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Editorial: Lawmakers should make tough calls on spending

Setting aside what brought us to this need to cut state spending — overly optimistic revenue estimates, a down economy, sales and income tax cuts that reduced revenue and a legislature too quick to spend in the good times — across-the-board cuts are too simplistic a solution.

The five-member state Budget and Control Board voted last week to order 3 percent — or $188 million — in cuts across the broad spectrum of state services. Gov. Mark Sanford and Comptroller General Richard Eckstrom voted against the move.

Sanford argued forcefully against across-the-board cuts, calling on the legislature to return to prioritize the cuts.

"Let's not penalize those folks who have been good stewards," Sanford said of efficient state agencies. "It's important that we target cuts."

The Budget and Control Board can only order across-the-board cuts. Lawmakers hold the key to targeted cuts.

But two of three members who voted for across the board cuts are legislators — Rep. Dan Cooper, chairman of the House Ways and Means Committee, and Sen. Hugh Leatherman, chairman of the Senate Finance Committee. The third is Treasurer Converse Chellis, who was serving in the legislature when he got the treasurer's job, following Thomas Ravenel's drug charges.

In a conference call with editorial writers after the vote, Sanford likened the process to a family cutting its budget in hard times.

"Every dollar in a family budget is not the same," he said. "A movie dollar is not the same as a mortgage dollar."

We all know that's true. Across the board cuts are the easy way out, and lawmakers know it.

It's especially troubling when you know that this decision has no impact on some very problematic state spending, such as the Competitive Grants Program, budgeted for $18 million. The $100,000 to be spent entertaining German lawmakers traveling to Myrtle Beach won't be touched. Ask any school district superintendent in the state what he or she would do with $100,000 and you'll have better use for the money than wining and dining German lawmakers.

"German politicians on holiday are being more protected than (a child in school)," Sanford points out.

As it stands, the Department of Education must cut $73 million, cuts that largely will be borne by school districts. The Department of Correction must cut $10 million, leading to an expected $18 million deficit for that critical department. Health and Human Services, the agency that manages the state's health insurance program for the poor, faces $28.5 million in cuts.

Lawmakers, who wrote the budget in the first place, should do the hard work of deciding where cuts should be made. Only they can do the more precise cutting.

Before they adjourned in June, lawmakers did provide for coming back into session if revenue projections fell by 4 percent. The state's Board of Economic Advisors is holding firm with its 2 percent estimate. But the Budget and Control Board clearly signaled it expects that to reach about 5 percent. In

addition to the 3 percent cuts, it tapped a $135 million reserve account.

Overly optimistic budget projections and an over-reliance on sales tax have helped put us here. South Carolina relies on its 6 percent sales to raise money for a third of its spending, including reimbursing school districts for operations. That was part of property tax reform that reduced property tax bills for resident homeowners.

Sales tax collections for the nation are down by 0.1 percent, the first drop since 2002, The (Charleston) Post & Courier reports. The Southeast, which relies more heavily on sales tax collections than elsewhere in the country, has been hit with a 3.8 percent decline.

A report by the Rockefeller Institute of Governments ranked South Carolina as one of nine of the "most troubled states" because of declines in corporate and personal income tax collections and reduced sales tax collections.

The good news is that we didn't make the institute's list of states in a recession.

Difficult economic times call for difficult spending decisions. Lawmakers should make them.