



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

August 29, 2016

Dear Director,

Our first responsibility is – as it always has been – to the citizens of South Carolina. Taxpayers expect state agencies to budget responsibly and efficiently – in a way that delivers high quality services and prepares for the unexpected – just as families and businesses do.

While recent years have produced unprecedented surpluses, South Carolina must prepare for leaner times. Last week, the S.C. Board of Economic Advisors announced revenue growth, while still strong, is not projected to be as high as the past few years. As The State newspaper reported, “Lawmakers still face the same budget gaps they did a year ago, and will now have to attempt to fill them with fewer new dollars.”

Therefore, as we begin the process of planning the FY 2017-18 Executive Budget, I am requesting each budget submission include a General Fund Reduction Analysis that identifies where you would be able to reduce or eliminate spending in the event that your agency faced a 3% General Fund budget reduction.

Taking the time to identify these areas in your agency’s budget now, instead of being forced to make tough decisions amid economic downturn or crisis down the road, will ensure your team is better prepared to meet the needs of the citizens it serves regardless of what challenges arise.

Working together over the last five years, we have been able to deliver results for the people of South Carolina. But even as we continue to celebrate, we owe it to taxpayers to budget smart – keeping spending under control, reserves high and debt low – with an eye to the future.

My Very Best,

A handwritten signature in blue ink that reads "Nikki".

Nikki R. Haley