



State of South Carolina

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FOR IMMEDIATE RELEASE

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Gov. Sanford Unveils 2010-11 Executive Budget **BUDGET SETS SPENDING PRIORITIES AS STIMULUS DOLLARS DWINDLE**

Columbia, S.C. - January 7, 2009 - Gov. Mark Sanford today released the seventh Executive Budget of his Administration – a balanced, activity-based \$5.84 billion spending plan for Fiscal Year 2010-11 that prioritizes spending in yet another tough budget year, begins to address the roughly \$1 billion in federal stimulus dollars that will evaporate the following year, offers \$255 million in cost savings, and endeavors to protect core government functions such as education, public safety, economic development, natural resources and health care.

While the state's general fund budget has been cut roughly \$1.58 billion over the last two years, the total state budget this year – including federal funds and state fees – will top \$21 billion, the highest total budget in South Carolina history. Over the course of this Administration, the total state budget will have expanded from around \$15.5 billion in FY 2003 to a projected \$22.8 billion in FY 2011 – an increase of almost 47 percent. In just general fund terms, the last six years have represented a spending roller coaster that has led to harmful, and predictable, consequences. Prior to mid-year reductions, South Carolina state government grew by over 40 percent from 2004 to 2008, leading the Southeast in year-to-year government growth. Over the last 18 months, that same budget has been cut by 27 percent.

“The financial challenges created by a global economic slowdown, and correspondingly our state's declining revenues, have in many ways been exacerbated by the fact that federal stimulus dollars, used this year to plug state budget holes here in South Carolina and nationwide, are fast drying up,” Gov. Sanford said. “That said, we think this balanced budget, while including many incredibly tough decisions, offers a blueprint not only for budget-writers, but policymakers across state government as well. We look forward to working alongside the Legislature as it takes up the issues of government spending caps that would help avoid future budget cuts past muscle into bone, government restructuring that would save taxpayer dollars, and reform at the Employment Security Commission which would help avoid a repeat of the near billion dollar deficit currently at that agency. We'd also acknowledge House and Senate leadership in their recent opinion-editorial calling for common sense changes to the state's budget process, and plan to work with them to push needed fiscal reforms.”

The Governor's budget, which will be submitted today to the South Carolina General Assembly, was crafted again this year following a series of public agency budget hearings and working with different “results teams” composed of state employees, board appointees, private citizens and issue advocates that were asked to rank around 1,600 different government activities in order of priority. Based upon that work, this year's Executive Budget recommends roughly \$255 million in suggested savings.

A complete copy of the budget is available online at www.scgovernor.com.

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