

RESTRUCTURING STATE GOVERNMENT

South Carolina Chamber of Commerce
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Objective

To ensure efficiency, accountability and wise spending practices by restructuring key areas of state government.

Background

Restructuring state government is an often discussed legislative agenda item in the South Carolina General Assembly. In 1993, Governor Carroll Campbell was successful in achieving a major restructuring initiative, and the time has come for a similar approach to statewide spending and offices.

Situation

South Carolina has seen a nearly \$2 billion drop in state revenues over the last two years. Additionally, for only the third time since 1953, South Carolina will face negative revenue growth for the 2009-2010 fiscal year. As the state recovers from the economic downturn, it is vital to adopt certain measures for the long-term sustainability of state services.

In 2007, the General Assembly grappled with a restructuring bill that would allow voters to decide if constitutional officers should be appointed instead of elected. Then in 2008, government restructuring legislation that would have transferred daily functions of state government into a Department of Administration (DOA), making the governor's office more accountable for day-to-day operations of state government, was discussed but not achieved.

Currently, mid-year cuts have placed unfair strains on government services. These cuts negatively impact the business community. Some examples are the reduction in education funding, processing of permits and delays in infrastructure projects. Many businesses fear these strains will force the General Assembly to rely on businesses to pick up additional costs. Therefore, the South Carolina Chamber of Commerce must call for a revived look at how revenue forecasting and budgeting is performed at the state level.

In addition, to ensure efficiency and effectiveness in government, certain constitutional offices should be consolidated into the gubernatorial cabinet.

S.C. Chamber Position

To ensure more efficiency, accountability and fiscal responsibility in state government, the South Carolina Chamber of Commerce supports:

- Creating a state spending cap with a budget stabilization fund to bring more predictability to state spending;
- Amending state statutes to move away from a revenue estimating-based budget process to a prior-year's budget as a basis for projections;
- Jointly electing the Governor and Lieutenant Governor;

- Appointing the offices of state Superintendent of Education, Secretary of State, Adjutant General and Commissioner of Agriculture and making these offices cabinet positions instead of constitutionally elected officials; and,
- Consolidating the administrative functions of the South Carolina Budget and Control Board into the Office of the Governor.

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