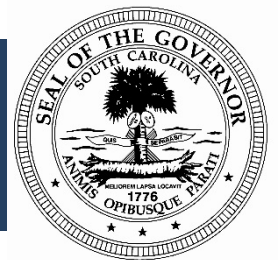


Executive Budget Overview

FY 2018-19

State of South Carolina
Office of the Governor

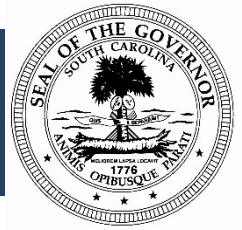


General Fund – Recurring



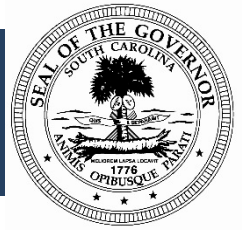
Amount	Item
\$ 270.5M	Revenue growth FY 2018-19 less GRF, CRF & Tax Relief Trust Fund
<i>\$ 117.4M</i>	<i>Excess debt service</i>
<i>\$ 5.7M</i>	<i>Homestead exemption surplus</i>
<i>\$(139.7)M</i>	<i>Income tax cut phase-in</i>
<i>\$(14.1)M</i>	<i>Veterans' Retirement Income Tax Exemption</i>
<i>\$(8.6)M</i>	<i>Law Enforcement, Firefighters, and Peace Officers Retirement Income Tax Exemption</i>
\$231.3M	Available for appropriation

Non-Recurring Fund Sources



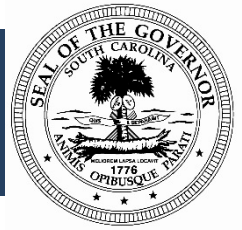
Amount	Item
\$145.4M	Capital Reserve Fund
\$16.6M	Lapse of Debt Service Funds
\$4.1	Litigation Recovery Account
\$ 166M	Available for appropriation in FY 2018-19

