



HENRY McMASTER
GOVERNOR

June 25, 2021

Dear Mr. Speaker and Members of the General Assembly:

I am vetoing and returning without my approval certain line items in R -116, H. 4100, the FY 2021-22 General Appropriations Act.

Over the past year and a half, we have faced unprecedented challenges from a virus we did not know. We experienced loss, and we experienced suffering. But our people are strong and resilient, and have the commitment, capacity, and courage to thrive and prosper once again - like never before.

While many states immediately shuttered their economies, closed businesses, and enacted draconian restrictions, South Carolina took a better approach. We never closed. Through our reasonable steps of limited, measured, and temporary actions targeting those establishments and activities involving close personal contact and high risks of transmission, we combated the virus without crippling our economy. Business continued. This is one reason that South Carolina is the 10th fastest growing state in the nation.

Also, by being careful and conservative, freezing new spending, and holding state government steady at the previous year's spending levels, we were able to avoid having to cut services, raise taxes, or borrow money. As a result, South Carolina's economy not only survived, it thrived - generating an over \$1 billion surplus, placing our State in a stronger financial position than virtually every other state in the country.

That's because we were thinking ahead. Now, we must continue to think ahead.

This year, my Executive Budget proposed bold investments to ensure that South Carolina's future workforce possesses the education and skills necessary to compete for jobs and capital, both nationally and internationally. Once again, the General Assembly has embraced and adopted 166 of my proposals totaling \$1.58 billion dollars in the final 2021-22 General Appropriations Act.

Our successful partnership has once again produced a resounding win for the people and prosperity of South Carolina.

We have made a transformative investment in early childhood education through the expansion of full-day kindergarten for every at-risk four-year-old child in the State. This expansion will allow parents to choose the public or private provider that meets their child's educational needs.

By unleashing the free market into early childhood education with the entry of new providers, eliminating burdensome regulations, and increasing the reimbursement rate, South Carolina's at-risk children will - with each passing year - increasingly arrive at school prepared and eager to learn and on track to make continued, life-long learning progress.

This state budget maintains our continued commitment to attract and retain our talented teachers through a \$1,000 across the board pay raise. While this raise is not the \$3,000 raise proposed in my Executive Budget for FY 2020-21, I am confident that the General Assembly shares my commitment to making future investments that will further improve South Carolina's national ranking for average teacher pay.

It is critical that parents in South Carolina have confidence that their children are safe and secure while at school. This year we have finally fulfilled our commitment to provide funding to place a certified law enforcement school resource officer in every school, in every county, all day, every day. In addition, this state budget provides the necessary funding to place a school nurse in every school in our state and provides every school with additional access to a mental health counselor.

Future prosperity requires that our colleges, universities, and technical colleges are accessible and affordable for the sons and daughters of South Carolina. For the third year in a row, we have frozen tuition at our state's public colleges, universities, and technical colleges.

This state budget provides \$80 million so that every South Carolinian who qualifies for federal need-based financial aid - or federal Pell Grants - has the necessary state financial assistance to attend any in-state public, private, independent college, university, or historically black college or university.

Also, this budget provides an additional \$40 million for high-demand jobs skills training. This includes such programs as our ReadySC direct training for prospective manufacturers locating in our state and for workforce scholarships and grants for South Carolinians to receive skills-based certificates and accreditation at our State's technical colleges.

In addition, this state budget addresses the repairs needed at the aging, state-owned buildings and infrastructure on the campuses of our colleges, universities, and technical colleges. By paying down the State's deferred maintenance liability with available one-time funds - rather

than borrowing it - institutions of higher education will not pass along debt to students and parents through tuition and fee hikes.

To keep South Carolinians safe, we must maintain a robust law enforcement presence - and properly “fund the police.” Our state law enforcement agencies continue to lose valuable and experienced personnel because they are unable to remain competitive with pay and benefits.

This budget dedicates over \$21.1 million in new funding to law enforcement, public safety, and first-response agencies for recruitment and retention. This includes pay raises for troopers, state law enforcement division agents, wildlife officers, probation agents, and corrections officers.

