of Health and Environmental Control	Family Health Centers Lancaster-Kershaw (pass-through funds)	Eliminate pass through funds. By funding these family health centers through pass through funds, the legislature is limiting DHEC's ability to allocate funds in the most effective, efficient manner.	(174,055)	General Funds
1131	Commission for the Blind	Radio Reading Program	This radio program, while worthy, is duplicative of the Talking Book Services program at the State Library, which provides an extensive selection of recorded and large print books and magazines, Braille to persons who are blind or visually-impaired, and postage free home delivery. The Radio Reading Program is also duplicative of other readily available radio and television news outlets that can provide similar information. While we understand this program is valuable to its listeners, we believe this funding is better utilized to support the commission's Prevention of Blindness Program to meet the eye care needs of identified individuals who are among South Carolina's poorest citizens. For further explanation, please see text.	(129,990)	General Funds

1492	Clemson PSA	Agro-Medicine (pass-through funds)	Eliminate pass through. Education on farm-related health issues (e.g. pesticide poisoning, insect bites, noise-induced hearing loss).	(228,591)	General Funds
1657	Lieutenant Governor	Silver Haired Legislature	Before last year, this activity was funded by private donations. Main purpose of organization is to lobby state government on senior issues.	(5,000)	General Funds
1583	Department of Health and Human Services	Regenesis Center	Earmark for a breast cancer program that is not eligible for federal matching funds.	(100,000)	General Funds
			<b>Below the Line Savings Subtotal</b>	<b>(1,760,698)</b>	
			<b>TOTAL GOAL AREA SAVINGS</b>	<b>(21,044,453)</b>	

## Improve the Quality of our Natural Resources

Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
<b>SAVINGS PROPOSALS</b>					
1236	Department of Natural Resources	Agency Consolidation	Adjust for administrative savings from consolidating select DHEC functions, DNR and Forestry into the newly formed Department of Environment and Natural Resources.	(932,077)	General Funds
1482	Clemson PSA	Horticultural Crops	Defer to golf course industry for funding golf related turfgrass research. The industry cites the value of this service, and may fund continued research accordingly.	(145,200)	General Funds
1515	Clemson PSA	Pesticide Applicator Licenses	Make pesticide licensure programs self-sufficient, like most licensed professions under LLR. Achieve self-sufficiency of pesticide applicator licensure within two years by providing licenses and renewal online through LLR and extending renewal cycles to the maximum feasible period. This amount represents half of the general funds appropriated for this activity.	(187,732)	General Funds
1498	Clemson PSA	Sustainable Forestry	Integrate PSA forestry efforts with Clemson academic programs and allow the Forestry Commission to perform any outstanding activities if they are a priority. The Forestry Commission already performs similar activities to the sustainable forestry management and environmental enhancement programs. Under this activity, PSA researches and educates landowners on best management practices and offers Master Tree Farmer and Master Woodland Owner programs.	(1,883,839)	General Funds
1503	Clemson PSA	Livestock-Poultry Health Programs: Meat Inspection	This activity should be subsumed under current DHEC operations, thereby saving an estimated half of its current general fund needs.	(612,001)	General Funds
1491	Clemson PSA	Reducing the Impact of Animal Agriculture on the Environment	This activity should be more fee-based; consumers should supplement funding of this activity, phased in over several years with a potential \$100 thousand savings in the first year.	(100,000)	General Funds
1206	Forestry Commission	Agency Consolidation	Administrative savings from consolidating select DHEC functions, DNR and Forestry into the newly formed Department of Environment and Natural Resources.	(513,588)	General Funds
1192	Forestry Commission	Wildland Firefighting	This activity should be decreased by \$1 million and supplemented/replaced by an increase in fees which would be assessed against private landowners in need of such services.	(1,000,000)	General Funds
			<b>Cost Savings Subtotal</b>	<b>(5,374,437)</b>	
<b>MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS</b>					
1230	Department of Natural Resources	Mariculture Aquaculture	Reduce mariculture/aquaculture services to permits, compliance and research that is supportive of viable SC industry. Allow private industry to fund additional research.	(418,816)	General Funds
1485	Clemson PSA	Recreation and Tourism	Shift funding responsibility for natural resources recreation and tourism education. Continuing education for recreation and tourism professionals should not be funded by Clemson PSA - individuals and private industry would be much more appropriate sources.	(66,012)	General Funds



