

## State House News: June 12<sup>th</sup> – 16<sup>th</sup>

June 16, 2017

### Over \$50 Million in Spending Vetoed by Governor

On June 12, Gov. **Henry McMaster** (R) utilized his line-item [veto power to remove \\$56.4 million in spending](#) from the legislature's \$8 billion budget. The governor's [veto message](#) focused on transparency in spending taxpayer dollars in light of the recently passed gas tax increase. Gov. McMaster's vetoes highlighted this message:

- \$20.5 million allocated for school bus upgrades because the funding is dependent upon the lottery raising more than projected and lottery money should be spent on scholarships as promised
- \$8 million for mandatory contraceptive coverage for dependents of state employees receiving benefits from the state health plan
- \$6.2 million to the Department of Parks, Recreation and Tourism, \$3.3 million for sports marketing grants, and \$4.9 million for medical contracts because they are vaguely named "pork projects"
- The legislature's cuts to the S.C. Conservation Bank, which effectively restores funding to the agency at its current levels, because "South Carolina deserves a reasoned debate about the Bank's future and mission through normal legislative processes, not the budget."
- The provision expanding the counties' power to spend gas tax money on non-paving projects

The legislature may override the governor's vetoes with a two-thirds majority vote in both the House and Senate, but legislators have suggested they would not return before the end of June. The state's budget takes effect July 1, 2017 and if the legislature does not return before the end of the year to address the vetoes, the affected agencies will not have access to the funds until well into their fiscal year.

### Governor Restores Power to State College Oversight Agency

Gov. **Henry McMaster** (R) also [restored the Commission on Higher Education's \(CHE\)](#) power to review capital improvement project proposals from the state's colleges and universities. The legislature's budget provision only required review by the Joint Bond Review Committee and the State Fiscal Accountability Authority, both bodies that have legislative representation. In his veto message, the governor stated that "the CHE must be allowed to exercise its oversight authority."

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Please contact a member of the McGuireWoods Consulting team if you would like more detailed information.

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