Headline Numbers

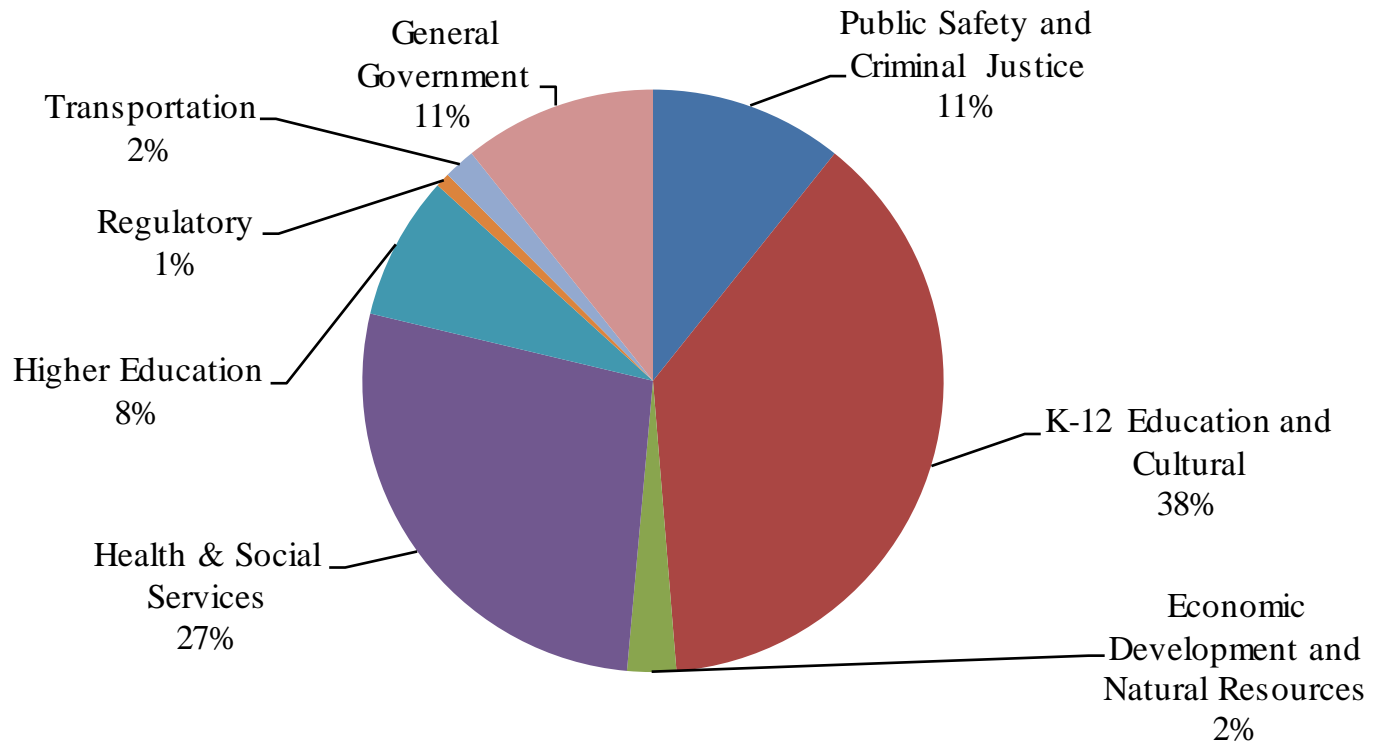


- General Fund growth \$113.8 million
 - General Fund proposed in FY 18-19 is \$8.06 B.
- Tax Cuts - \$2.2 B in taxpayer savings through the 5 year implementation