1499	Clemson PSA	Nuisance Species	Defer nuisance species abatement activities to the private sector. DNR has already done so by maintaining a referral list for incoming requests.	(87,277)	General Funds
1479	Clemson PSA	Radio Productions	Reevaluate communications strategy to ensure that Extension efforts are focused on the core agricultural constituency. PSA radio productions like "Your Day" and others are a difficult choice when compared to health care, law enforcement, corrections and other critical state functions.	(69,395)	General Funds
1480	Clemson PSA	Television, Web, and Print Productions	Prioritize PSA television and print productions and coordinate outreach with the Department of Agriculture. "Making It Grow" and others are a difficult choice when compared to health care, law enforcement, corrections and other critical state functions. This amount represents a reduction by 1/3 - focus remaining funds on delivery of information in support of core mission.	(410,790)	General Funds
1194	Forestry Commission	Enforcement - Timber Theft and Fraud	Consolidate forestry specific law enforcement, dedicated to timber fraud and theft, with DNR law enforcement, as wildlife officers are well positioned to carry out this function.	(297,662)	General Funds
1198	Forestry Commission	Forest Renewal Program Financial Assistance	Discontinue the Forest Management Assistance government subsidy which pays for a portion of replanting the first 100 acres of private lands. Planning services from the Forestry Commission will continue to provide significant assistance in expertise for private landowners.	(200,000)	General Funds
			<b>Below the Line Savings Subtotal</b>	<b>(1,549,952)</b>	
			<b>TOTAL GOAL AREA SAVINGS</b>	<b>(6,924,389)</b>	

## Improve the Safety of People and Property

Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
<b>SAVINGS PROPOSALS</b>					
41	Governor's Office - SLED	Administration	Shift a portion of funding from current recurring general fund sources to other fund sources. From FY 2005-06 to FY 2006-07, the agency brought forward XX in Earmarked Fund cash. These dollars could be a source of defraying the cost of Community Services, an activity which was ranked lower by the results team.	(250,000)	General Funds
1536	Adjutant General's Office	Pass Through Funds, Contributions Part 1A	Eliminate pass through funds: Civil Air Patrol	(80,000)	General Funds
1158	Department of Corrections	Vehicle Maintenance	Shift a portion of funding for vehicle maintenance provided by the Department of Corrections from recurring general fund sources to other fund sources. Much like we phased out the general fund subsidy to agencies several years back for security services provided by the Department of Public Safety, we feel that agencies which benefit from this activity should pay the Department for these services.	(500,000)	General Funds
1165	Department of Corrections	Agricultural Operations	Implement a 2 year phase out of the general fund needs for Agricultural Operations. In the 2004-05 Appropriations Act, the General Assembly included a proviso that allowed the Department of Corrections to secure private funding to build three egg laying houses in order that the department may become self-sufficient with its egg-based needs and therefore save the state funds. While the initial goal was self-sufficiency, early estimates pointed to a project that would generate excess cash which could then be used to reduce to the general fund needs of the agency. Further, if the agency were to build a food and freezer warehouse, the agency would realize an additional \$500,000 in annual savings.	(250,000)	General Funds
1160, 1166	Department of Corrections	Recycling Operation, Partnership with Palmetto Pride	Shift funding for the cleanup of the state's roadways by inmates and the Department of Correction's recycling operation to other funds provided by Palmetto Pride - will save \$600,000 annually in general funds.	(600,000)	General Funds
1179	Department of Probation, Parole and Pardon Services	Core Administration	Reduce administrative costs with the consolidation of the Department of Corrections and the Department of Probation, Parole and Pardon Services.	(552,935)	General Funds
1176	Department of Probation, Parole & Pardon Services	Statewide Emergency Operations Plan	Shift funding for Statewide Emergency Operations Plan from General Funds to Other Funds.	(97,823)	General Funds
1190, 1177, 1178,	Department of Juvenile Justice	Parole Board	Combine parole boards at the Department of Juvenile Justice (DJJ) and the Department of Probation, Parole and Pardon Services (DPPP). The parole board at DPPP has seven members and a general fund budget of \$699,350 (which includes board support). The DJJ parole board with ten members and a general fund budget of \$806,862, hears far fewer cases per year. Merging the parole boards should save around \$425,000 annually in general funds.	(425,000)	General Funds
1254	Department of Natural Resources	Purchase Law Enforcement Equipment	Shift funding for law enforcement equipment from general fund sources to Capital Reserve Fund.	(750,000)	General Funds

