

Fiscal Year 2018-19

BUDGET BRIEFING

General Appropriations Bill (H. 4950) & Capital Reserve Fund (H. 4951)

Conference Report adopted June 29, 2018



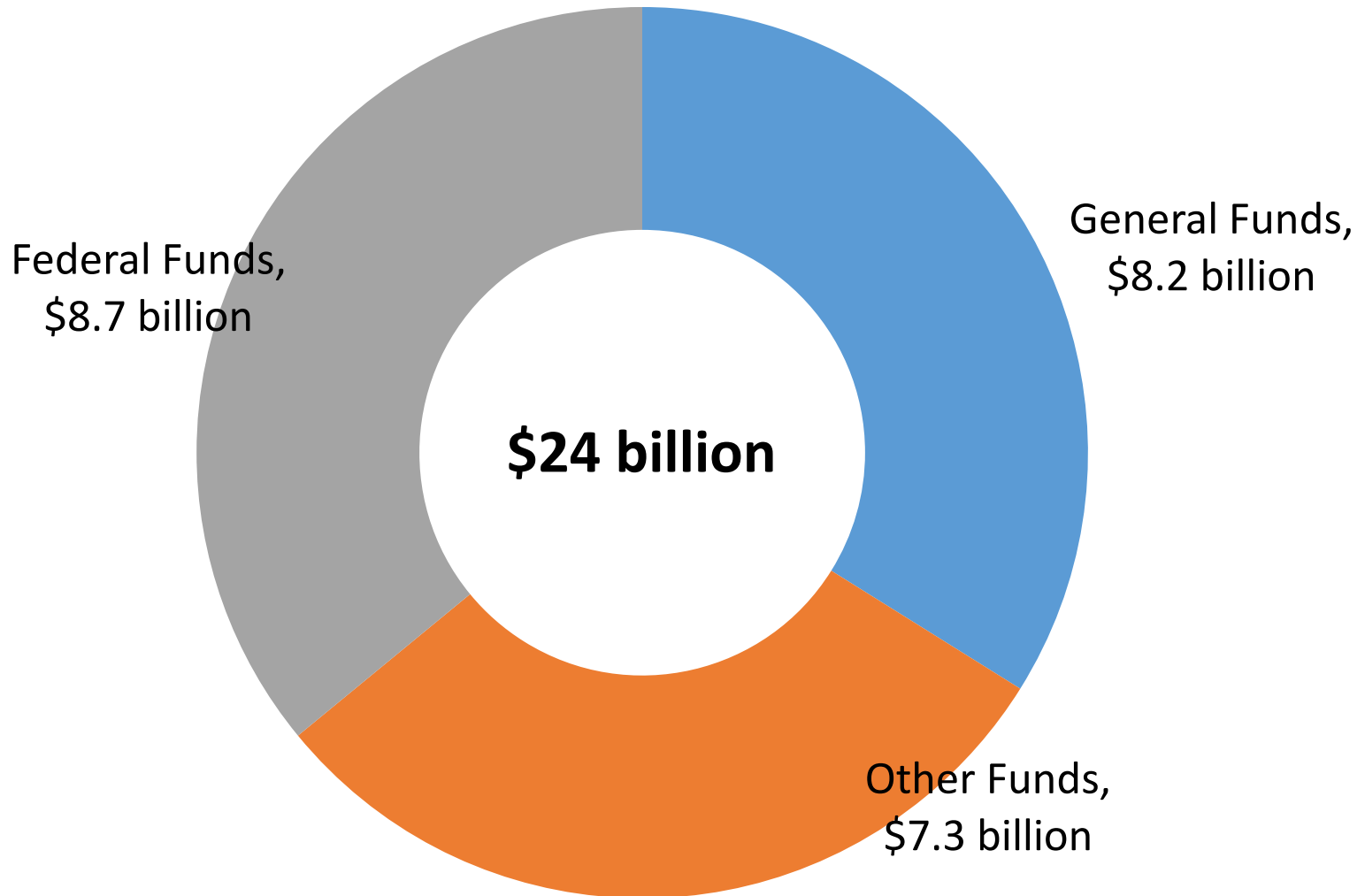
THE FOLLOWING CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

