

## State Spending Continues to Swell Amid Pandemic

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By Rick Brundrett - The Nerve

When the full S.C. House meets next week to debate the fiscal 2022 state budget, it will consider a plan that's at least \$1 billion bigger than the budget in effect when the COVID-19 pandemic hit South Carolina.

And that doesn't include billions more in recently awarded federal Covid-relief funding for the Palmetto State, much it for K-12 schools.

Approved last week, the House Ways and Means Committee's state budget version for the fiscal year that begins July 1 totals \$31.1 billion, including state, federal and "other" funds, according to a budget record known as the [summary control document](#) (SCD).

Compared to the SCD for the 2019-20 budget, which was in effect last spring when government-imposed shutdowns occurred statewide in response to the coronavirus outbreak, the Ways and Means budget version for next fiscal year shows an overall \$1.1 billion, or 3.7%, increase, a review by The Nerve found.

More than half of the proposed hike comes from a \$623 million, or 6.7%, increase in allocated state funds. The Ways and Means version lists a total of more than \$9.8 billion in state funds, \$9.1 billion in federal funds, and \$12.1 billion in "other" funds, which include such things as fees and fines, state gasoline taxes, college tuition, lottery proceeds, and a portion of the state sales tax earmarked for K-12 education.

Among other big-ticket items, the Ways and Means spending plan designates a half-billion dollars out of state surplus money for a "Pandemic Stabilization Reserve Fund."

But it doesn't include South Carolina's share of the approximately \$350 billion in federal funding for states, local governments, tribes and territories as part of the \$1.9 trillion Covid-relief package signed into law last week by President Joe Biden.

South Carolina's estimated share is \$3.869 billion, according to information posted on the [website](#) of the U.S. House Committee on Oversight and Reform. The amount is intended to be split among state, county and local government agencies.

Asked Thursday how specifically that money will be allocated, S.C. Department of Administration spokeswoman Kelly Coakley in an email response said the agency has "not received any official guidance or communication from the U.S. Treasury on what the state of South Carolina will receive from the American Rescue Plan (ARP) Act of 2021."

"At this time, the only information we have available is what has been posted on the U.S. House Committee on Oversight and Reform's website," Coakley added.

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Another \$940.4 million awarded in December under then-President Donald Trump – was approved for K-12 schools in South Carolina, state Department of Education spokesman Ryan Brown told The Nerve. By Rick Brundrett - The Nerve  
Hits: 962

In an email response Thursday, Brown said 90% of the total amount will “flow through our agency directly to school districts once they apply and have approved spending plans,” adding the process is “very similar to federal funding under other federal education programs.”

“Our agency must monitor use and expenditures, and districts must report quarterly,” Brown said.

Of the ARP funds allocated to local school districts, at least 20% must be used for “learning loss” as a result of the coronavirus outbreak, according to written guidelines.

Remaining funds can be used for a “wide range of activities,” such as “improving indoor air quality” and repairing school buildings to “reduce risk of virus transmission and exposure to environmental health hazards,” under the guidelines.

The latest influx of federal funding is on top of \$1.9 billion in federal Covid-relief funding that state lawmakers allocated last year – \$920 million of which was used to shore up the state unemployment trust fund in response to a large increase in unemployment claims with government-imposed shutdowns.

The Nerve has tracked how that money has been spent, [revealing](#) in January, for example, that a legislatively created panel awarded funds to some nonprofit organizations whose primary missions aren’t aimed at helping South Carolinians get food, pay their utility bills or receive medical services, or assisting criminal domestic violence and child abuse victims.

## Budget law ignored

The recent budgetary windfalls illustrate why supporters of a longstanding state budget law contend that legislators shouldn’t ignore the law – as they routinely have done for years.

The law requires that the legislative budget-writing committees – House Ways and Means and Senate Finance committees – hold joint, public hearings on the governor’s state budget proposal at the beginning of the budget process. Supporters say that would give the public a better understanding of the whole budget, as The Nerve previously has [reported](#).

As it stands now, though, the state budget process in both chambers typically is divided among multiple subcommittee hearings, leaving citizens little opportunity to understand the whole budget, supporters of the law say.

A bill sponsored by Rep. Brian White, R-Anderson, who is an ex-chairman of the Ways and Means Committee, would repeal the law. The bill passed the full House last week and is now before the

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Senate Finance Committee, whose longtime chairman is Sen. Hugh Leatherman, R-Florence.

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Following the budget law is part of an [eight-point reform plan](#) published in 2012 by the South Carolina Policy Council, the parent organization of The Nerve.

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