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Budget talks make no progress
DOT reform splits committee, delays any compromise

By Zane Wilson - The Sun News

COLUMBIA --Legislators assigned to work out a state budget with millions of dollars in local spending at stake made no progress in their first meeting Monday, and they won't meet again until Wednesday.

The three representatives and three senators all said they hope to arrive at an amiable compromise on the \$7.3 billion state spending plan, but the House has threatened to delay action on the budget unless the Senate passes a Department of Transportation reform bill.

State Rep. Tracy Edge, R-North Myrtle Beach, is one of the three House members on the panel. He said Speaker Bobby Harrell, R-Charleston, is willing to refuse to pass a budget unless the Senate passes DOT reform.

Sen. Hugh Leatherman, R-Florence and chairman of the Senate Finance Committee, said he hopes the group will be able to make a compromise. If not, the two chambers would have to pass a continuing resolution that would allow only the same amount of money to be spent that was spent this year.

The healthy economy has produced an extra \$1.5 billion this year that legislators want to spend on delayed projects, tax relief and other improvements. That money would not be spent if they could not agree on a budget.

Leatherman said senators have items they believe are important statewide, such as funds for school nurses in every elementary school.

The two sides also differ on how much, and what kind of tax relief to provide.

The Senate voted to cut grocery taxes, while the House wants an income tax cut.

The House members said they want to delay detailed discussion on the budget to see how their cigarette tax increase bill does in the Senate Finance committee today. The House wants to raise cigarette taxes 30 cents a pack from 7 cents and use the money for grocery tax relief.

Leatherman said he could not predict what his committee will do with the bill, and he doesn't like its form.

"If I can get some money from the cigarette tax to Medicaid, I'm for it; if not, I'm not," he said.

Leatherman also said he and the other two budget conference participants have no control over what the chamber does with DOT reform.

The bill is stalled in the Senate by a filibuster from Sen. John Land, D-Manning, who is one of the three conference committee members. The two sides do not disagree on the accounting and priority reforms for the DOT, but have not been able to agree on the structure of the agency's governing board and who should appoint it and the director.

Discussion of the DOT bill could continue today, but the Senate has set priority on debating the open enrollment bill that allows students to attend any public school.

Edge said the House members do not think they can proceed on a budget compromise until they know whether the Senate will pass the cigarette tax bill.

The House budget includes \$3 million extra for Coastal Carolina University as well as \$5 million for Interstate 73/74 that the Senate cut out. The Senate also cut by 90 percent the allocations for beach renourishment, ocean stormwater outfalls and other local projects.