New Dollars Available

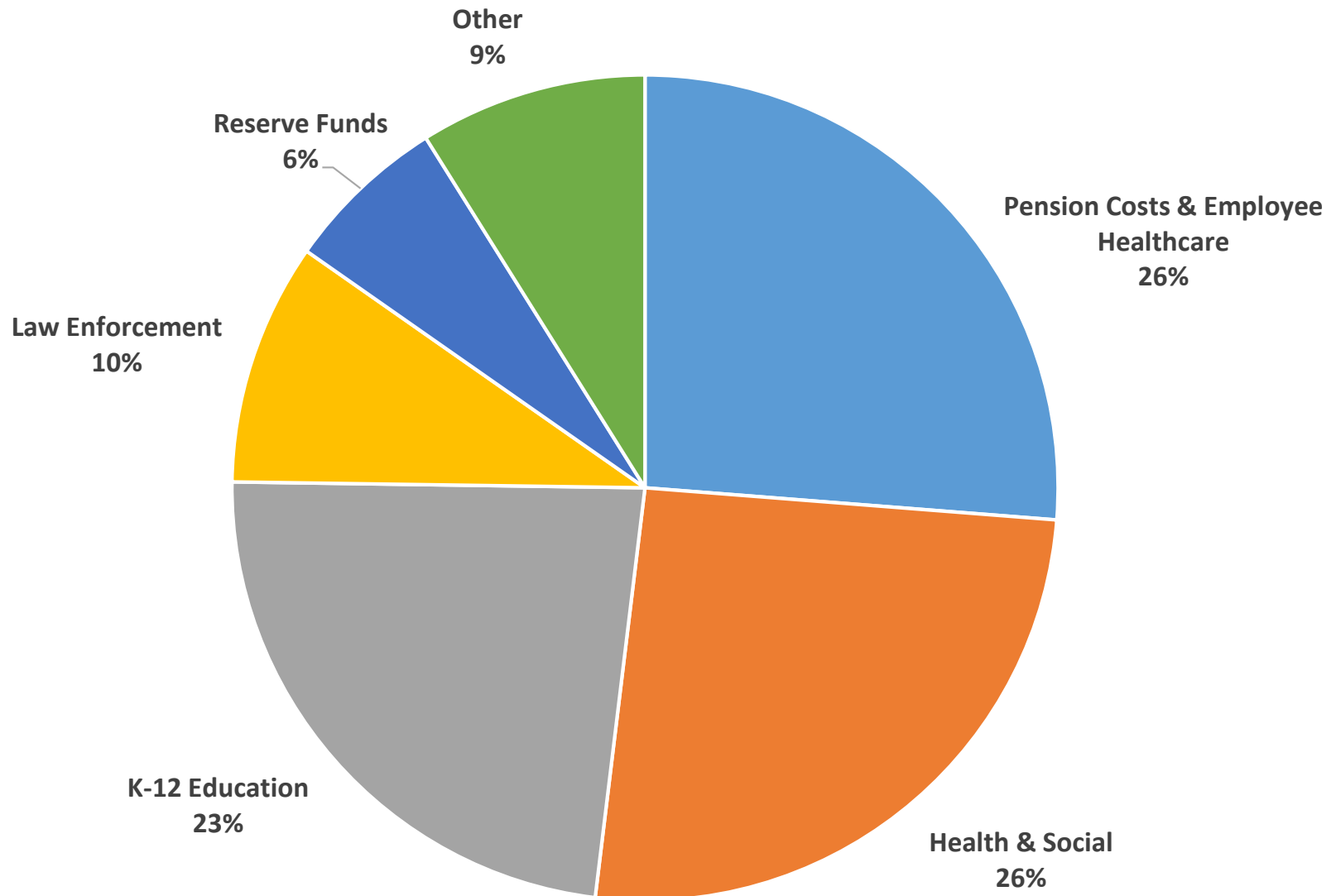
Source	
<i>FY 18-19 "New" Recurring Revenue</i>	\$276 million
<i>Act 98 Repeal</i>	\$50 Million
<i>Total Recurring</i>	\$326 million

