

# Take stimulus money, then closely monitor its use

By Converse Chellis  
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Up to now, I have been publicly silent on the issue of the federal stimulus funds and their impact on our state. It was my opinion that it was not the state treasurer's place to interfere on a matter that the U.S. Congress has placed in the hands of the governor.

However, with all the indecision that now exists, coupled with what seems to be a lack of leadership on whether or not to take a portion of the stimulus money, as the state's chief financial officer I would be remiss if I did not now offer my opinion.

First, I am extremely troubled by the federal stimulus legislation that came out of Washington. I believe that it was hurried and flawed. Feverishly printing more money to throw at our problems, no matter how deep and expansive they may be, should give every American cause for concern.

Moving America from a successful free market capitalistic economy to something that resembles more of a European socialistic model is not a move that I would either support or endorse.

However, Congress has made a decision to provide all 50 states with "stimulus" funds. That decision has been made and there is nothing that can be done to change or alter it.

Millions of dollars appropriated in the Recovery Act have already begun flowing into South Carolina to many different entities. If the decision is made to not accept the \$700 million in question for our state, those funds will go elsewhere and South Carolina taxpayers will still be obligated to pay that money back. Many people in our state have lost or will soon be losing their jobs. Companies are closing, energy prices are on the rise, and bad unemployment figures are only getting worse. The South Carolina economy is in freefall and needs a shot of adrenalin. With every day that goes by, our state loses valuable interest money on the stimulus funds.

The time is now to stop playing politics, push forward, and accept all the allocated funds. It's time to get South Carolina moving again. I believe that most citizens are sick and tired of political posturing for individual gain at the expense of South Carolina's economic stability. We cannot go back and have Congress reverse its actions. However, what we can do is closely monitor and account for every penny that we receive and spend. Every taxpayer has the right to know where this money is going, that it got there, and that it is used for the purpose for which it was intended.

Some have suggested that the funds be used to pay down our state's debt. Those who take this position do not fully understand our state's debt, the amount of it, nor the reason we have it. For most individuals a large credit card debt is bad. Purchasing luxury items when you don't have the money is bad. Going into debt to take out an affordable mortgage — and I stress affordable — is not bad debt.

Buying a car and making payments is a necessity for most people and is not a bad debt.

Our state last issued a general obligation bond in 2000. Because we have actively and prudently managed our obligations, 50 percent of that debt will be paid off in five years and 90 percent will be repaid within 10 years.

In fact, South Carolina ranks in the top third in the country for good debt. Debt is not our problem. Unemployment, job creation, low personal wealth and education are our problems. We stimulate nothing by paying down a very manageable debt. There is also the question of why we would ask taxpayers in Montana to help pay off South Carolina's debt. I'm not sure my neighbor in Summerville would enjoy paying off my mortgage.

I appreciate the faith and confidence that the members of the General Assembly have put in me by drafting proviso 89.118 which puts my office in charge of oversight of the stimulus money. There is no question that this is a monumental task that requires strong financial oversight. The proviso has already passed the House of Representatives and the Senate Finance Committee.

I would respectfully ask that the proviso be changed to include oversight by the comptroller general. As the state's chief accountant, the comptroller has already been charged by the governor to oversee the accounting for these funds.

Our state's constitution created the offices of state treasurer and comptroller general to execute and manage the financial activities for the state. This structure creates a separation of duties, a key internal control element of checks and balances that has served the people of South Carolina well. I stand ready to put the full resources of the state treasurer's office to work in helping to invest, track, report and audit the stimulus funds.

The time is now to move forward and help make South Carolina a better place to live, work, raise a family, and do business.

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