



State of South Carolina

Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

June 25, 2013

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 R121, H.3711, a Joint Resolution to appropriate monies from the Capital Reserve Fund.

Six months ago, I transmitted to you and the people of South Carolina an Executive Budget for the 2013-14 Fiscal Year. This was a balanced spending plan that made responsible and sustainable investments in education, healthcare, transportation, and other critical programs for which you and I share responsibility. While the sources and amounts of funding vary from my original proposal in some respects, I wish to express my appreciation that the General Assembly has used this bill in order to address many of the priorities that I highlighted last December.

Through our common efforts, H.3711 will allow us to establish a statewide approach to securing and safeguarding the information held by state agencies. This bill also provides more than \$10 million to replace our oldest school buses, along with \$2 million that will support the Forestry Commission's goal of replacing its most hazardous open-cab firefighting equipment on an accelerated timetable.

It is also noteworthy that half of the items contained in this bill are associated with either K-12 or higher education. In December, I proposed to use nearly \$45 million from the Capital Reserve Fund to replace buses, upgrade our technical colleges' equipment and laboratories, meet the deferred maintenance needs of our public colleges and universities, and address other educational priorities. I recommended that the funds allocated for these deferred maintenance needs be distributed based upon each institution's share of in-state undergraduate enrollees; instead, this bill targets funds for specific projects on individual campuses.

My Executive Budget provided our four-year colleges and universities with a total of \$24 million for deferred maintenance. There are several items for institutions of higher education that I have permitted to become law because their cost was below or comparable to the amount that I recommended in December. On the other hand, I am vetoing items for The Citadel and the College of Charleston because the cost substantially exceeds the amounts I suggested earlier.

Veto 1 Section 1, Item 4, Budget and Control Board – Statehouse Dehumidification and Heating: \$60,000

I ask that you sustain this veto because as Executive Director Marcia Adams notes in her letter, the Budget and Control Board will be able to fund this project using existing resources.

Veto 2 Section 1, Item 40, Department of Agriculture – Pee Dee Farmers Market, Replace Refrigeration Capacity: \$75,000

This bill appropriates more than \$7 million to the Department of Agriculture for the State Farmers Market. The General Appropriations Act also contains a \$300,000 increase in recurring support for Market Operations, along with millions of dollars in non-recurring funds for various marketing programs. I believe we have made sufficient investments in our agricultural programs this year.

Veto 3 Section 1, Item 14, Department of Alcohol and Other Drug Abuse Services – Keystone Alcohol and Drug Abuse Capital Improvement, Rock Hill: \$750,000

Veto 4 Section 1, Item 16, Department of Alcohol and Other Drug Abuse Services – Circle Park, Florence County, Alcohol and Drug Abuse: \$150,000

Veto 5 Section 1, Item 15, Department of Alcohol and Other Drug Abuse Services – McCord Center Fire Safety, Alcohol and Drug Abuse: \$250,000

I have been a strong advocate for mental health and substance abuse treatment throughout my tenure as Governor. This commitment has been more than mere lip service – I have backed it by recommending substantial increases in General Fund and capital support for our behavioral health agencies.

Keystone and Circle Park play important roles in their communities, but ultimately, they are private organizations, and South Carolina's taxpayers should not be providing direct capital or operating support to these entities, their counterparts, or their competitors. Similarly, I am wary of providing earmarked support for one multi-county center (McCord), when we do not offer similar assistance in other corners of the state.

Furthermore, the Department of Alcohol and Other Drug Abuse Services did not request funding for any of these projects when it filed its FY 2013-14 submission with the Office of State Budget.

**Veto 6 Section 1, Item 12, State Board for Technical and Comprehensive Education
– Manufacturing Skills Standards Council Initiative: \$2,500,000**

The Manufacturing Skills Standards Council Initiative is a workforce credentialing project through which the MSSC intends to assess, train, and certify the nation’s current and prospective front-line manufacturing workers.

South Carolina is already the nation’s leader in holders of ACT’s comparable National Career Readiness Certificate. In fact, the Technical College System has played a major role not only in offering the WorkKeys assessment tests, but also the subsequent training that helps candidates fill the specific gaps in their skills that will help them find rewarding, family-sustaining jobs.

I have vetoed this item because elsewhere in the budget, I have approved \$1,275,000 from the Lottery Expenditure Account for this initiative. I believe that those resources will be sufficient in FY 2013-14 to expand adoption of this new workforce assessment and certification program.

**Veto 7 Section 1, Item 39, Vocational Rehabilitation – Palmetto Center, Rebuild
Facility, Fire and Life Safety Issues: \$3,000,000**

This earmark for a facility in Florence County did not appear in the Vocational Rehabilitation Department’s budget request for FY 2013-14.

Instead, the agency requested (and has been granted) a \$3 million increase in Other Funds authority so that “accumulated cash balances of work training center funds” could be applied towards deferred maintenance needs at its 37 facilities. The Department already has the required resources to complete these smaller maintenance projects and therefore does not need a Capital Reserve Fund allocation this year.

Veto 8 Section 1, Item 5, The Citadel – Cadet Accountability System: \$1,500,000

My Executive Budget recommended that the Capital Reserve Fund be used to distribute \$24 million to our public colleges and universities for their deferred maintenance needs, based upon each institution’s number of in-state undergraduate students. Under this proposal, The Citadel would have received \$380,376. I have vetoed these funds for an IT system to track progress made by The Citadel’s students because the project is disproportionately expensive, given the number of in-state undergraduates who attend this institution.

**Veto 9 Section 1, Item 6, University of Charleston – Computer Science Program:
\$100,000**

My Executive Budget recommended that the Capital Reserve Fund be used to distribute \$24 million to our public colleges and universities for their deferred maintenance needs, based upon each institution's number of in-state undergraduate students. Under this proposal, the College of Charleston would have received \$1,886,021. I have allowed the \$2,000,000 line for the Science Center to become law, but have vetoed this item because it would further exceed the amount I recommended in December.

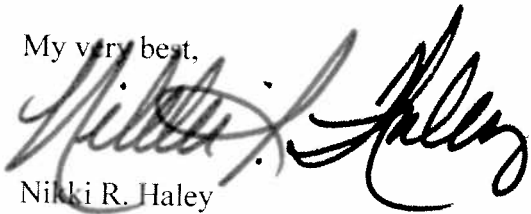
**Veto 10 Section 1, Item 19, Clemson University PSA – Advanced Plant Technology
Lab: \$3,000,000**

In December, I recommended a \$300,000 increase in operating support for Clemson PSA's food safety and inspection programs, along with additional funds in the Department of Agriculture's Consumer Services program, for similar purposes.

The budget that has reached my desk provides Clemson PSA with \$1.8 million in new operating funds, plus this \$3 million allocation from the Capital Reserve Fund. This is in addition to another \$795,000 in General Funds and nearly \$10 million in non-recurring money for the Department of Agriculture.

I have been supportive of our agricultural programs and our institutions of higher education, but basic tenets of fiscal responsibility require that we take a more measured and restrained approach to distributing taxpayer resources.

My very best,

A handwritten signature in black ink, appearing to read 'Nikki R. Haley', written in a cursive style.

Nikki R. Haley