

EXECUTIVE BUDGET

FY 2020-2021





35,000

NEW JOBS

\$10 BILLION

NEW CAPITAL INVESTMENT

SINCE 2017

\$ 1.87 BILLION SURPLUS

FY 2020-21 NEW REVENUE

RECURRING

\$862 MILLION

NON-RECURRING

\$985 MILLION

\$ 1.87 BILLION

The background features a large, faint, circular seal of the Governor of South Carolina. The seal contains the text "SEAL OF THE GOVERNOR OF THE STATE OF SOUTH CAROLINA" around the top edge, "SOUTH CAROLINA" in the center, and "ANIMIS OPIBUSQUE PARATI" at the bottom. The year "1776" is also visible within the seal's design.

TAX CUTS & REBATES

\$425 MILLION

**A QUARTER OF EVERY
SURPLUS DOLLAR
RETURNED TO TAXPAYERS.**

\$250 MILLION

**RETURNED TO TAXPAYERS
REBATE CHECK**

\$160 MILLION

INCOME TAX CUT – FIRST YEAR OF FIVE YEAR \$2.5 BILLION TAX CUT – ALL TAXPAYERS

Fiscal Year	General Fund Individual Income Tax Revenue	Annual Additional General Fund Individual Income Tax Reform
2019-2020	(\$7,978,000)	(\$7,978,000)
2020-2021	(\$160,668,000)	(\$152,690,000)
2021-2022	(\$327,205,000)	(\$166,537,000)
2022-2023	(\$508,464,000)	(\$181,259,000)
2023-2024	(\$705,584,000)	(\$197,120,000)
2024-2025	(\$859,687,000)	(\$154,103,000)

Source: SC RFA; Data Source: SC Dept. of Revenue Income Tax Data 2018

SC VETERANS: NO TAXES ON RETIREMENT PAY

\$9.2 MILLION for a full retirement income exemption for military veterans.
On average, military veterans under 65 will save \$402 per year and military veterans over 65 will save \$68 per year.

Estimated Number and Tax Revenue Reduction for Military Retirees FY 2020-2021				
Age of Military Retirees	Total Estimated Number of Active Duty Military Retirees	Total Tax Revenue Reduction from Full Deduction	Total Revenue Reduction from Act 272 of 2016	Additional Revenue Reduction from Full Military Retirement Deduction
Under Age 65	19,625	(\$17,935,130)	(\$10,042,255)	(\$7,892,875)
Age 65 and Older	18,906	(\$10,810,130)	(\$9,521,390)	(\$1,288,740)
Total	38,531	(\$28,745,260)	(\$19,563,645)	(\$9,181,615)

Source: SC RFA

Estimated Number of Retirees Eligible for the Proposed Retirement Deduction FY 2020-2021						
Age of Retirees	Estimated Number of Retirees	Estimated Annual Protective Services Retirement Benefits	Estimated Average Protective Services Retirement Benefit	Estimated Annual Protective Services Retirement Benefits Deducted Under Current Law, Max. \$3,000	Estimated Remaining Protective Services Retirement Income	Estimated Tax on Remaining Protective Service Retirement Income
Under Age 65	11,000	\$263,812,000	\$23,993	\$33,000,000	\$230,812,000	\$8,078,000
Age 65 and Older	10,800	\$205,022,000	\$18,990	\$162,000,000	\$43,022,000	\$1,273,000
Total	21,800	468,834,000	\$21,506	195,000,000	273,834,000	9,351,000

Source: Police Officers Retirement System Actuarial Valuation Report, various years. US Census Bureau Annual Estimates of the Resident Population for Selected Age Groups for South Carolina, July 1, 2016. All calculations and estimates are by RFA staff.

FIRST RESPONDERS: NO TAXES ON RETIREMENT PAY

\$9.3 MILLION for a full retirement income exemption for retired state and federal law enforcement, firefighters and peace officers. Retired first responders under the age of 65 can expect to save, on average, \$734 per year and retired first responders over the age of 65 can expect to save about \$117 per year.

This year we will return nearly twenty-five cents of every dollar from this year's budget surplus – **over \$400 million dollars.**

Income taxes will be **cut \$160 million** this year and **\$2.6 billion** over the next five years.

\$250 million dollars in rebate checks will be sent back to South Carolina taxpayers by the end of the year.

We must maintain the people's confidence by investing in our state's priorities and returning the rest to the people.



The background features a large, faint, circular seal of the South Carolina House of Representatives. The seal contains the text "HOUSE OF THE GOVERNORS" at the top, "SOUTH CAROLINA" in the middle, and "1776" at the bottom. The Latin motto "VIVIS OPIBUSQUE PARATI" is also visible. The seal is centered behind the main text.