Gaps in our online connectivity continue to require significant investment. Broadband is no longer a luxury - it is a necessity, essential to ensuring opportunity and access, especially for those in rural areas. Emergency response, health care access, education - all increasingly rely on high-speed Internet access. This budget provides an additional \$10 million in state funds to continue the expansion of broadband into all parts of our state through public and private partnerships.

Finally, I applaud the General Assembly for passing the most transparent and accountable budget in modern times. After decades of overriding the vetoes of successive governors, the leadership of the Senate and House of Representatives took unprecedented steps to require the public disclosure of the sponsors and recipients of earmarked appropriations, all previously shielded from public view, debate, and scrutiny.

However, public transparency must be absolute and uncompromised in order to maintain the public’s trust and confidence in their government. Disclosure of the sponsor and recipient is not enough. The bulk of these earmarked appropriations still lack sufficient context, description, explanation of merit, or justification as to how the recipient intends to spend the funds. Also, no matter how deserving the project, the public must be confident that proper accountability measures are in place to ensure the funds are ultimately spent appropriately by the recipient.

For these reasons, I must veto 226 of these earmarked appropriations totaling \$152.5 million. Because these earmarked appropriations are bundled together in seven different proviso subsections - it will require the veto of many of my Executive Budget proposals and projects.

There is a better way for the taxpayers. I once again ask the General Assembly to consider my proposal to create a public, merit-based competitive grants process for these types of appropriations. Administered by state agencies, funds would be made available only to entities which demonstrate required community support and missions consistent with the policy goals and outcomes intended by the General Assembly. Further, all applications and award criteria would be placed online, allowing for public scrutiny and total transparency.

To my colleagues in the General Assembly I say: The people of South Carolina have benefited from our ongoing cooperation, communication, and collaboration. Let us continue to work together vigorously, thereby ensuring that future generations of South Carolinians can keep winning and prospering.

In that spirit, I ask that you thoughtfully consider and sustain each of the following vetoes:

Veto 1 **Department of Education**, Part IB, Section 1, Page 294, Proviso 1.90, SDE:
Reserve Suspension

This proviso provides an exemption from the cash reserve limitation requirements of Act 593 of 1992 for Dorchester County School District 2. This proviso alters permanent local legislation that has been in effect since 1992 and should be dealt with by separate, permanent legislation.

Veto 2 **Department of Education**, Part IB, Section 1, Page 294, Proviso 1.92, SDE:
Schools of Choice

This proviso, which allows a school district to create multiple schools of choice, is no longer needed due to passage of Act 20 of 2021.

Veto 3 **Department of Education**, Part 1B, Section 1, Page 295, Proviso 1.95, SDE:
Basic Skills for Admission to Teacher Preparation Program/Praxis Core

This proviso amends permanent law by allowing each institution of higher education to create its own system for admitting candidates into an undergraduate teacher preparation program. I am vetoing it for several reasons.

First, the proviso refers to the wrong code citation. Title 59, Chapter 26 of the South Carolina Code of Laws deals with the training, certification, and evaluation of teachers.

Second, the proviso contradicts Section 59-26-10, et seq, of the South Carolina Code of Laws which requires the State Board of Education and the Commission on Higher Education to create “a fair, cohesive, and comprehensive system for the training” of educators in our state. The proviso excludes the Commission on Higher Education entirely from this process.

If each institution creates its own criteria for admitting candidates into an undergraduate teacher preparation program, then there is no longer a “system” of

professional standards, and we risk lowering standards and diminishing the teaching profession.

Changing the system by which our institutions of higher education prepare teachers should be done through legislation and not through a proviso in the state budget. A bill, H. 4152, was introduced this session on this issue, but it has not yet been debated.

Veto 4 **Department of Health and Human Services**, Part 1B, Section 33, Page 352,
Proviso 33.24, DHHS: Personal Emergency Response System

This proviso requires the department to develop one or more requests for proposal (RFPs), to provide for Personal Emergency Response Systems to be issued to Medicaid recipients pursuant to the department's Medicaid Home and Community-based waiver.

Because the department has already produced an RFP, this proviso is no longer needed.

Veto 5 **Department of Health and Environmental Control**, Part 1B, Section 34, Page 363, Proviso 34.52, DHEC: Hazardous Waste Fund County Account

This proviso bypasses local government control over statutorily authorized Hazardous Waste Contingency Fund dollars, allowing funds to be directed for unknown and unaccountable purposes with no public transparency or fiscal oversight. This is a dangerous invitation for fraud and abuse.