			<b>Cost Savings Subtotal</b>	<b>(3,505,758)</b>	
<b>MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS</b>					
196	Adjutant General's Office	Operations & Training	Suspend general funds for this activity or fund with other sources. This activity was not ranked as a priority by the results team and it was viewed as redundant of existing Adjutant General's Office operations and training efforts.	(24,621)	General Funds
182	Adjutant General's Office	Public Information	Suspend general funds for this activity or fund with other sources. This activity, while certainly valuable to the state, was not ranked as a priority by the results team.	(92,201)	General Funds
1085	Department of Public Safety	H.L. Hunley Commission	Reducing law enforcement expenses associated with the H.L. Hunley will result in savings of \$130,039 annually in general funds. We encourage the Hunley Commission to retain the services of local law enforcement or a private security firm to provide for the security of this important state artifact through admission or other revenue associated with the Hunley.	(130,039)	General Funds
			<b>Below the Line Savings Subtotal</b>	<b>(246,861)</b>	
			<b>TOTAL GOAL AREA SAVINGS</b>	<b>(3,752,619)</b>	

## Improve the Efficiencies and Effectiveness of Central State Government Support and Other Governmental Services

Activity Number	Agency Name	Activity Name	Rationale	Savings Amount	Source
<b>SAVINGS PROPOSALS</b>					
	All Agencies with TERI employees		The first class of TERI participants will have hit the five-year mark as of this past calendar year. We recommend that the agencies do not hire the majority of these employees back - as many agencies already plan to do - and disburse job duties among remaining employees while also hiring young individuals that will be trained for the long-run.	(10,458,809)	General Funds
	All Agencies		Unemployment compensation savings resulting from reduced appropriations to agencies due to lower premiums to match historical payouts. The State Unemployment Compensation Trust Fund has a projected balance of about \$28 million at June 30, 2007, which is a result of approximately \$8 million in premiums being paid annually, while historical pay-out amounts have been between \$4-5 million. We propose that agency billings be cut in half to the appropriate maintenance level.	(3,112,147)	General Funds
	Appellate/Indigent Defense	Merger	Administrative savings resulting from the consolidation of the Offices of Appellate and Indigent Defense that occurred during the FY 2005-06 legislative session.	(190,210)	General Funds
	All Agencies	Travel Reductions	Within the FY 2007-08 Executive Budget, we are proposing the establishment of a Central Travel Office. This office will be responsible for the purchase of bulk airline travel and mandate that agencies do not exceed the newly establish cap for hotel/motel purchases. The savings will be realized within each agency for the purchasing of cheaper airline tickets and the new limitation for reimbursement in lodging.	(824,339)	General Funds
1414	Department of Revenue	Compliance and Technology Services	The Department of Revenue is currently in the third year of its initiative to increase enforced collections through additional tax collectors or better known as the \$9 for \$90 program. During the first year of funding the program, the Department of Revenue received \$3 million to purchase one-time infrastructure needs to increase collections. In our executive budget last year, we recommended these dollars be returned to the General Fund since the infrastructure capital had already been purchased. However, at the end of the budget process, these additional dollars remained in the Department of Revenues budget. We believe again that it is only fair to recommit these one time dollars back to the General Fund.	(3,000,000)	General Funds
	Statewide	Prepayment of Bonds	Prepay bonds to save on debt service. If implemented, our proposal to pay off and to better manage statewide debt will produce \$8.3 million in gross savings. Additionally, approximately \$1.9 million in recurring monies will be freed annually.	(1,920,000)	General Funds
	Dept of Revenue, Museum, B&C Bd Confederate Relic Room	Lease Savings	Savings resulting from maturity of bonds in FY 2006-07.	(2,870,400)	General Funds