INVESTING IN OUR CLASSROOMS

\$3,000 PAY RAISE

52,733 PUBLIC SCHOOL TEACHERS

AVERAGE 7% INCREASE

\$213 MILLION FOR FY20/21

100% OF COST PAID BY THE STATE



TOP 25

2020 NATIONAL RANKING

AVERAGE TEACHER SALARY



SC RANKED 41ST - 2019

STARTING TEACHER SALARY INCREASED



26%

LAST THREE YEARS



**2020 SOUTH CAROLINA TEACHER
PAY WILL EXCEED THE
SOUTHEASTERN AVERAGE BY:**

\$2,456

4K

FULL-DAY

UNLEASH THE FREE MARKET

\$52.7 MILLION – 13,000 LOW INCOME FOUR-YEAR-
OLD CHILDREN WILL HAVE THE OPTION TO ATTEND FULL
DAY 4K AT THE PUBLIC, PRIVATE, PAROCHIAL SCHOOL OR
DAY CARE CENTER OF PARENTS' CHOOSING.

We will unleash the free market into early childhood education.

South Carolina is serious and determined to compete and win for generations to come, and to assure all of South Carolina's parents that their children will not be left behind.



SAFER SCHOOLS

RESOURCE OFFICERS – \$23.4 MILLION will complete placing an officer in every school in every county, all day every day.

MENTAL HEALTH COUNSELORS – \$1.1 MILLION for additional counselors for classrooms to help spot problems before they start.

RELIEF FOR CLASSROOMS

SCHOOL SUPPLIES

\$400 for every teacher to reimburse for school supplies.

STOP THE BULLYING

Ban on cell phones in the classroom during instruction attached to **\$21.7 MILLION** base student cost increase.

TOSS COMMON CORE

\$71 MILLION for mandated removal of all Common Core Textbooks.

By continuing to invest in our classroom teachers, we are sending a strong message that South Carolina is serious.

South Carolina is acting. South Carolina will continue to act.

We are taking bold steps in education reform to produce the next generation's workforce.



The background features a large, faint, circular seal of the South Carolina Board of Governors. The seal contains the text "BOARD OF THE GOVERNORS" at the top, "SOUTH CAROLINA" in the middle, and "ANNO DOMINI 1776" and "VIVIS OPIBUSQUE PARATI" at the bottom. There are also three stars at the bottom of the seal.

MAKING COLLEGE AFFORDABLE AGAIN

TUITION RELIEF FOR SOUTH CAROLINIANS

TUITION FREEZE - \$26.1 MILLION to freeze tuition for in-state students at public universities, colleges and technical colleges.

SC NATIONAL GUARD - \$3 MILLION to pay 100% of college tuition while serving in SC Army or Air National Guard.

MORE PRIVATE SCHOLARSHIPS – Remove cap on colleges using private donation funds for low-income scholarships.



During times of national or state emergency we call on the South Carolina National Guard to do many things....

These brave men and women are known around the world for their service and sacrifice.



TRIPLING NEW LOTTERY DOLLARS FOR LOW-INCOME SCHOLARSHIPS

\$54.2 MILLION for need-based grants to remove financial barriers and increase access for low-income South Carolina students - \$32 Million increase from FY 2019-20.

ESTIMATED NEED-BASED GRANT SHARE BY INSTITUTION

Institution	Estimated Share
The Citadel	\$ 542,261
Clemson University	\$ 4,338,090
College of Charleston	\$ 2,711,306
Coastal Carolina	\$ 3,253,567
Francis Marion	\$ 2,169,045
Lander University	\$ 1,626,784
SC State University	\$ 1,626,784
USC – Columbia	\$ 6,507,135
USC – Aiken	\$ 1,084,522
USC – Upstate	\$ 3,253,567
USC – Beaufort	\$ 1,084,522
USC – Lancaster	\$ 542,261
USC – Salkehatchie	\$ 233,172
USC – Sumter	\$ 233,172
USC – Union	\$ 233,172
Winthrop University	\$ 3,253,567
MUSC	\$ 227,750
Technical Colleges	\$ 12,087,002
Independent Institutions	\$ 9,218,441

Source: Commission on Higher Education

HIGHER EDUCATION INSTITUTIONS		TECHNICAL COLLEGES	
Institution	Non-Recurring \$	Technical College	Non-Recurring \$
The Citadel	\$2,617,458	Trident Technical College	\$12,708,991
Clemson University	\$15,956,246	Northeastern Technical College	\$1,324,051
College of Charleston	\$7,136,986	Florence Darlington Technical College	\$4,281,769
Coastal Carolina	\$5,699,867	Greenville Technical College	\$11,121,820
Francis Marion	\$3,963,701	Horry-Georgetown Technical College	\$5,583,629
Lander University	\$2,943,980	Midlands Technical College	\$10,158,105
SC State University	\$2,786,531	Orangeburg-Calhoun Technical College	\$2,482,200
USC – Columbia	\$21,332,761	Piedmont Technical College	\$4,634,708
USC – Aiken	\$3,333,904	Spartanburg Technical College	\$4,692,827
USC – Upstate	\$6,126,776	Central Carolina Technical College	\$3,742,849
USC – Beaufort	\$1,870,368	Tri-County Technical College	\$5,929,172
USC – Lancaster	\$1,557,583	York Technical College	\$4,324,037
USC – Salkehatchie	\$922,503	Aiken Technical College	\$2,088,050
USC – Sumter	\$1,088,406	Denmark Technical College	\$471,291
USC – Union	\$1,130,674	Technical College of the Lowcountry	\$2,181,040
Winthrop University	\$5,393,422	Williamsburg Technical College	\$778,793
MUSC	\$2,120,807	Trident Technical College	\$12,708,991
		Williamsburg Technical College	\$778,793
Total	\$85,981,973	Total	\$76,503,332