Veto 6 **Patriots Point Development Authority**, Part IB, Section 52, Page 391, Proviso 52.2, PPDA: Clamagore Reef - \$1,000,000

The funds directed in this proviso, as appropriated in Act 286 of 2014, have already been expended, and therefore, this proviso is no longer needed.

Veto 7 **Department of Revenue**, Part IB, Section 109, Page 462, Proviso 109.12, DOR:
Food Manufacturing Equipment

This proviso creates a new "temporary one year" sales tax exemption, joining the hundreds of existing piecemeal sales tax exemptions that hurt our State's ability to compete for jobs, investment, and capital. Comprehensive tax reform must happen. Our neighbor states have reformed their tax codes and structure, leaving our State at a competitive disadvantage.

Veto 8 **Department of Revenue**, Part IB, Section 109, Page 462, Proviso 109.13, DOR:
Collection of Business License Taxes

This proviso is unnecessary following the passage of Act 176 of 2020.

Vetoes 9 - 15 **Earmarked Appropriations**

Public transparency must be absolute and uncompromised in order to maintain the public's trust and confidence in their government. Disclosure of the sponsor and recipient is not enough. The bulk of these earmarked appropriations contained in these seven proviso subsections still lack sufficient context, description, explanation of merit, or justification as to how the recipient intends to spend the funds. Nor do these proviso subsections contain any accountability measures to ensure the funds are ultimately spent appropriately by the recipient.

There is a better way for the taxpayers. I once again ask the General Assembly to consider my proposal to create a public merit-based competitive grants process for these types of appropriations. Administered by state agencies, funds would be made available only to entities which demonstrate required community support and missions consistent with the policy goals and outcomes intended by the General Assembly. Further, all applications and award criteria would be placed online, allowing for public scrutiny and total transparency.

Veto 9 **Statewide Revenue**, Part IB, Section 118, Page 531, Proviso 118.18, SR:
Subsection (B)(72) – \$800,000

(72) \$800,000 shall be appropriated for Educational Purposes as follows: H630 - Department of Education: Trinity Technology Center \$100,000; Briggs-De Laine-Pearson Foundation \$250,000; SC Retired Educators Academic Tutorial Services \$200,000; and Roper Mountain Science Center \$250,000;

Veto 10 **Statewide Revenue**, Part IB, Section 118, Page 531, Proviso 118.18, SR:
Subsection (B)(73) – \$19,070,851

(73) \$19,070,851 shall be appropriated for Economic Development purposes as follows: P320 - Department of Commerce: SC Minority Business Center \$300,000; Pinewood Depot \$350,000; Unemployment Job Training \$500,000; North Maple Street/Kapstone/Global Trade Center Improvements \$2,820,851; SC Technology and Aviation Center Infrastructure Upgrades \$9,000,000; Graduation Alliance \$500,000; Palmetto Goodwill \$500,000; SC Association for Community

Economic Development \$2,000,000; and Southern Carolina Regional Development Alliance Building Renovation \$100,000; and Y140 - State Ports Authority: Georgetown Port \$1,000,000; and Permitting Activities Related to Jasper Ocean Terminal Port \$2,000,000;

Veto 11 **Statewide Revenue, Part IB, Section 118, Page 531, Proviso 118.18, SR: Subsection (B)(74) – \$18,963,263**