133	State Treasurer's Office	Unclaimed Property Program	Supplement the administrative cost to the Treasurer's office with other funds from the unclaimed property revenue stream. The Unclaimed Property office could implement a 5% fee on claimed property to cover costs. Both Ohio and Texas have implemented such fees.	(171,712)	General Funds
			<b>Cost Savings Subtotal</b>	<b>(22,547,617)</b>	
<b>MAKING TOUGH CHOICES - BELOW THE LINE SAVINGS</b>					
215	Budget and Control Board	Training and Development Services	Achieve self-sufficiency through reliance on other funds. Several services offered by the Budget and Control Board are supplemented by general fund dollars but provide direct services to agencies. Any of these areas, especially those that have market competition, should price their services to be self-sufficient. If the cost being charged to the agency was more transparent and truly reflected the cost of the service being provided, the agency should be able to make a business decision to use that service or not.	(560,340)	General Funds
216	Budget and Control Board	Temporary Employment Services	Achieve self-sufficiency through reliance on other funds (See explanation above).	(30,841)	General Funds
217	Budget and Control Board	Recruitment Services	Allow appropriate agencies to absorb this function.	(83,071)	General Funds
218	Budget and Control Board	Workforce Planning	Allow appropriate agencies to absorb this function.	(43,957)	General Funds
260	Budget and Control Board	Executive Education Training	Realize self-sufficiency by operating more efficiently, partnering with educational institutions like the Moore Business school, or through charging the full cost to participants.	(323,604)	General Funds
1435, 1436	Procurement Review Panel	Administration and Hearings	Assign these functions to the Administrative Law Judges as proposed in the FY 2004-05 Executive Budget.	(118,204)	General Funds
264	Budget and Control Board	Civil Contingent Fund	Reduce appropriations to the fund as less than \$7,000 was spent from the fund in FY 2003-04, and it currently has a balance of over \$170,000, The Civil Contingency Fund is a reserve fund at the Budget and Control Board that is used to help an agency that runs into an expense for which it had not planned or budgeted.	(161,902)	General Funds
			<b>Below the Line Savings Subtotal</b>	<b>(1,321,919)</b>	
			<b>TOTAL GOAL AREA SAVINGS</b>	<b>(23,869,536)</b>	
			<b>Total Cost Savings</b>	<b>(75,834,006)</b>	<b>General Funds</b>
			<b>Total Below the Line Savings</b>	<b>(16,094,331)</b>	<b>General Funds</b>
			<b>TOTAL FY 2007-08 Executive Budget Savings</b>	<b>(91,928,337)</b>	<b>General Funds</b>

# Education Lottery Budget

## EDUCATION LOTTERY BUDGET

	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<b>Executive Budget <u>FY 2007-08</u></b>
<b><u>Revenue Estimates</u></b>					
BEA Revenue Estimate	172,000,000	243,000,000	265,000,000	244,000,000	244,000,000
BEA Interest Estimate	1,000,000		6,000,000	4,300,000	3,500,000
BEA FY 2004-05 Interest Earnings Estimate			5,000,000		
DAODAS Remittance			1,000,000		
BEA Unclaimed Prize Estimate	8,000,000	12,000,000	12,000,000	8,400,000	8,400,000
Estimated Carry Forward from Previous Fiscal Year	32,203,683	86,000,000		30,600,000	
Additional Transfer from the Education Lottery Commission	1,800,000				
Reduce Advertising to One-Half of 1%					5,125,465
Limit Retailer Commission to 6% of Sales					9,514,754
<b>Total South Carolina Education Lottery Revenue</b>	<b>215,003,683</b>	<b>341,000,000</b>	<b>289,000,000</b>	<b>287,300,000</b>	<b>270,540,219</b>