Source	
<i>Capital Reserve Fund</i>	\$145 million
<i>Unobligated Debt Service</i>	\$84 million
<i>Litigation Recovery Account</i>	\$4 million
<i>Total Non-Recurring</i>	\$233 million

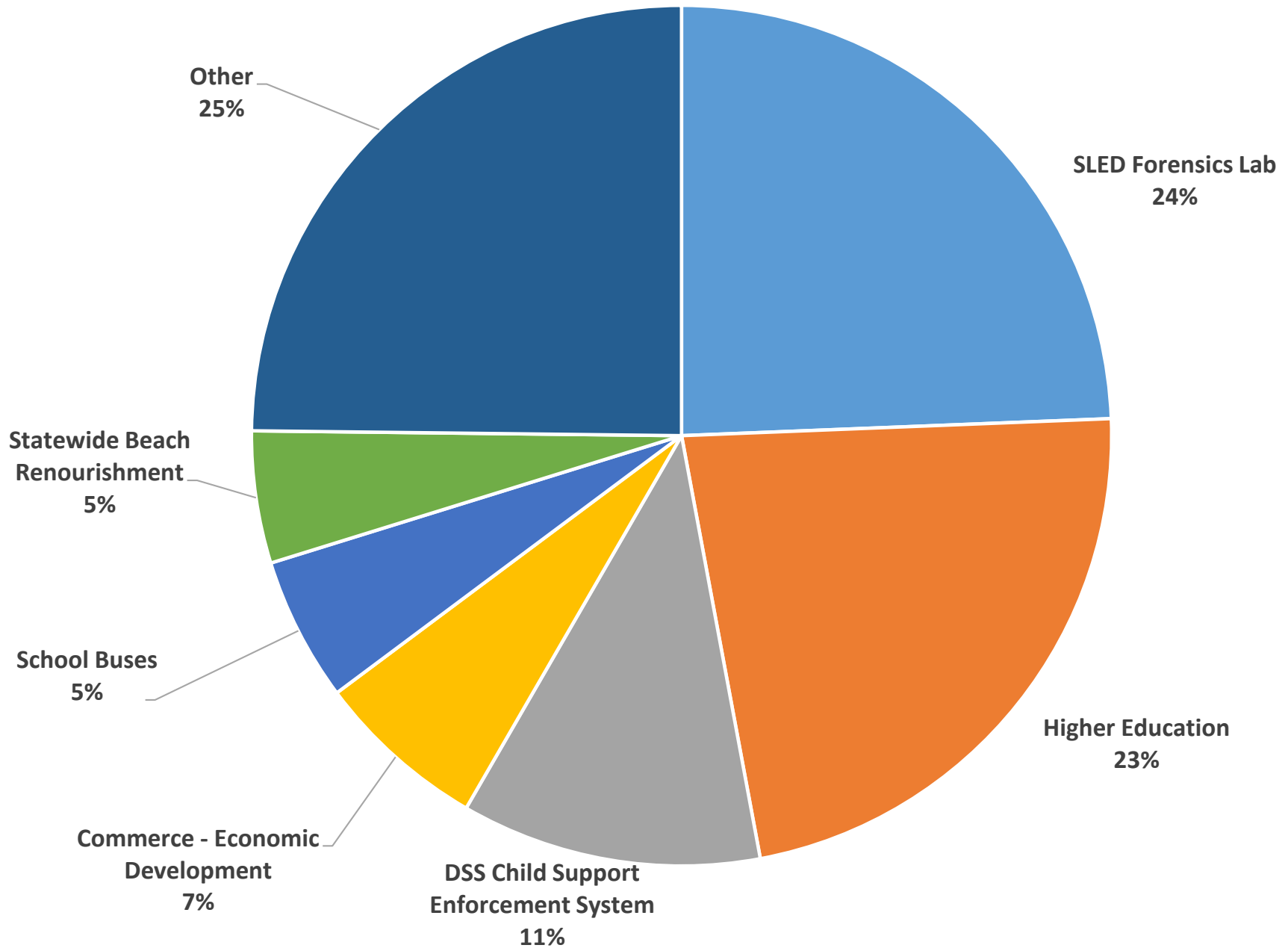
2018-19 Total Budget



New Recurring Dollars Breakdown



Non-Recurring Breakdown



Statewide Items

- **\$22 million** to fully fund Constitutional Reserve Funds, which brings the reserve fund total to \$515 million (\$364 million – General Reserve; \$151 – Capital Reserve)
- Reduced the total budget by **\$2.4 billion** by removing double-booked funds and items in higher education that are not state funds
- **\$599 million** in direct tax relief for South Carolinians

