



House Republican Caucus

SCHRC 2022 –Final State Budget

The House was in session this week for one day to tackle conference committee reports on the budget, income tax relief, and several other outstanding legislative items. I am happy to report that we adopted a balanced state budget that does exactly what we wanted it to, and remains focused on the 4R's: increasing **reserves**, improving **roads** and infrastructure, providing **raises** for teachers and first responders, and gives \$2 billion in tax **relief**.

Here are a few highlights from the finalized state budget:

Investing in S.C. Citizens:

The final state budget returns \$2 billion to South Carolina citizens - \$1 billion will go back to all tax filers who have a tax liability, and \$1 billion will come in the form of income tax relief. This income tax legislation also:

- Creates a two-rate system by collapsing and simplifying the 6%, 5% and 4% brackets into a 3% bracket
- With this tax rebate, one-third of tax filers will have no tax liability

Investing in Education:

South Carolina teachers are now being paid above the Southeastern average and we are getting more money to classrooms and resources that schools need like SROs and mental health counselors. This year's budget also:

- Provides \$275 million of new annual funding in public education.
- Raises the minimum salary schedule by \$4,000 per cell
- Increases the starting teacher salary from \$36,000 to \$40,000
 - That's a 32% increase in the last 5 years
- Sends \$140 million for capital improvements in disadvantaged school districts and more money to rural and poor school districts
- Reforms the school funding formula to accomplish simplicity, flexibility, and accountability & transparency

And for Higher Education:

- For the 4th year, froze tuition mitigation in-state, undergrad students at all public 4-year and 2-year USC campuses.
- Fully funds LIFE, HOPE, Palmetto Fellows Scholarships, and Lottery for Tuition Assistance for the 7th year in a row

Investing in Infrastructure:

South Carolina has the 4th largest state highway system, serving the 10th fastest growing population. That's why investing in infrastructure to fix our roads is so critical!

This budget provides for:

- \$1 billion in additional state funding for roads
- Recurring dollars will pave the way for hundreds of millions in federal funding
- Two significant interstate projects: the widening of 70 miles of I-26, and the widening of 33 miles of I-95.
- Both of these projects are expected to be accelerated by the one-time infusion.
- \$250 million additional to County Transportation Committee for secondary and low volume local primary roads.

Investing in Law Enforcement and State Employees

Law enforcement officers and state employees keep our state running. That's why this year's budget will bring:

- Significant increases in starting salaries and pay for Law Enforcement & Correctional Officers to address state law enforcement recruitment and retention issues.
- A 3% pay raise for state employees, the largest pay raise in six years.
- A \$1,500 bonus for all state employees.

Investing in our state

To make our state more competitive and encourage jobs and industry, we need to maintain a balance of investing in industry and protecting the landscape we love. That's why this year's budget includes:

- \$350 million to the SC Ports Authority to complete the Navy Base Intermodal Facility and inner harbor container barge infrastructure project
- \$65 Million for Land Conservation to protect and preserve properties throughout the state and provide additional outdoor recreation opportunities for the citizens of South Carolina

Investing in State Reserves – We need your input!

Part of being fiscally conservative is to prepare for potential uncertain times of economic downturn. Raising our General Reserve Fund was a priority for us this year, which will help our state continue to operate in the face of an economic crisis. We are turning to the voters to increase our savings. This November, there will be a question on every ballot that will ask voters to increase the amount of money allocated to the General Reserve Fund each year from 5% to 7% and increase the Capital Reserve Fund each year from 2% to 3%. We are already 6th in the nation in reserves thanks to our conservative budgeting process and have fully funded those reserves for this year. That means more than 10% of this year's budget is held in savings and reserves for the future.