(74) \$18,963,263 shall be appropriated for Healthcare purposes as follows: J200 - Department of Alcohol and Other Drug Abuse Services: Aiken Center Renovation \$380,000; Trinity Behavioral Health Care Building Replacement \$500,000; Palmetto Foundation for Prevention and Recovery \$50,000; Rubicon Drug and Alcohol Center - Hartsville \$75,000; Chesterfield Alpha Center Renovation \$250,000; and Westview Behavioral Health Services Renovation and Increased Security \$31,000; J160 - Department of Disabilities and Special Needs: Union County Greenhouse Repair \$15,000; J040 - Department of Health and Environmental Control: Socastee Flooding Prevention \$1,000,000; Lake Caldwell Dam Remediation \$750,000; Stormwater Facilities Improvement City of Rock Hill \$1,000,000; EMS Association Recruitment and Retention \$350,000; Colon Cancer Prevention Network \$250,000; Darlington Lift Stations/Sewer Project \$300,000; and James R. Clark Memorial Sickle Cell Foundation \$300,000; L040 - Department of Social Services: Orangeburg County Domestic Violence Shelter \$1,500,000; Family Justice Center - Horry County Program \$1,500,000; Epworth Children's Home \$350,000; Florence Crittenton \$100,000; Sexual Assault Victim Sensitivity Training \$1,000,000; SAFE for Families SC \$25,000; Dickerson Children's Advocacy Center \$250,000; and Women in Unity \$200,000; and J020 - Department of Health and Human Services: The Men's Center of the PeeDee \$175,000; Camp Cole \$250,000; A Child's Haven \$500,000; Children's Place \$500,000; Nicholtown Child and Family Collaborative \$25,000; MedEx Academy \$75,000; The Therapy Place \$150,000; Samaritan House Homeless Shelter \$50,000; Beaufort Jasper Hampton Comprehensive Health Services \$375,000; Antioch Senior Center \$300,000; CR Neal Center \$200,000; Community Medicine Foundation \$250,000; The Medi CRC \$50,000; Resurrection Homeless Shelter \$100,000; Phillis Wheatley Center \$25,000; Lisa School House Rocks \$50,000; Emma Wright Fuller Foundation \$50,000; Center for Educational Equity \$25,000; Outstanding Youth Awards \$25,000; Pleasant Valley Connection \$25,000; Community Wellness Group \$100,000; St. John Community Holistic Wellness Center \$100,000; SC Cervical Cancer Awareness Initiative \$161,000; Medical Ministries Inc. \$8,000; Camp Happy Days \$237,500; Community Health Worker Pilot Program \$1,900,000; New Morning Foundation \$750,000; Nurse Family Partnership \$250,000; Brain Injury Association \$100,000; Shoreline Behavioral Health Services Facility Expansion \$1,000,000; Vital Aging of Williamsburg

\$300,000; South Carolina HIV Council “The Wright Wellness Center” \$300,000; M.A.D. USA (Men Against Domestic Violence) \$330,763; and Sea Haven for Youth Health Care for Homeless Youth \$50,000;

Veto 12 **Statewide Revenue**, Part IB, Section 118, Page 531, Proviso 118.18, SR:
Subsection (B)(75) – \$6,548,300

(75) \$6,548,300 shall be appropriated for Law Enforcement purposes as follow: K050 - Department of Public Safety: Lancaster Sheriff’s Office Armored Vehicle \$340,000; Sumter County Sheriff’s Office \$500,000; Sumter Police Department \$750,000; Dillon County Sheriff’s Office Officer Equipment \$398,000; Beaufort Crime Lab \$500,000; Fairfax Law Enforcement Building Renovation \$350,000; Laurens County Sheriff’s Office Operations and Training Building \$250,000; Florence County Sheriff’s Office Equipment/Renovations \$153,500; Newberry County Sheriff’s Department Emergency Call Equipment \$225,000; Greenwood Sheriff’s Department Police Cars \$300,000; Allendale County Sheriff’s Office New Building \$176,800; and Body Cameras - Florence County Sheriff’s Office Program Implementation \$1,000,000; N080 - Department of Probation, Parole and Pardon Services: Laurens County Office Facility Renovations \$238,000; Turning Leaf Expansion Campaign \$667,000; Paths to Wholeness, Inc. - Pilot Re-entry Program \$100,000; and Rock of Ages (Fresh Start Transition Program) \$250,000; and N120 - Department of Juvenile Justice: PACE Center for Girls \$350,000;

Veto 13 **Statewide Revenue**, Part IB, Section 118, Page 531, Proviso 118.18, SR:
Subsection (B)(76) – \$12,920,000

