



#### OUR MISSION

is to educate members and all South Carolinians about state and local public policy based on the traditional South Carolina values of individual liberty and responsibility, free enterprise, and limited government

# SCPC Issue Analysis

## Government De-structuring?

*Yesterday the Senate passed what many are calling the most significant restructuring plan this state has seen in decades. By a vote of 44-0, the South Carolina Senate passed H.3066 – a bill creating a Department of Administration and dissolving the anomaly that was the state Budget and Control Board.*

*Unfortunately – and despite all the claims of victory from elected officials – very little has changed. **So, what happened?***

*Earlier this month, senators adopted a comprehensive amendment full of diffused accountability and legislative power grabs. Subsequently, scores of amendments were introduced – some of which would have improved the legislation, but some that would have made things worse.*

*SCPC [analyzed](#) the original amendment and concluded it did little more than maintain the status quo. Citizens made it clear they didn't want half-measures, and [several amendments](#) were introduced that would have implemented SCPC's recommendations to fully divide power and bring real reform to South Carolina's government. However, the President Pro Tempore raised a point of order on these amendments that had not been raised on two previous amendments violating the same rule the real reform amendments were said to be violating. Those amendments passed and still stand in the legislation today.*

*Ultimately, lawmakers chose not to restore power to the citizens of South Carolina, but to diffuse accountability, shuffle a few agencies around, and preserve – or expand – their power. Here's what months of debate and legislative decision-making delivered in place of real reform.*

### **Authority to authorize bond debt**

**Real reform:** Citizens wanted to force legislators to publicly debate and vote on every bond they authorized.

**What citizens got:** The Senate created a new hybrid board (just like the Budget and Control Board) to split the authority to authorize state debt; continuing to shirk their responsibility for indebting taxpayers.

### **Mid-year Budget Cuts and Deficit Recognition**

**Real reform:** Citizens wanted legislators to come back into session and make responsible cuts in the event of a revenue shortfall in mid-year. Citizens wanted lawmakers to face the public for their choices and be held accountable.

**What citizens got:** Lawmakers gave themselves the option *to do nothing* and allow an unelected, unaccountable state employee the authority to make mid-year budget cuts.

## Legislative Oversight of the Executive Branch

**Real reform:** Citizens wanted lawmakers to mandate regular objective and public audits by the Legislative Audit Council on a schedule that is independently determined – not a schedule set by politicians.

**What citizens got:** The Senate broadened its power through legislative “investigative committees” – which have the authority to question and depose not only state employees, but *private citizens* if they deem them to have relevant information. In addition, decisions regarding which agencies are “investigated” are left up to legislative leaders – the same ones who [control most of state government](#) already. The public cannot be confident these politicians will investigate the agencies they control the same way they would the agencies the governor controls.

## Procurement Oversight

**Real reform:** Citizens wanted the responsibility for issuing state contracts to lie with one person whom the citizens of South Carolina could hold accountable if there was any wrongdoing or negligence in the process.

**What citizens got:** The Senate gave you a mixed system of doling out state contracts. The final plan gives the Department of Administration oversight over all contracts related to IT – which amounts to approximately 35 percent of revenue generated through contracts, but leaves the remaining 65 percent to be overseen by a three person panel – allowing politicians to avoid full responsibility. South Carolinians should have the right to hold one person accountable for any function of state government.

## Board of Economic Advisers

**Real reform:** Citizens wanted the chairman of the BEA to be appointed by the governor with advice and consent of the senate.

**What citizens got:** The Senate created a BEA chairman who reports not only to the governor, but also directly to legislative leaders that are not elected statewide and who write the state’s budget based off the BEA’s forecast.

*In the end, it’s debatable as to whether this “reform” is a step forward. Some state entities were transferred to the appropriate level of government, but ultimately lawmakers balked at the opportunity to reform major functions of state government. Remember, for the one hybrid board they eliminated, they created two more. For the authority they vested in the executive branch, they empowered themselves with the ability to investigate the decisions made by that branch. What is arguably the most dangerous thing to come out of the legislation, lawmakers explicitly gave themselves the authority to depose and question private citizens – ensuring they are the only oversight over a government they already largely control.*

*After 70 years, is our state any better off?*