

## State Agencies Sitting on Big Reserves; Lawmakers Returning Little to Taxpayers

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by Rick Brundrett - The Nerve

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If the S.C. House of Representatives decided to forgo its entire \$22.7 million budget this fiscal year, it could still pay all of its expected bills – with more than \$650,000 left over.

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This is because the 124-member chamber carried over nearly \$23.4 million in general funds into this fiscal year for its operations, state comptroller general records show. And the legislative body isn't the only state agency with fat taxpayer-funded reserves, a review by The Nerve found.  
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State agencies had a collective \$431.9 million in general fund reserves at the start of this fiscal year on July 1, according to Comptroller General Richard Eckstrom's 2018-19 year-end report released last month. That was nearly \$53 million more and \$280.3 million more than the balances of the state's general and capital reserve funds, respectively – the two big “rainy day” funds required by the S.C. Constitution – as of June 30.

The state collected \$568.1 million more in general funds than projected last fiscal year, according to Eckstrom's report. When combined with more than \$177.1 million in surplus general funds from fiscal 2018 and several other smaller reserve accounts, the state has an extra \$755.5 million “available for distribution” this fiscal year, the report noted.

Out of the windfall, lawmakers designated \$61.4 million generated by a one-time lottery jackpot to be returned to taxpayers – \$50 refund checks scheduled to be mailed on Dec. 2, according to the report. The \$61.4 million represents only about 8% of the total available surplus.

The remaining \$694.1 million surplus will be split between the state's “Contingency Reserve Fund” and a long list of “supplemental appropriations” under a state budget proviso, the report shows.

Through that proviso, the Senate in April quietly added \$1.25 million to its chamber budget for unspecified operating expenses, which was on top of a \$250,000 hike that the House inserted for each chamber, as The Nerve [revealed](#) then.

The Nerve in May submitted a request to the Senate under the state Freedom of Information Act seeking, among other things, specifics on the \$1.25 million budget hike for the 46-member chamber. In a written response nine days later, Senate Clerk Jeff Gossett said only, “There are no records responsive to this request.”

The comptroller general's report shows that the Senate, which has a total \$16.3 million budget this fiscal year, had \$5.2 million in general fund reserves as of July 1, which represented 37% of its chamber budget last fiscal year.

Other state agencies also have relatively large general-fund surpluses, The Nerve's review found. The Department of Commerce, for example, carried nearly \$42 million into this fiscal year, which represented 69% of its 2018-19 general-fund budget.

The departments of Administration and Parks, Recreation and Tourism (PRT) had \$12.3 million and \$21 million, respectively, in general fund reserves at the start of this fiscal year, which represented 18% and 35%, respectively, of their general fund budgets last fiscal year, records

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In emails Tuesday to the House and Senate clerks, and the Administration, Commerce and PRT departments, The Nerve asked why those agencies specifically need relatively large reserves. The House, Senate and Department of Commerce did not reply by publication of this story; a Department of Administration spokeswoman said she couldn't immediately provide an answer.

In a written response from PRT, agency spokeswoman Dawn Dawson-House said of the agency's \$21 million in general fund reserves, \$16 million is designated for grants, the "majority of which are committed and are awaiting paperwork from recipients before being released." She added the largest grant program is "beach renourishment."

PRT's total budget this fiscal year, which includes state, federal and "other" funds, is \$136.7 million, budget records show. The 2019-20 total state budget is [\\$30 billion](#) – excluding agency reserves.

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