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Airports, military museum among losers of \$10M budget cut

HIGHLIGHTS

A revenue shortfall has cut \$10 million worth of spending from the state's \$7.5 billion budget, South Carolina's chief accountant said Wednesday, as he cautioned legislators to save more and spend less on "nice-to-have" items.

BY SEANNA ADCOX
Associated Press

COLUMBIA, S.C. — A revenue shortfall has cut \$10 million worth of spending from the state's \$7.5 billion budget, South Carolina's chief accountant said Wednesday, as he cautioned legislators to save more and spend less on "nice-to-have" items.

The surplus for the fiscal year that ended June 30 came in \$10.3 million less than the Legislature expected. By law, state Comptroller Richard Eckstrom must chop from the bottom of the budget's priority list for one-time spending.

"There are items on there that probably did not rise to the level of being high-priority spending items," Eckstrom said of the entire \$400-million-plus supplemental spending list.

The cuts hit the state's Aeronautics Commission the hardest; \$7 million was intended for maintenance and upgrades at the state's 51 publicly owned airports, which include six with commercial flights.

Agency director James Stephens said airports may miss out on federal grants that provide 90 percent of a project's costs — benefiting competing airports in other states — or local governments will have to come up with the full 10 percent match.

"If we don't take advantage, our neighboring competitor states will come up with a way to secure the funding," he said Wednesday. "More people are on the roads, but it's a huge economic benefit to all of our communities to have the airports open."

Other cuts to Aeronautics include \$100,000 to upgrade its security system and \$150,000 to help recruit a nonstop international flight to South Carolina. That effort requires market research, Rep. Jim Merrill, R-Charleston, said in June in successfully urging his colleagues to override Gov. Nikki Haley's veto of the item.

While Merrill didn't want to get specific, he said, "If we can get direct, nonstop flights to Europe from South Carolina, it's a game-changer to the state for business and tourism."

The \$1.1 million cut from the adjutant general's office includes \$380,000 to South Carolina's National Guard museum.

The last item on the list was \$100,000 to the treasurer's office for a new savings account program benefiting people with disabilities, created by law earlier this year.

This is the first time since 2012 that Eckstrom has had to cut anything. In the last three years, his year-end closings have revealed larger-than-expected surpluses.

Eckstrom said he's concerned about an economic downturn.

"I think we're going to see some real stress this upcoming year," he said, adding the state's existing reserves may not cover a plunge in revenue, depending on the severity.

The state's general reserve fund has \$328 million, but Eckstrom notes revenues dropped by more than \$1 billion amid the Great Recession.

He applauded the \$50 million at the top of the supplemental list for repairing roads. Other items at the top included \$37 million to reimburse the Department of Transportation for emergency repairs following last October's historic flooding.

Legislators need to focus more on such priorities, rather than funding "nice-to-have things," he said.

The list's varied spending includes money for school buses, college maintenance, parks, museums, a city bus, and restoring historical buildings.

Eckstrom pointed to the \$30 million allocated for replenishing sand along South Carolina's coast as an example of questionable spending.

While some say it's essential for tourism, "some say it's folly to fight Mother Nature," Eckstrom said. "I think it's probably more important to take care of the roads."

Legislators will resume their debate next year over how to fund tens of billions of dollars' worth of existing highway needs.



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