 - \$162.3M in tax cuts balanced in FY 18-19 budget.

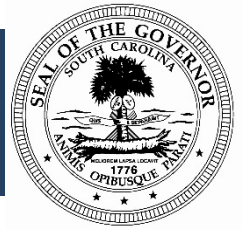
Financial Overview



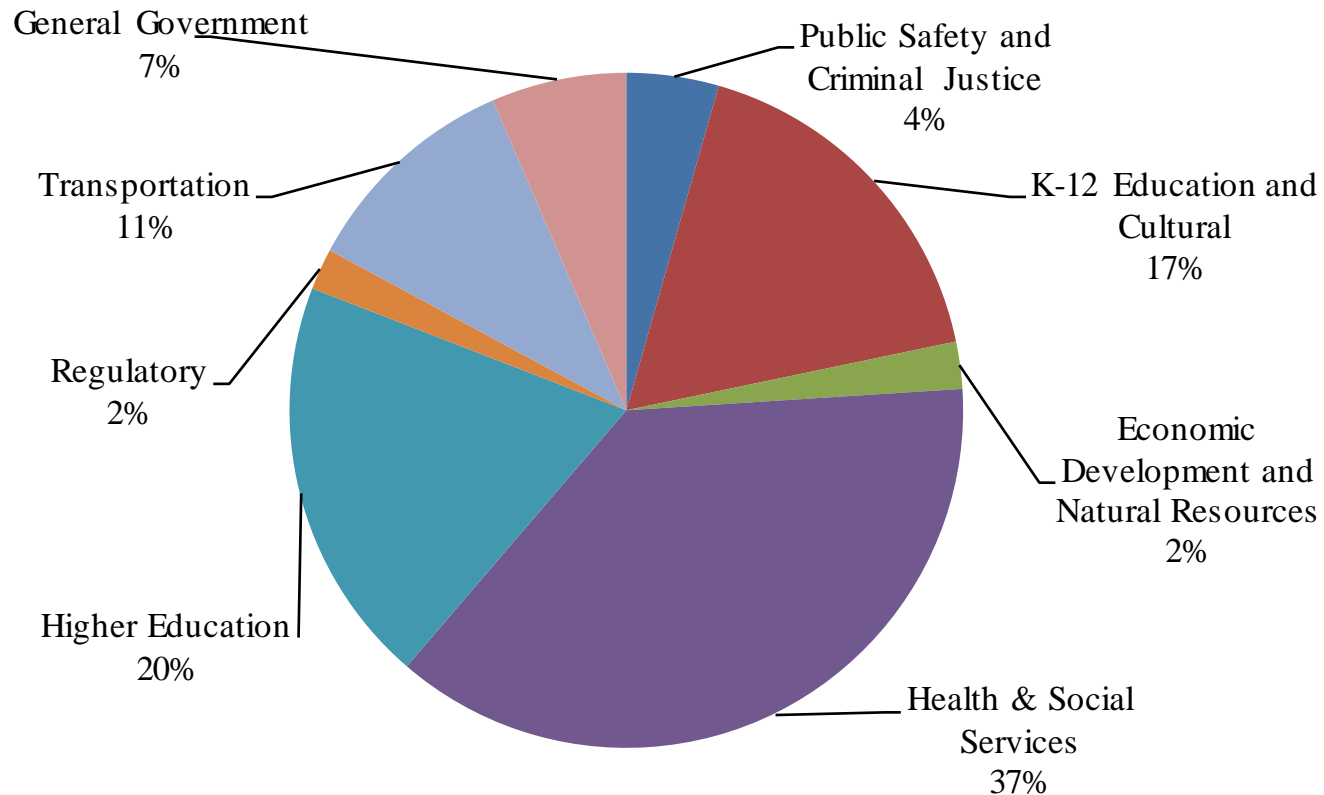
FY2018-19 Executive Budget Appropriations General Fund