(76) \$12,920,000 shall be appropriated for Local Government purposes as follow: E240 - Office of Adjutant General: Swift Water Rescue Team \$50,000; Undeclared Tornado Disaster Reimbursement - Seneca \$2,500,000; Newberry County Emergency Management \$50,000; and Information Technology for JAG Branch of State National Guard \$200,000; L060 - Department on Aging: Orangeburg Senior Community Center \$50,000; and Fairfax Senior Citizen’s Building \$300,000; D500 - Department of Administration: Tri-City Visionaries Weatherization and Energy Related Home Repairs \$200,000; U120 - Department of Transportation: Historic T-Bridge Repairs - City of Gaffney \$500,000; Forest Lake Place Bridge \$500,000; Five Points Road Funding \$850,000; Interchange Justification Report Rebuilding Exit on I-85 \$1,000,000; City of Forest Acres Bridge Replacement \$500,000; and Palmetto Trail Highway 301 Pedestrian Bridge \$1,600,000; and X220 - Aid to Subdivisions - State Treasurer: Latta Revitalization Commission \$75,000; AmeriCorps SC \$200,000; Goose Creek Amphitheater Construction \$1,500,000; Cyber Security/Base Camp Equipment and Staff Training \$450,000; Mayson Crossroad Community Center Upgrades \$25,000;

Dacusville Heritage Pavilion \$25,000; Town of Liberty \$40,000; City of Pickens \$55,000; Trinity Education Community and Conference Center \$200,000; Diane's Call \$100,000; Pineville Antioch Multi-purpose Building \$240,000; Upstate Family Resource Center \$350,000; Town of Jenkinsville Town Hall Resource

Center \$50,000; St. Lawrence Community Center Upgrades \$250,000; Green Pond Resource Center Equipment Purchase \$25,000; Sheldon Township Project \$25,000; Dorchester Paws Facility Upgrades \$350,000; Town of Brunson \$50,000; Town of Gifford \$40,000; Town of Furman \$40,000; Mill Town Theater \$220,000; Town of Pendleton \$250,000; and Salem Community Center Renovations \$60,000;

Veto 14

Statewide Revenue, Part IB, Section 118, Page 531, Proviso 118.18, SR:
Subsection (B)(77) – \$94,243,600

(77) \$94,243,600 shall be appropriated for Sports, Recreation, Tourism, and Agriculture purposes as follows: H790 - Department of Archives and History: Pickens County Historical Updates \$25,000; Hagood Mill \$100,000; Dorchester Heritage Center \$480,000; Drayton Hall Preservation Trust \$250,000; Lincoln Preservation \$450,000; City of Abbeville - Barksdale McGowan House Climate Control Repairs \$150,000; Revolutionary War Sites \$400,000; Town of Iva - Repair of Historical Building \$50,000; Flagship of Luca Vasquez de Ayllon Shipwreck Survey \$250,000; Georgetown County Historical Society - Plantersville Cultural Center Eco-tourism Initiative \$53,500; and Marion County Library - Carnegie Library Renovation and Expansion \$250,000; H910 - Arts Commission: Greenville Cultural and Arts Center \$19,000,000; Gibbes Art Museum \$500,000; Sumter Opera House \$15,000,000; Spartanburg County Foundation Cultural Movement \$340,000; Chapman Cultural Center's Mayfair Mills Art Studios \$225,000; Charleston Food and Wine Festival \$200,000; Spoleto Festival \$500,000; South Sumter Art Park Project \$550,000; SC Artisans Center \$200,000; The Renaissance Foundation \$400,000; and Hartsville Center Theatre \$500,000; J160 - Department of Disabilities and Special Needs: Special Olympics South Carolina \$250,000; J040 - Department of Health and Environmental Control: City of Myrtle Beach Ocean Outfall \$500,000; and City of North Myrtle Beach Ocean Outfall \$500,000; P240 - Department of Natural Resources: Port Royal Multi-use Building Upgrades and Shrimp Dock Repairs \$500,000; Feral Swine Eradication \$500,000; Greenwood County Boat Ramp \$300,000; Steel Creek Boat Landing Repair \$200,000; and Port Royal Shrimp Dock \$400,000; P280 - Department of Parks, Recreation and Tourism: Myrtle Beach Safety Barriers \$250,000; Lexington County Convention Center \$1,000,000; Friends of the Green Crescent Trail \$200,000; Aiken County Railroad Museum \$205,000; Dolly Cooper Park Improvement \$350,000; Lee State Park Equestrian Center \$100,000; Dreher

