The House Ways and Means Committee & the Budget Process

Budget Advisory Group January 22, 2024

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My #1 Piece of Advice

"Know the Players, Know the Process, and Follow the Process"

House Ways and Means Committee

122 members are appointed to legislative committees by the speaker.

There are <u>six standing committees</u> in the House:

- Agriculture, Natural Resources, & Environmental Affairs
- Education and Public Works;
- Judiciary;
- Labor Commerce and Industry;
- Medical, Military, Public and Municipal Affairs; and
- Ways and Means
 - 25 House members sit on Ways and Means

<u>Staff</u>

- Chief of Staff and Legal Counsel
- Director of Legislation
- Budget Director
- Executive Secretary
- 7 Budget/Legislative Analysts

House Ways and Means Committee

<u>Budget</u>

 Drafts the annual appropriations bill, the CRF, and supplemental appropriations bills.

Legislation

- Debates all legislation that deals with the raising of or expenditure of funds.
 - Taxes
 - Economic Incentives
 - Bond bills

Budget Subcommittees

Criminal Justice

• SLED, Dept of Public Safety, DNR, Corrections...

Healthcare

• Health & Human Services, DHEC, Mental Health...

Public Education

• Dept of Education, Governor's Schools...

Higher Education

• Colleges and Universities, Technical Colleges, CHE

Transportation and Regulatory

• Dept of Transportation, Consumer Affairs, Employment and Workforce...

Constitutional

• Governor's Office, Secretary of State, Department of Administration...

Economic Development

• Dept of Commerce, Dept of Agriculture, Dept of Revenue...

Proviso Subcommittee

• Secondary review of all new/amended provisos

Writing the State Budget



W&M Budget Calendar

<u>November</u> – Staff reviews budget requests & Initial BEA Estimate <u>December</u> – Staff works with agencies to begin setting budget schedules

January – Executive Budget is released and Subcommittee Hearings <u>February</u> – BEA Estimate & Ways and Means adopts first draft of the budget

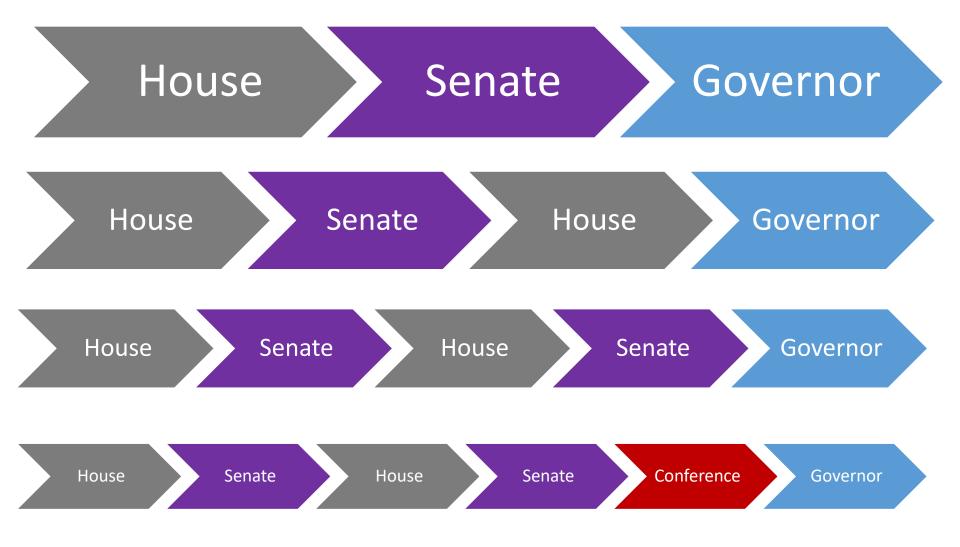
W&M Budget Calendar

<u>March</u> – Full House debates and passes bill <u>April</u>–Senate debates and passes the budget May – House passes "H2" version and Conference Committee is appointed

W&M Budget Calendar

<u>June</u> – Conference Committee meets, Conference Report Adopted, and bill sent to the Governor June/July/January/Never– Vetoes are taken up and voted on.

Possible Paths



What do you mean this bill isn't perfect? - Vetoes

- The governor has line-item veto authority over appropriation bills under Article IV, § 21 of the S.C. Constitution.
- The governor can only veto distinct items or sections in budget, not mere sentences or fragments.
- The governor must act on the bill within 5 days after receipt (Sundays excluded).
- The governor returns his/her budget vetoes to the House, as the originating legislative body. *Vetoes can be overridden by a two-thirds vote.*

What Impacts funding decisions?

Out of your control

- Money Available: Revenue, Annual Obligations & Liabilities, bills passed by the General Assembly
- Politics
- Statewide Priorities

Within your control

- Trust in the agency and its leadership
- Solid Relationships between agency and members/staff
- Good, year-round communication with committee staff
- A clear understanding of the needs presented or the goals to be achieved
- Measurable results & previous years expenditure results
- Fiscal Responsibility
- Understanding the difference in needs vs. wants
- Being flexible

Tips for Success

<u>Do</u>

- Provide details FTEs and single requests that fund multiple programs
- Build relationships with legislative staff and be responsive to their requests.
- Be honest and upfront. Don't sit on bad news. We don't like surprises. We can also work with you on a positive outcome.
- If something changes or comes up, particularly concerning numbers, don't just call or mention it in passing. Send an email or have it in writing.
- Include or inform the analyst about conversations with the subcommittee chairman. Don't assume the member will pass on information or remember details.
- Always follow up if there is something important to your agency and you haven't heard any feedback.

<u>Do Not</u>

- Don't spend money you don't have.
- Provide one-line explanations on newly requested items.
- Don't panic over legislative requests. A variety of components can make those up. Answer the best you can and ask for any clarification you need. Before the deadline.
- Don't bring gifts to the budget hearing.

Questions?