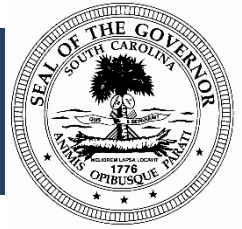
Financial Overview



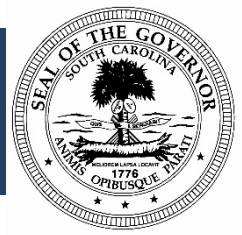
FY2018-19 Executive Budget Appropriations All Funding Sources



Major Themes



- Tax Cuts
- Economic Development and Workforce
- Education
- Public Safety
- Health Care
- Good Government and Ethics

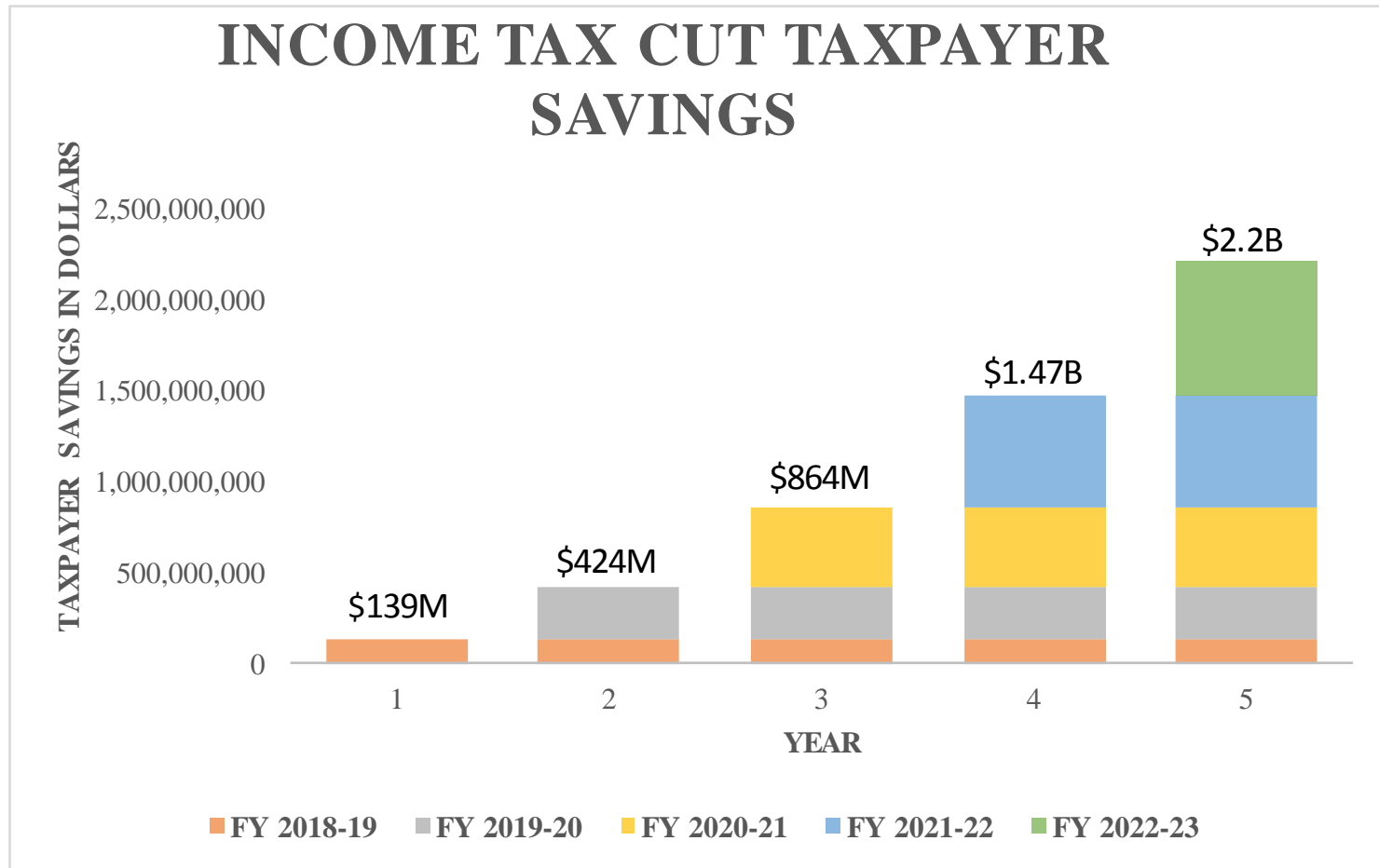


Governor McMaster's Income Tax Cut Plan

- Reduce each income tax bracket by 1% over 5 years.
- Savings for every single SC income taxpayer.
- \$139.7M savings in year one.
- \$2.2B in taxpayer savings during the course of the 5 year implementation.

Existing Income Tax Brackets	After 5 Year Tax Cut Implementation
0%	0%
3%	2%
4%	3%
5%	4%
6%	5%
7%	6%

Taxpayer Savings





Military Retirement Income Tax Exemption

- \$14M in savings for veterans.
- Average savings for a veteran under 65 - \$524 per year.
- Average savings for a veteran 65 and older - \$210 per year.

Law Enforcement, Firefighter, and Peace Officer

- \$8.6M in savings for those serving in uniform.
- Average savings for a retiree under 65 - \$713 per year.
- Average savings for a retiree 65 and older - \$102 per year.



Economic Development and Workforce State Funding Increases

- **Total – \$44M**
- Recurring – \$14.9M
- Non-recurring – \$29.2M



Major Initiatives

- \$5,000,000 to establish South Carolina Workforce Partnership grant program, bringing high schools, technical colleges and businesses together to meet job demand needs.
- \$1.7M to Department of Corrections, \$500,000 to DJJ and \$400,000 to PPP for workforce training and reentry services to reduce recidivism.
- \$9.2M to Commerce for the Closing Fund and LocateSC.
- \$9.1M to upgrade STEM equipment for high demand jobs training at technical colleges across the state.
- \$9.4M for ReadySC.
- \$3M increase to Workforce Scholarships and Grants.
- \$950,000 for Be Pro Be Proud.