<b><u>Appropriations</u></b>					
CHE - Tuition Assistance Two-Year Institutions	34,000,000	39,750,000	43,000,000	45,000,000	45,000,000
CHE - LIFE Scholarships	40,000,000	92,727,949	107,298,090	87,911,636	96,196,822
CHE - HOPE Scholarships	6,500,000	6,183,017	6,673,826	7,144,909	7,144,909
CHE - Palmetto Fellows Scholarships	5,000,000	11,176,712	14,381,991	17,830,758	21,106,764
CHE - Need-Based Grants	3,000,000	10,438,427	11,246,093	11,246,093	13,725,120
CHE - Administration	-	-	-	-	-
CHE - National Guard Tuition Repayment Program	1,500,000	1,500,000	1,700,000	1,700,000	500,000
CHE - Endowed Chairs	30,000,000	30,000,000	30,000,000	30,000,000	15,000,000
CHE - Higher Education Excellence Enhance. Program	3,000,000	3,500,000	4,700,000	4,700,000	4,700,000
Technology: Public 4-Year Univ, 2-Year Inst., & Tech Coll.	12,000,000	14,000,000	3,000,000	3,600,000	-
Teacher Grants	2,000,000	2,000,000	-	-	-
Tuition Grants Commission - Tuition Grants	3,000,000	4,000,000	4,000,000	7,766,604	7,766,604
Private Historically Black Colleges	-	-	-	-	-
South Carolina State Univ. - Research & Technology Grant	3,000,000	-	-	-	-
South Carolina State University	-	5,500,000	2,500,000	2,500,000	2,500,000
SDE - K-5 Reading, Math, Science, & Social Studies Prog	40,000,000	46,500,000	46,500,000	46,500,000	46,500,000
SDE - 6-8 Reading, Math, Science, & Social Studies Prog	-	2,000,000	2,000,000	2,000,000	2,000,000
State Library - Aid to County Libraries	1,500,000	3,000,000	-	-	-

**FY 2007-08 Executive Budget**

## EDUCATION LOTTERY BUDGET

	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>Executive Budget FY 2007-08</u>
SDE - Education Accountability Act:	-	-	-	-	-
EAA - Homework Centers	1,548,440	6,953,864	-	-	-
EAA - Teacher/Principal Specialist	11,581,069	26,290,194	-	-	-
EAA - Teacher Specialist	-	-	-	11,000,000	-
EAA - Principal Specialist	2,270,302	2,426,085	-	-	-
EAA - Pilot Programs	-	-	-	-	-
EAA - External Review Teams	1,466,872	1,466,872	-	-	-
EAA - Retraining Grants	4,637,000	7,460,500	-	-	-
EAA - Palmetto Gold/Silver Awards	1,000,000	2,000,000	-	-	-
School Buses	8,000,000	-	-	-	-
High Schools that Work	-	500,000	-	-	-
Testing	-	2,717,662	-	-	-
Student Identifier	-	488,000	-	-	-
Data Collection	-	2,048,925	-	-	-
Report Cards	-	971,793	-	-	-
Governor's School for the Arts and Humanities	-	1,000,000	-	-	-
ETV Digitalization	-	-	-	-	-
ETV	-	1,400,000	-	-	-
DAODAS	-	1,000,000	-	-	-
Unclaimed Prizes - DAODAS	-	-	-	-	-
Unclaimed Prizes - School Buses	-	-	3,000,000	-	-
Unclaimed Prizes - Textbooks	-	4,867,395	-	-	-
Unclaimed Prizes - Higher Educ. Excellence Enhance.	-	1,200,000	-	-	-
Unclaimed Prizes - SDE - First Steps	-	3,000,000	-	-	-
Unclaimed Prizes - CHE - University Center	-	800,000	-	-	-
Unclaimed Prizes - CHE - Tech. Public 4 & 2 Year Inst.	-	-	9,000,000	8,400,000	8,400,000
Unclaimed Prizes - CHE - State Electronic Library	-	2,000,000	-	-	-
<b>Total South Carolina Education Lottery Appropriations</b>	<b>215,003,683</b>	<b>340,867,395</b>	<b>289,000,000</b>	<b>287,300,000</b>	<b>270,540,219</b>
<b>Balance</b>	<b>-</b>	<b>132,605</b>	<b>-</b>	<b>-</b>	<b>-</b>



