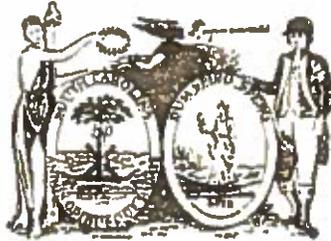


State of South Carolina
Executive Department

FILED

SEP 19 2016

Mark Hammond
SECRETARY OF STATE



Office of the Governor

EXECUTIVE ORDER NO.

2016-22

WHEREAS, in recent years South Carolina's Other Funds revenue has substantially increased, representing the largest fund source in the Fiscal Year (FY) 2016-17 Appropriations Act at over \$10.39 billion, compared to \$7.57 billion and \$8.35 billion for General Funds and Federal Funds respectively; and

WHEREAS, Other Funds span many agencies and encompass various fines and fees, including college tuition, filing fees, laboratory test fees, environmental fees, archival research fees, business and facility licensing fees, and driver reinstatement fees; and

WHEREAS, recognizing the need for accountability and transparency in the collection of Other Funds by state agencies, the General Assembly, most recently via Proviso 117.74 of the FY 2016-17 Appropriations Act, requires each state agency to provide a public report of all aggregated amounts of fines and fees that were charged, collected, and expended by that agency but does not require the agencies to identify the cash balance at the end of the fiscal year or an explanation of the need to carry a cash balance in excess of actual expenditures; and

WHEREAS, at the close of the past four fiscal years, state agencies have had end of year Other Funds balances of roughly \$2.1 billion, \$2.3 billion, \$2.6 billion, and \$3.2 billion, respectively; and

WHEREAS, fines, fees, and user charges is often another form of taxation that increases the cost and complexity of living and doing business in South Carolina; and

WHEREAS, Other Funds data is an essential component in the budget development process.

NOW, THEREFORE, pursuant to the authority vested in me by the Constitution and Statutes of this State, I hereby direct all state agencies to prepare an Other Funds report containing the following:

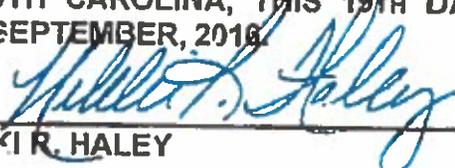
1. For each Other Fund revenue source, the enabling statute or proviso that authorizes its collection.
2. The agency program or activity that is supported by funds generated from the revenue source.
3. The statute or proviso that grants carry forward authority for funds generated from the revenue source.
4. An explanation of how the revenue source is generated to include the entity or person(s) assessed the fee, fine, or charge.
5. The actual amount collected in the previous fiscal year, the amount estimated to be collected in the current fiscal year, and the amount estimated to be collected in the upcoming fiscal year.
6. The actual expenditures paid from funds generated by the revenue source for the previous fiscal year.
7. The revenue source's cash balance at the end of the previous fiscal year.
8. An explanation of the need to carry a cash balance in excess of the actual expenditures for the previous fiscal year.

BE IT FURTHER ORDERED, the Executive Budget Office shall develop a format and process for collecting the Other Funds reports from all state agencies. All state agencies must submit by November 1st of each year the Other Funds report to the Executive Budget Office that shall be made public.

This Order shall take effect immediately.



GIVEN UNDER MY HAND AND THE
GREAT SEAL OF THE STATE OF
SOUTH CAROLINA, THIS 19TH DAY
OF SEPTEMBER, 2016.



NIKKI R. HALEY
Governor

ATTEST:



MARK HAMMOND
Secretary of State



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

September 19, 2016

The Honorable Hugh K. Leatherman, Sr.
Chairman
Senate Finance Committee
111 Gressette Bldg.
Columbia, SC 29201

The Honorable W. Brian White
Chairman
House Ways and Means Committee
525 Blatt Bldg.
Columbia, SC 29201

Dear Chairman Leatherman and Chairman White,

As you prepare for the Fiscal Year (FY) 2017-18 appropriations process in your respective committees, I wanted to share some budget-related items we are working on in an effort to focus on long-term planning and promote transparency to the state budget-writing process.

On August 29, 2016, in response to an announcement by the S.C. Board of Economic Advisors that revenue growth is not projected to be as high as the past few years, I asked each agency to identify programs they would reduce or eliminate if they received a 3% General Fund budget reduction and submit that information with their FY 2017-18 budget request. Planning for future revenue decreases now, while our economy is strong, will assist with long-term preparation and allow us to make smarter funding decisions—as well as help position South Carolina to avoid the difficult budget situations we found ourselves in at the end of the previous decade. The Executive Budget Office has begun to work with agencies to find reductions that result in the smallest impact to state services.

Additionally, today I have signed Executive Order 2016-22 requiring each agency to provide an annual Other Funds Report. Recognizing the need for accountability and transparency in the collection of Other Funds by state agencies, the General Assembly, via Proviso 117.74 of the FY 2016-17 Appropriations Act, requires each state agency to provide a public report of all aggregated amounts of fines and fees that were charged, collected, and expended by that agency. Executive Order 2016-22 will build on this—requiring additional information such as the cash balance each agency has at the end of each fiscal year and an explanation of the need to carry a balance in excess of actual expenditures, which will help bring needed transparency to what has become the largest fund source in the Appropriations Act.

The Honorable Hugh K. Leatherman, Sr.
The Honorable W. Brian White
September 19, 2016
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I believe this additional information will inform the decision-making process of your committees and the members of the General Assembly as the FY 2017-18 Appropriations Act is being developed.

I look forward to working with you and the General Assembly to construct a budget South Carolina can be proud of.

My very best,


Nikki R. Haley

cc: Members of the General Assembly