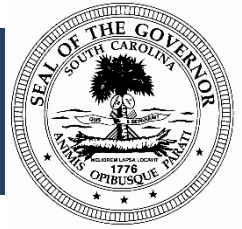
Education State Funding Increases

- **Total – \$110.7M**
- Recurring – \$101.6M
- Non-recurring – \$9.1M



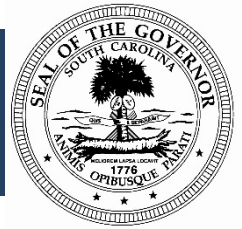
Major Initiatives

- \$25.2M to increase the Base Student Cost by \$10.
- \$18.8M to public charter schools for a 5% per pupil funding increase and enrollment growth.
- \$16.4M for Need Based Grants, almost doubling current funding.
- \$5M for the School Safety Program.
- \$5M for school bus leasing.
- \$3.3M for computer science and coding classroom instruction.
- \$2.5M for charter school transportation.
- \$500,000 for Call Me MISTER.



Public Safety State Funding Increases

- **Total – \$52.7M**
- Recurring – \$21.3M
- Non-recurring – \$31.4M



Major Initiatives

- \$30.5M to SLED including increased forensics personnel, narcotics agents, and \$20M contribution toward a new forensics lab.
- \$13.9M for DOC including officer pay raises.
- \$2.9M for PPP including agent vehicles and expansion of the Offender Supervision Specialist Program.
- \$2.5M for DPS to pay for overtime that has previously been uncompensated.
- \$1.7M for the SC Critical Infrastructure Cybersecurity Program.
- \$1.5M for DJJ including officer pay raises.
- The Governor proposes moving the Immigration Enforcement Unit from DPS to SLED and providing increased staff to prevent sanctuary cities.



Health Care State Funding Increases

- **Total – \$55.7M**
- Recurring – \$39.9M
- Non-recurring – \$15.7M



Major Initiatives

- \$10M for opioid response efforts:
 - \$4.35M to HHS for opioid treatment clinics.
 - \$1.25M to DAODAS for enhanced response and treatment.
 - \$3M to DAODAS for infrastructure improvements to the 301 system.
 - \$1M to DHEC to improve the prescription drug monitoring system.
 - \$484,416 for narcotics agents at SLED.
- \$3.8M to increase access to autism therapy services.
- \$7M to DMH.
- \$2.25M for the SC Children's Advocacy Medical Response System.

Good Government and Ethics



Major Initiatives

- \$3M to establish the IT Shared Services Program Management Office at DOA.
- New shared services proviso requires agencies to utilize shared services and savings offered by DOA.
- New real estate proviso implements a statewide real estate plan ensuring that efficiencies are captured.
- Double the lobbyist and lobbyist principal registration fee from \$100 to \$200 to pay for increased investigation and enforcement in addition to \$174,995 in new state funds.
- Require anyone paid to influence county, city, or town councils to register as a lobbyist.

State Employee Benefits



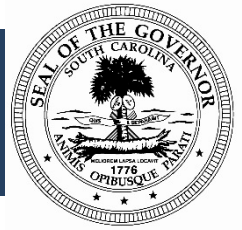
Pension Plan

- \$32.4M to cover a 1% increase in employer contribution rates for state employees.

State Health Plan

- \$59.2M to offset increased costs associated with the State Health Plan – Governor's Executive Budget covers 85.3% of increased costs. Employee premium will increase \$11.92 per month.
- Governor's Executive budget proposes the addition of the adult well visit benefit and a small increase in patient liability (\$50 deductible increase).

Other notable recommendations



- \$20.3M to reduce Child Welfare caseloads at DSS.
- \$25M for Child Support Enforcement system.
- \$11M to PRT for beach renourishment for SC coastal communities.
- \$10M to PRT for Hunting Island State Park cabins.
- \$6M for the Conservation Land Bank.
- \$3.5M to Forestry Commission for firefighting bulldozers.
- \$2.2M to DNR for freshwater fish hatcheries.
- \$1.5M to DNR for increased public access to state owned lands.
- \$5.6M to DMV for REAL ID.
- \$14M to Election Commission for statewide voting machine replacement and maintenance.