State Employee Benefits

- **\$32 million** to fund the General Fund employer cost of Year 2 of the multi-year plan to bring down the multi-billion pension liability
- **\$56.4 million** to cover 100% of the state employee health and dental insurance increases so employees will have no additional monthly premium cost
 - Expanded to cover Well Visits as a contractual service, which will require copays but also count towards deductibles
 - Small increases to patient liability in deductible and copays

House Budget Subcommittee Areas

Public Education and Special Schools

Teacher Salary Increases

- **\$31 million** for a statewide teacher salary increase of 1%
- **\$7.8 million** to increase the statewide minimum starting salary for a teacher with 0 and 1 year experience from \$30,000 to \$32,000

Increased School Funding

- **\$55.8 million** to increase the Base Student Cost by \$60 per pupil to \$2,485
- **\$13 million** for SC Public Charter Schools student growth
- **\$11 million** for Technical Assistance for low-performing schools

School Buses

- **\$12 million** in recurring, non-recurring, and lottery funding for new school buses
- With this new funding, all 1995 fire-prone buses will be off the road by the start of the school year

Public Education and Special Schools

School Resource Officers

- **\$2 million** recurring for hiring certified law enforcement officers to serve as School Resource Officers
- Funds are available for school districts that otherwise would lack the adequate resources to hire their own SROs, with districts of the lowest index of taxpaying ability receiving priority consideration
- Allows any retired Class 1 law enforcement officer to return to employment as an SRO without affecting the monthly retirement allowance

School Safety Upgrades

- **\$15 million** in the Lottery for School Safety and Critical Facility and Equipment Improvements
- Funds are for life safety infrastructure for school facilities including door locks, security cameras, metal detectors, lifesaving medical equipment and SRO equipment

Higher Education

Scholarships and Tuition Aid

- **\$11 million** for Workforce Scholarships to provide grants for tuition, fees, transportation, or textbook expenses to SC residents enrolled in a career education program at a technical school or professional certification program
- **\$3.9 million** to create Palmetto Promise Scholarship Pilot program that awards scholarships to students from the Abbeville plaintiff school districts
- For the third year in a row, fully funded LIFE, HOPE and Palmetto Fellows Scholarships through the Lottery, including the increases from the 10-point grading scale

Technical Colleges

- **\$4 million** in recurring increases for all technical colleges
- **\$9.4 million** for the successful ReadySC job training program, which provides customized training for new and expanding business and industry
- **\$11 million** for High Demand Skill Training Equipment to be distributed to all technical colleges

Colleges and Universities

- **\$20 million** in recurring to help bring colleges and universities closer to pre-recession funding levels
- **\$50 million** non-recurring for capital projects and maintenance needs at colleges around the state

Healthcare

Health and Human Services - Medicaid Budget

- **\$26.4 million** for the state Medicaid Maintenance of Effort and annualization to continue current level of services without expending agency reserves
- Includes Increased revenue assumptions and lower targets for managed care rates
- Continued funding for the Healthy Outcomes Proviso, serving over 14,000 high-utilizers of emergency rooms and/or inpatient services through coordination with all Medicaid-designated hospitals, 70 primary care safety net providers, and three behavioral health clinics state-wide

Health and Human Services - Rural Health Initiative & Telemedicine

- **\$3.5 million** in increased funding for the Rural Health Initiative. DHHS will continue to partner with the USC School of Medicine in the development of a long term strategic plan for addressing medically underserved communities in the rural areas of the state through services such as the iCARED initiative.
- Aimed at supporting and developing medical education in rural areas through rural residency placements and infrastructure improvements
- **\$5 million** in non-recurring through Telemedicine Proviso for continued infrastructure build out and **\$1 million** increase in recurring funds for Telemedicine operations – this brings total recurring dollars for the SC Telehealth Network to **\$11.5 million** in combined funding through DHHS and MUSC

