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For immediate release  
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## **Gov. Henry McMaster Announces Fiscal Year 2021-2022 Executive Budget**

**COLUMBIA, S.C.** – Governor Henry McMaster today announced the FY 2021-2022 Executive Budget. Governor McMaster's budget significantly invests in the state's core functions of government, while maintaining his commitment to the fiscally responsible practices that have left South Carolina in a stronger financial position than virtually every other state in the country.

"By being careful and conservative, freezing new spending and holding state government steady at last year's spending levels, we have been able to avoid cutting services, raising taxes, or borrowing money," Governor McMaster wrote in a letter to the General Assembly. "Today, South Carolina has a small portion of that \$1.8 billion surplus remaining and we are 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."

For a copy of the governor's executive budget, along with his letter to the General Assembly and a detailed explanation of each allocation, [click here](#). For a copy of a presentation outlining the governor's priorities, [click here](#).

### **Governor's statements:**

#### **Reserve Funds**

"My Executive Budget places \$500 million - 38 cents of every new dollar - into our state's 'rainy day' reserve fund. By saving this money instead of spending it - something that has served our state well this year - we will be prepared for any future economic uncertainties, should they arise."

#### **Small Business Grant Program**

"Our small businesses in South Carolina have borne the brunt of the financial impact of the COVID-19 pandemic, especially those in the hospitality and service industry. To date, the state has directed over \$40 million in CARES Act funds to provide relief to 2,284 small businesses in our state. Unfortunately, the requests for relief and assistance from small businesses exceeded the available CARES Act funds. We must do more.

"To provide South Carolina small businesses with additional relief, my budget directs an additional \$123 million in state funds to be provided for small business grants administered by the state Department of Commerce in the same manner as the federal CARES Act funds."

#### **Full Expansion of Full-Day 4k programs**

"Before the COVID-19 pandemic, data indicated that South Carolina's lower income, five-year-old children are increasingly entering kindergarten unprepared to learn and without the necessary literacy and language skills. This makes them immediately "at risk" and unlikely to ever catch up. By the third grade, the best indicators of progress and future success are reading and writing skills. Without them, these children are less likely to graduate or obtain the skills necessary to enter the workforce and

contribute to our economy and their own success. A ten-month absence from a normal classroom has likely made this problem worse.

"In 2006, the General Assembly funded full-day, four-year-old kindergarten programs for Medicaid-eligible children in public schools and private childcare centers. Currently 61 school districts are eligible to participate, and 18 districts are not. This leaves 13,000 lower income 'at risk' children in 18 urban and suburban school districts without the option to attend full-day, four-year-old kindergarten.

"Once again, I am proposing that we invest \$48 million to expand access to full-day kindergarten for every lower income four-year old child in the state. This expansion will allow parents to choose the public, private or for-profit childcare provider that best suits 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 - with each passing year - will increasingly arrive at school prepared and eager to learn and on track to make continued, life-long learning progress."

### **State Aid to Classrooms**

"In last year's state budget, I proposed a \$3,000 across the board pay raise for every public school teacher in the state, a raise that would have catapulted the Palmetto State into a 'top 25' ranking of states for average teacher pay - for the first time ever. COVID-19 has delayed that raise; however, I remain committed to this investment toward attracting and retaining talented teachers for our classrooms.

"In the meantime, I am proposing an appropriation of \$35 million to maintain the state's financial commitment to funding our classrooms. According to the state Revenue and Fiscal Affairs office, these funds, along with this executive budget's lifting of the current suspension of teacher step salary increases, will allow school districts to resume all scheduled step salary increases for their teachers.

"Every South Carolina taxpayer should know that school districts in our state have received over \$1.2 billion in COVID-19 relief from the federal government. These investments, in addition to the ones being made with state funds, have provided every school district with the resources necessary to operate full-time, and teach in-person, five days a week. This is critical for a solid education."

### **School Resource Officers, School Nurses, Mental Health Counselors**

"It is also critical that parents in South Carolina have confidence that their children are safe and secure while at school. Once again, my executive budget provides funding to place a certified law enforcement school resource officer in every school, in every county, all day every day.

"Further, this executive budget provides the necessary funding to place a school nurse in every school in our state and provides every school with access to a mental health counselor. For students in the classrooms after months of interrupted or virtual instruction, isolation and disruption of normal routines, these resources are certainly necessary, and will be of great comfort to their parents."

### **Commitment to Public Charter Schools**

"Our state's public charter schools have seen an unprecedented 25% increase in 2020 student enrollment. This is largely a consequence of working parents' strong desire for five-day, in-person classroom instruction for their children. The virtual instruction adopted by numerous public school

districts was not deemed adequate. I believe the best policies provide that state dollars follow the student to the school of their parents' choice. Accordingly, this executive budget sends \$25 million to follow the students to their new schools."

### **Access to Higher Education**

"Access and affordability to higher education for every South Carolinian is essential to ensuring that our state has the trained and skilled workforce to compete for jobs and investment in the future. That means we must invest to make all of higher education - our colleges, universities and technical colleges - accessible and affordable for the sons and daughters of South Carolina.

"This executive budget provides \$60 million so that every South Carolinian who qualifies for federal needs-based financial aid - as measured by federal Pell Grants - has additional state financial assistance to attend any in-state public college, university or technical college. Students at private, independent and historically black colleges and universities will receive an additional \$20 million for tuition grants and assistance."

### **Workforce Training and Development**

"Also, this budget provides an additional \$60 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."

### **Broadband Expansion**

"The COVID-19 pandemic has demonstrated that access to broadband connectivity is a necessity and priority for our state, for health care access, education delivery, and remote access to the workplace. This executive budget dedicates \$30 million for the Office of Regulatory Staff to continue its critical efforts to expand broadband in South Carolina through public and private match investments."

### **Commitment to Law Enforcement**

"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. Our highways are dangerous without troopers on patrol. Every school must have a resource officer on duty all day. Fires must be battled and contained. Justice requires investigations be properly conducted. Correctional facilities need guards. And our waterways and lakes must remain navigable, clean and safe.

"This budget dedicates over \$13 million in new dollars 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.

### **No State Income Taxes on Retirement Pay for Military and First Responders**

"In addition, I once again call on the General Assembly to eliminate all state income taxes on the retirement pay of career military veterans and first responders, as well as retired state and federal law

enforcement officers, firefighters and peace officers. Many states have already done this. The decision-makers at the Department of Defense take note of such actions or lack of them as they weigh decisions on base closures, realignment and new missions for America's military. Our state's military installations are at risk, like all others. It is past time for the General Assembly to act on this issue."

### **Transparency in Budgeting**

"Finally, I would once again encourage the General Assembly to end the practice of appropriating to agencies undisclosed "pork barrel" earmarks in the budget that are shielded from public view, debate and scrutiny. No matter how deserving the project, the practice itself undermines the public's trust and confidence in their government. The General Assembly's continuous overriding of vetoes of successive governors, including this one, further exacerbates this distrust.

"There is a better way for the taxpayers. It is time for such appropriations to be publicly disclosed, debated and allowed to stand or fall based on their own merits. To that end, this budget creates a public competitive grants process. Funds will only be made available to entities with demonstrated community support and missions which advance the agencies' underlying objectives. Further, all applications and awards will be placed online, allowing for public scrutiny and total transparency."

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