Island State Park Upgrades \$150,000; Kings Mountain State Park Upgrades \$600,000; Surfside Pier \$500,000; Doko Meadows Park Security Improvements \$250,000; Marlboro Civic Center \$500,000; Eagles Fields Baseball League \$50,000; Murrells Inlet Dredging \$2,000,000; Downtown Spartanburg Infrastructure \$12,000,000; Alvin Community Center \$30,000; Stump Removal Lake Marion \$300,000; Florence County Civic Center \$1,000,000; Fairfield County Recreation Facilities \$150,000; Martin Luther King Park Upgrades \$25,000; Explore Black Charleston/Columbia \$50,000; Winding Woods Building Pad \$500,000; Pine Hill Building Pad \$500,000; Calhoun County Museum Preservation \$100,000; Town of Timmonsville Park \$100,000; Palmetto Trail Columbia/Elmwood Greenway \$500,000; Miracle Park \$500,000; Southeastern Wildlife Expo \$300,000; Charleston Visitor Center \$1,500,000; SC Aquarium \$2,000,000; Mother Emanuel Foundation Capital Infrastructure \$4,000,000; Lee County Tennis Center \$250,000; Palmetto Trail Phase 3 \$1,000,000; Lower Richland Diamond Fest \$30,000; African-American Tourism Institute \$50,000; Black Cowboy Festival \$50,000; Park Campground Comfort Station/Rest Station Renovations \$500,000; Colleton County Miracle League Field \$450,000; Town of Piedmont Replace Saluda River Foot Bridge \$250,000; South Sumter Park Improvements \$500,000; Columbia Convention Center Renovation \$9,000,000; ArtFields Collective \$500,000; Shot Pouch Greenway and Swan Lake Iris Gardens Improvements \$1,500,000; City of Conway Revitalization \$500,000; Morris Island Lighthouse \$350,000; Brookland Center Community Programs \$300,000; Cayce History Park \$1,000,000; Amazing Grace Park, The Clementa Pinckney Park \$500,000; Gordon Park/Dillon County Parks and Recreation \$300,000; Wateree River Veterans Park \$200,000; Town of Hodges Park Completion \$50,000; Greenwood County Parks and Tourism Grants \$75,000; and Calhoun Falls Marina \$1,000,000; E260 - Department of Veterans' Affairs: Shaw Welcome Center \$750,000; and Dolly Cooper Veterans Cemetery Hearse \$60,000; P160 - Department of Agriculture: Colleton County Food Assistance Program \$350,000; Berkeley County Agricultural Educational Exhibition Area \$950,000; and Town of Mayesville Grant Matching Funds \$45,100; and P360 - Patriots Point Development Authority: National Medal of Honor Museum \$1,000,000;

Veto 15

Statewide Revenue, Part IB, Section 118, Page 531, Proviso 118.18, SR: Subsection (B)(78) – \$14

(78) \$14 shall be appropriated for Miscellaneous purposes as follows: H630 - Department of Education: Reading Partners \$1; L120 - Governor's School for Agriculture at John De La Howe: Agriculture Shop Facility \$1; Greenhouse Facility \$1; Residential Hall Renovation \$1; and L.S. Brice School Renovation \$1; J120 - Department of Mental Health: Harris Hospital Renovation \$1; P200 - Clemson University - PSA: Pee Dee Research & Extension Building Repairs \$1;

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P280 - Department of Parks, Recreation and Tourism: Anderson Civic Center Renovations \$1; P320 - Department of Commerce: SC TAC \$1; N120 - Department of Juvenile Justice: Security Upgrades Phase 1 of 2 \$1; and Midlands Evaluation Center Booking and Intake Area \$1; R040 - Public Service Commission: Outside Expert Consultants for SC Energy Act \$1; U200 - County Transportation Funds: Pickens County Transportation Commission - Reduce Easley Traffic Congestion \$1; E160 - Office of State Treasurer: Mid-Year Reduction Fund \$1; and U120 - Department of Transportation: Infrastructure Maintenance Trust Fund \$1;

For the foregoing reasons, I am vetoing and returning without my approval the above provisions in R-116, H. 4100, the FY 2021-22 General Appropriations Act.

Yours very truly,



Henry McMaster