Healthcare

Health and Human Services - Autism Spectrum Disorder

- **\$4.8 million** increase in state recurring funds for increased rates for autism therapy and service providers (**\$9.4 M** in matching federal funds)
- Rates for ABA line therapists will increase from \$17.38 to roughly **\$30/hour** with increases to the supervisor rate from \$58/hour to \$64/hour
- Agency has updated the rate methodology to reflect cost-driven structure and avoid blending the supervision rate with line therapists
- Rates are indexed against national standard cost of employment information, and proposal is being distributed to providers by the end of the month
- DHHS is continuing to explore opportunities to increase capacity in the workforce, so that children are not placed on waiting lists – 20% increase in enrolled providers since November 2017

DHHS, DAODAS and MUSC - Opioid Abuse Prevention

- Over **\$11 million** in increased state funding specifically aimed at addressing the Opioid Epidemic through DHHS and DAODAS
- **\$5 million** in state funds for the MUSC Hospital Authority Health Innovations Program, which includes funding to expand the Emergency Department MAT pilot established in FY 17-18 to additional hospitals
- Proviso 117.142 will use these funds to implement many of the House Opioid Abuse Prevention Study Committee recommendations
- **\$4 million** in non-recurring through HOP proviso 33.20 for capital improvements to the behavioral health facilities based on need as determined by DAODAS and DHHS

Healthcare

Other Health Agencies

- **DSS** - **\$23 million** in recurring funds to address required components in settlement agreement and continue child care match for \$8.65 million in federal funds, **\$25 million** in non-recurring for the continued development of the Child Support System
- **DDSN** - **\$11.3 million** to increase the department's direct care staff starting salaries agency wide from \$11/hour to \$12/hour and a 3-4% increase to direct care wages for employees working with the department for at least 5 years, **\$500,000** increase to the Greenwood Genetic Center for Autism Research, **\$650,000** for in-home Autism Support services
- **DMH** - **\$6.9 million** to increase funding for Supported Community Housing, Child and Adolescent Intensive Community and Residential Services, and enhanced School Based Services
- **DHEC** - **\$2.4 million** for the EMS Performance Improvement Center and the Credentialing Information System, Enhanced Communicable Disease Prevention and Treatment, including funding specific to HIV/AIDS, Breast and Cervical Cancer, and Colorectal Cancer

Law Enforcement and Criminal Justice

Department of Corrections

- **\$5 million** to increase the starting salary for correctional officers by \$1,000 and provide an increase for existing officers.
- **\$1.7 million** for workforce and reentry services for Level II/III institutions
- **\$3 million** for security system equipment and upgrades
- **Proviso 65.25 (Cell Phone Interdiction)** amended to give the department additional flexibility within their budget for critical security upgrades.

SLED

- **\$500,000** recurring for vehicle rotation
- **\$956,131** for a pay increase for eligible Class 1 and 3 personnel
- **\$54 million** for a new forensic laboratory

Criminal Justice Academy

- **\$212,980** to increase instructor salaries

Judicial Department

- **\$7 million** for Phase I of 3 of Case Management Modernization
- **\$1.1 million** for security upgrades to the Supreme Court building and parking lot
- **\$900,000** for building maintenance at Court Administration and the Supreme Court

Law Enforcement and Criminal Justice

Probation, Pardon and Parole Services

- **\$1.1 million** for vehicle support, fully funding the agency's lease program and bringing the agent to vehicle ratio to 1:1
- **\$863,408** for expansion of the Offender Supervision Specialist Program to eight additional counties bringing the total to 28 counties

Department of Natural Resources

- **\$403,934** for law enforcement step increases for eligible officers from 5% - 10% of base salary
- **\$415,600** for law enforcement vehicle rotation
- **\$3 million** as state match for Pittman-Robertson and North American Conservation funds

