



# State of South Carolina

## Office of the Governor

NIKKI R. HALEY  
GOVERNOR

1205 PENDLETON STREET  
COLUMBIA 29201

July 5, 2012

The Honorable Robert W. Harrell, Jr.  
Speaker of the House of Representatives  
Statehouse, Second Floor  
Columbia, South Carolina 29201

Dear Mr. Speaker and Members of the House of Representatives,

I am vetoing and returning to you several line items in R331, H.4814, a Joint Resolution to appropriate monies from the Capital Reserve Fund.

First and foremost, we appreciate members of the General Assembly including the \$43.2 million in tax relief – out of \$77 million overall – that this Joint Resolution will provide for South Carolina's business owners and employers, something we fought hard for over the course of the session because our people and businesses want and deserve it. As we all know, when businesses have cash flow and profit margins they hire people and invest back into their enterprise and into our state. Tax relief is precisely what South Carolina businesses need in this tough but recovering economy.

Most of the other items funded through H.4814 relate to our technical colleges and our four-year institutions of higher learning. In January, I offered an Executive Budget that recommended a 2.3 percent increase for our public colleges and universities based upon the Higher Education Price Index (HEPI), a respected national measure of the growth in institutions' operating costs. The General Assembly ultimately elected not to increase the primary appropriations for most institutions but rather provided them with allocations from the Capital Reserve Fund to address their deferred maintenance needs.

Since the maintenance backlogs are significant and the amounts provided through H.4814 are comparable to what each institution would have received under my Executive Budget, I have accepted each deferred maintenance line. However, there are seven items that I am returning without my approval – because they fund institutions in excess of a responsible level.

Budgets are ultimately statements of our priorities. If these institutions are truly committed to these projects, then I believe that they will find ways to see them through to completion using existing funds or other sources of revenue.

**Veto 1**                            **Page 2; Section 1, Item 7, The Citadel – Jenkins Hall Arms Room Upgrade: \$200,000 Capital Reserve Fund**

The Citadel will receive more than \$737,000 under this Joint Resolution in order to address its deferred maintenance needs. This is roughly \$542,000 in excess of the increase The Citadel would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation but do not support separate and additional funding for this specific project.

**Veto 2**                            **Page 2; Section 1, Item 10, Clemson University – Greenwood Genetics Lab: \$2,000,000 Capital Reserve Fund**

Clemson will receive nearly \$1.6 million under this Joint Resolution in order to address its deferred maintenance needs. This is roughly \$220,000 in excess of the increase Clemson would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation but do not support separate and additional funding for this specific project.

**Veto 3**                            **Page 2; Section 1, Item 14, Francis Marion University – Nurse Practitioner Program: \$100,000 Capital Reserve Fund**

Francis Marion University will receive more than \$1.1 million under this Joint Resolution in order to address its deferred maintenance needs. This is more than \$900,000 in excess of the increase the University would have received in operating support under my Executive Budget. I have approved each of the deferred maintenance allocations contained within this legislation but believe that Francis Marion should be able to support the Nurse Practitioner Program with the resources already provided.

**Veto 4**                            **Page 2; Section 1, Item 18, University of South Carolina, Columbia Campus – USC Palmetto College: \$2,115,000 Capital Reserve Fund**

My veto of this item should in no way be construed as a rejection of this initiative. Instead, I have rejected this item because the University of South Carolina has already received significant support through the Capital Reserve Fund this year and also because USC is one of only two universities that will receive more funding through Part IA of the budget this year than it did last year. The \$2.9 million increase provided in Part IA has been scattered across various lines in such a way that I cannot isolate that growth and strike it with my veto pen. What I can do, however, is veto this item and insist that USC implement the Palmetto College with the funding it has already received.