# EIA Budget

## EDUCATION IMPROVEMENT ACT

### EIA Revenue (Per BEA)

"New" EIA Recurring Revenue 32,360,442

### Adjustments to Appropriated Base

Summer Schools	12,777,088
Teacher Grant Program	(1,287,044)
Homework Centers	(9,976,000)
Teacher Specialists	(13,430,594)
Principal Specialists	(2,641,139)
Retraining Grants	(5,114,000)
External Review Teams	672,990
Teacher Supplies	250,000
Tech. Asst. - Below Avg. Schools	14,190,000
Tech. Asst. - Unsatisfactory Schools	50,400,000
Principal Leaders	(2,079,105)
Advanced Placement	891,735
Teacher Salary Supplement	(21,271,993)
National Board Certification	8,472,504
Tech Prep	(4,064,483)
Public Choice Innovation Schools	2,560,000
Parental Involvement and Community Partnerships	156,250
EOC 4 year-old Evaluation	546,832
Alternative Schools	712,500
Teacher Pay (Special Schools)	594,901

Total \$32,360,442

Balance \$0

# **Capital Reserve Fund Appropriations and Uses of Additional Revenue**

# CAPITAL RESERVE FUND APPROPRIATIONS AND USES OF ADDITIONAL REVENUE

## (A) Capital Reserve Fund

<u>Agency</u>	<u>Description/Activity</u>	<u>Amount</u>
<b>Equipment/Other</b>		
Election Commission	2008 Statewide Primary/Runoff Election	\$ 3,473,000
Governor's Office - OEPP	State Veteran's Cemetery	\$ 17,700
Dept. of Corrections	Pharmaceutical Dispensing & Packaging Machines	\$ 600,000
Dept. of Corrections	Vehicles, Radios and Security Equipment.	\$ 4,550,000
PPP	GPS Monitoring and Other Equipment	\$ 255,472
Dept. of Public Safety	Vehicles and Equipment for HP, BPS and STP Officers	\$ 10,500,000
SLED	Vehicles, Radios, Security and Lab Equipment	\$ 3,275,600
DHEC	Pandemic Influenza & Emergency Health Purchases	\$ 1,000,000
Dept. of Insurance	Uninterruptible Power Source/Generator	\$ 150,000
Dept. of Juvenile Justice	Vehicles, Radios, Security, Monitoring and Other Equipment	\$ 1,486,126
Dept. of Natural Resources	Marine Infrastructure	\$ 1,000,000
Dept. of Natural Resources	Vehicles, Radios and Security Equipment.	\$ 1,000,000
<b>Physical Infrastructure</b>		
Gov.'s School/Arts & Human.	Residential Hall Upgrades	\$ 1,575,000
Wil Lou Gray	Asbestos Flooring Replacement	\$ 250,000
School for the Deaf and Blind	Safety Upgrades/Health Center	\$ 1,766,955
DHEC	Facilities Improvements	\$ 3,365,000
Dept. of Mental Health	Community Mental Health Center Deferred Maintenance	\$ 2,005,000
Dept. of Mental Health	Inpatient Buildings Deferred Maintenance	\$ 4,595,000

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Dept. of Mental Health	Bryan Renovation for Crisis Capacity	\$	462,673
Commission for the Blind	Life Safety Upgrades	\$	1,052,992
Dept. of Corrections	Facility Maintenance	\$	8,500,000
Dept. of Corrections	Gilliam Hospital Renovations	\$	700,000
Law Enforce. Train. Council	Law Enforcement Training Academy Renovations/Maintenance	\$	2,000,000
Dept. of Juvenile Justice	Construction of Two New Dorms (Replacing Obsolete Dorms)	\$	7,660,374
Dept. of Juvenile Justice	Step-Down Beds/Alternative Residential Placement	\$	200,000
Parks, Recreation and Tourism	State Parks Asbestos Abatement	\$	1,000,000
Dept. of Commerce	Broadband Initiative	\$	2,000,000
Dept. of Commerce	Myrtle Beach Airport Expansion	\$	5,000,000
Conservation Bank	Timberland Conservation	\$	20,000,000
Ports Authority	Harbor Dredging	\$	2,400,000

**Information Technology Infrastructure**

Wil Lou Gray	Computer Replacement	\$	62,500
Attorney General's Office	Technology Enhancement Initiative	\$	67,821
Dept. of Corrections	Computers Upgrades (Move from Mainframe to Web-Based)	\$	650,000
Budget & Control Board	Enterprise Project - Statewide Accounting System	\$	3,200,000
<u>Dept. of Social Services</u>	<u>Automation of Child Support Enforcement System</u>	\$	<u>16,000,000</u>