Conservation Bank

- **\$4 million** recurring and **\$1.5 million** non-recurring for Conservation Bank Trust as well as **\$265,335** for operational expenses

Department of Juvenile Justice

- **\$3.6 million** for development and implementation of a program for treatment of the severely mentally ill population

Economic Development & Natural Resources

Department of Commerce

- **\$4.2 million** for the Deal Closing Fund to build on recent successes in recruiting new jobs and industry
- **\$11 million** for Locate SC to continue to develop depleted suitable inventory for potential business relocation prospects
- **\$600,000** for the Military Base Task Force

Clemson PSA

- **\$2 million** for Water Resource Research, Management & Technology and **\$3 million** for facility renovation for water research
- **\$3 million** for field facilities and equipment storage at Research and Education Center facilities located throughout the state
- **\$500,000** for the Comprehensive Statewide Extension Program, which will help support the Clementa Pinckney 4-H Leadership Program

Forestry Commission

- **\$1 million** for firefighting equipment to assist in the replacement of open-cab dozers with safer and more efficient closed-cab dozers
- **\$1 million** for forester recruitment and retention

Economic Development & Natural Resources

Department of Agriculture

- **\$1 million** for statewide agribusiness infrastructure and site preparation for agribusiness relocation prospects that do not qualify for Locate SC funds
- **\$100,000** for Agribusiness Development Grants that will help support the production of fresh fruits and vegetables and thus increase healthy food equity among the rural and/or underprivileged urban communities

Arts Commission

- **\$350,000** to be used as grants to support local art organizations around the state

Archives and History

- **\$200,000** to conserve and preserve the seven South Carolina Constitutions: 1776, 1778, 1790, 1861, 1865, 1868, and 1895

State Ports Authority

- **\$1.425 M** for development of the Jasper Ocean Terminal Port

Transportation and Regulatory

Department of Motor Vehicles

- **\$5.6 million** non-recurring for customer service representatives, Saturday work at branches, and State to State Help Desk IT creation associated with implementation of the REAL ID program
- **\$379,122** recurring for 9 operators to run the federally-mandated State to State Help Desk required to maintain compliance with the REAL ID program
- **\$428,000** recurring for staffing and materials costs associated with the Moped Bill

Commission on Minority Affairs

- **\$231,360** for additional Statistical & Research Analysts and **\$75,000** for the agency's Small Business Program

Human Affairs Commission

- **\$80,000** for staff training to maintain federal funding levels
- **\$20,000** for additional administrative hearings due to an increase in caseloads

Division of Aeronautics

- **\$275,000** for facilities maintenance in the form of replacing windows and painting the exterior of its headquarters

Legislative, Executive, and Local Govt.

Department of Administration

- **\$3 million** to support all state agencies as the agency continues to implement the Statewide IT Strategic Plan
- **\$1 million** for Guardian ad Litem to comply with national Court Appointed Special Advocate standards and to replace funding they were previously receiving from DSS
- **4.5 million** for State-Owned Building Maintenance

PRT

- **\$11 million** for Beach Renourishment, which completes the program
- **\$5.4 million** for State Park Maintenance Needs - the agency has over \$25 million in maintenance and upgrade needs for the state parks across the state
- **\$4.5 million** for the Sports Marketing Grant Program

Legislative, Executive, and Local Govt.

Adjutant General

- **\$1.55 million** recurring and **\$3 million** non-recurring for Armory Revitalizations
- **\$451,000** Emergency Preparedness Operations to address personnel costs and various operating expenses such as IT, training exercises, and facility maintenance needs
- **\$235,000** total for State Guard Operations to offset reductions from federal reimbursements

Election Commission

- **\$250,000** for Security of Election Infrastructure which will ensure the security of the state's election infrastructure, which includes the statewide voter registration system and the statewide voting system
- **\$600,000** Special Election Funds Recoupment to replenish election funds used to pay for the numerous special primaries and elections over the last year
- **\$4 million** for the refurbishment of the current statewide voting system
- **\$4 million** for the new statewide voting system reserve fund to continue setting funding aside for the purchase of a new system in future years which could cost over \$50 million total



For more information on H.4950 and H.4951, visit:

www.scstatehouse.gov