REINVEST NOW SO WE DON'T BORROW LATER

The Capital Reserve Fund in it's entirety - **\$162 MILLION** – will be reinvested for repairing aging campus buildings and infrastructure at our state's higher education institutions. **Distributed by the number of in-state students enrolled at institution.**

Good fiscal stewardship means investing now rather than borrowing it in the future with a massive bond bill and debt.

We must also continue our collaborative efforts to make our public universities and colleges - technical and comprehensive - more affordable and accessible for all South Carolinians.

Scholarships, grants and financial assistance are critical in providing opportunity and access to higher education for lower income students seeking a degree.

Let us remove the financial barriers of cost and debt and open the door to opportunity for our state's students.



The background features a large, faint, circular seal of the Council of the Government of South Carolina. The seal contains the text "COUNCIL OF THE GOVERNMENT OF SOUTH CAROLINA" around the top edge, "SOUTH CAROLINA" in the center, and "MAGNIS OPIBUSQUE PARATI" at the bottom. The year "1776" is also visible within the seal's design.

WORKFORCE DEVELOPMENT

INVESTING IN OUR WORKFORCE TODAY & TOMORROW

RURAL CAREER TECHNOLOGY CENTERS

\$50 MILLION new dollars to provide rural high school students career and technical training to join local workforce.

SCHOLARSHIPS, TRAINING, JOBS!

\$58.8 MILLION new investment for high demand job training at technical colleges through readySC & new scholarship dollars to enhance access.

South Carolina is roaring into the twenties with a vibrant economy.

Unemployment is at a record low.

More people are working today than ever before, and personal income growth is at an all-time-high.

National rankings consistently list us as one of the best states in which to raise a family, do business or visit.

This provides opportunities of unlimited prosperity for our people.



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KEEPING CITIZENS SAFE

KEEP LAW ENFORCEMENT ON THE JOB

PAY RAISES FOR RECRUITMENT & RETENTION

\$38 MILLION

Department of Public Safety	\$5,000,000
Forestry Commission	\$420,000
Department of Natural Resources	\$1,992,494
State Law Enforcement Division	\$5,545,761
Department of Corrections	\$14,587,019
Department of Probation, Parole and Pardon Services	\$2,085,300
Department of Juvenile Justice	\$8,544,845
Total	\$38,175,419

Keeping our citizens safe also means keeping law enforcement on the job.

This year we will provide substantial pay raises for troopers, state law enforcement division agents, wildlife officers, probation agents, firefighters, corrections officers, forestry services and emergency services personnel.

We will also finish placing a school resource officer in every school in the state.



\$100 MILLION

**MAKE PRISONS SAFER
INSIDE & OUTSIDE THE FENCE**

BY REPLACING & REPAIRING INFRASTRUCTURE, FACILITIES AND CONTROL SYSTEMS.



The men and women of the Department of Corrections are confronted every day with the challenges of contraband, violence, gangs, staffing, health care issues and facilities that are inadequate, outdated or simply broken.

We must make a serious investment toward making our prisons safer and more secure, both inside and outside the fence.

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GOOD GOVERNMENT

MERIT FOR STATE EMPLOYEES RAISES

\$33 MILLION to empower agency heads to incentivize employees performance with merit based pay raises.

CLOSE PENSION – CHARTING A NEW PATH

Executive Budget closes state retirement pension by end of year. A new way for new employees.

TRANSPARENCY IN SPENDING

Appropriations must be publicly disclosed, debated and allowed to stand on the merits.

LOCAL GOVERNMENT REFORM

LOCAL LOBBYIST DISCLOSURE

Anyone paid to influence decisions made by state, county, municipal, or school board officials must be required to publicly register as a lobbyist with the state ethics commission.

BUSINESS LICENSE REFORM

Businesses in SC are at a competitive disadvantage, forced to navigate a patchwork of municipal jurisdictions, regulations and fees. The system needs clarity, uniformity and common sense.

Let us act on behalf of the sons and daughters of South Carolina, so that they may receive a state as bright with promise as that which we were blessed to inherit.

Governor Henry McMaster





Office of the Governor

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