**Total Appropriations (CRF) \$ 111,821,213**

## (B) FY 2006-07 Certified Surplus

Treasurer's Office	Repayment of various general obligation bonds	\$ 21,175,000
Treasurer's Office	Elimination of Tuition Prepayment Program deficit	\$ 41,338,714
<u>Treasurer's Office</u>	<u>Establishment of an Other Post Employment Benefits (OPEB) Trust Fund</u>	<u>\$ 244,415,874</u>
<b>Total Appropriations</b>		<b>\$ 306,929,588</b>

## (C) FY 2007-08 Excess Agency Cash

We propose using excess agency cash during FY 2007-08 to assist with funding the OPEB Trust Fund. This non-recurring revenue source represents funds in excess of those needed to establish the State Ethics Commission's electronic filing system. **OPEB Trust Fund dollars available from this non-recurring source: \$250,000**

## (D) FY 2007-08 Redevelopment Authority

We propose using Redevelopment Authority revenue during FY 2007-08 for a permanent tax cut. **Estimated tax relief funds from this recurring revenue source: \$2,824,632**

## (E) FY 2007-08 Economic Impact Zone

We propose using Economic Impact Zone revenue during FY 2007-08 for a permanent tax cut. **Estimated tax relief funds from this recurring revenue source: \$8,800,000**

## (F) FY 2007-08 Tobacco Deallocation

We propose using Tobacco Deallocation revenue during FY 2007-08 to fund the general operations of state agencies. Specifically, we fund Hospital Services at the Department of Health and Human Services with this revenue source **Estimated operational funding from this non-recurring revenue source: \$10,000,000**

## (G) FY 2007-08 Unemployment Compensation Fund

We propose using excess cash within the Unemployment Compensation Fund during FY 2007-08 to assist with funding the OPEB Trust Fund. The Unemployment Compensation Fund is currently receiving around \$3 million more per year in premiums than it annually pays out in claims. As this has been going on for some time, the Unemployment Compensation Fund has grown to around \$27 million. In this budget, we seek to reduce agency premiums to a level which maintain historical payout levels. Further, we propose removing one-time funds from the Unemployment Compensation Fund to assist with the establishment of the OPEB Trust Fund. **OPEB Trust Fund dollars available from this non-recurring source: \$23,000,000**

## (H) FY 2007-08 State Health Plan

We propose transferring to the OPEB Trust Fund, cash balances from the Operating Account of the State Health Plan at calendar year end which exceed 140 percent of actuarially-determined IBNR reserves. This action will permit the Operating Account to remain fully reserved with regard to the Plan's outstanding liability while leaving an adequate reserve for claims fluctuation as well. This excess is equivalent to around \$136.8 million. Therefore, in the same manner in which we propose using the Unemployment Compensation Fund, we seek to shift \$136.8 million from the State Health Plan to assist with the establishment of the OPEB Trust Fund. **OPEB Trust Fund dollars available from this non-recurring source: \$136,800,000**

## (I) Lapsed Unobligated Competitive Grants Revenue

We propose using lapsed unobligated Competitive Grant Program funds during FY 2007-08 to assist with the establishment of the OPEB Trust Fund. **OPEB Trust Fund dollars available from this non-recurring source: \$34,355,384**

## Contingency Reserve Fund Proposal

Ports Authority	Port Access Road	\$ 100,000,000
Dept. of Education	Bus Replacement/Mainten., Fuel Purchases, Operations	\$ 60,000,000
Dept. of Public Safety	Weigh Station Upgrades/Improvements	\$ 5,541,103
Dept. of Commerce	Myrtle Beach Airport Expansion	\$ 5,000,000
<u>Adjutant General's Office</u>	<u>Emergency Shelter/Disaster Upgrades</u>	<u>\$ 1,000,000</u>
<b>Total Appropriations</b>		<b>\$ 171,541,103</b>

Per the requirements of Section 1-11-425 of the South Carolina Code of Laws, a total of 355 copies of this public document were printed by the Print Shop of the General Services Division of the Budget and Control Board at a cost of \$3,241.15 or \$9.13 per copy.