

PALMETTO FREEDOM AGENDA 2023-24

**Twenty-three policies for
building a better South Carolina**



palmettofreedomagenda.org



OUR MISSION



Palmetto Promise Institute's mission is to promote policy solutions that advance a free and flourishing South Carolina, where every individual citizen has the opportunity to reach their full, God-given potential.

The 124th South Carolina General Assembly (2021-22) made great strides toward making the Palmetto State the best place in America to live, work and raise a family.

The prospects for the 125th General Assembly (2023-24) are even greater.

palmettofreedomagenda.org

23 POLICIES FOR



These 23 policies—our Freedom Agenda—represent what is working in American states in the quest for greater prosperity—the antidote to inflationary schemes from Washington.

EDUCATED CITIZENS

- 1** Enact Education Scholarship Accounts (ESAs)
- 2** Adopt Parents' Bill of Rights
- 3** Allow Open Enrollment
- 4** Create Salary Bands
- 5** Stream School Board Meetings
- 6** Encourage *The Chicago Statement*
- 7** Expand Teaching and Learning

HEALTHY CITIZENS

- 8** Repeal Certificate of Need (CON)
- 9** Expand Telehealth
- 10** Require Price Transparency
- 11** Trust Proven Professionals

SOUTH CAROLINA



FLOURISHING CITIZENS

- 12** Move to Criminal Asset Forfeiture
- 13** Incent Housing Supply
- 14** Reform Occupational Licensing
- 15** Ban ESG (Environmental, Social, Governance)
- 16** Open Electricity Markets

FISCALLY RESPONSIBLE GOVERNMENT

- 17** Allow Full Expensing for Research
- 18** Limit Pension Liability
- 19** Control Local Debt, Taxation, & Spending
- 20** Enact Tax Reform

MODERN GOVERNMENT

- 21** Split DHEC
- 22** Reform the Magistrate System
- 23** Repair the Legal System



EDUCATED CITIZENS

palmettopromise.org/artis-ware



1. ENACT EDUCATION SCHOLARSHIP ACCOUNTS (ESAS)

Education Scholarship Accounts (ESAs) are sweeping the country. Why? Because they are **cutting-edge**, **effective**, and **accountable**.

If a student is awarded an **ESA tuition grant**, the parent can access the state grant funds allocated for their child using a secure State Department of Education portal and direct those funds to schools, tutors, therapists (just to name a few) approved by the state. **Education will be customized based on a student's particular needs.** ESA students will be tested to ensure that they are receiving an effective education, ensuring accountability.

ARIZONA IS THE MODEL

Launched 2011

11,775 *students*

345 *schools*

\$7,000 *(Average Account Value)*

\$15,189 *(Average Special Needs Account Value)*

\$16,702 *(South Carolina Revenue Per Pupil 2022-23)*

710,976 *(SC K-12 Public School Students 2021-22)*



2. ADOPT PARENTS' BILL OF RIGHTS

The importance of a **good working relationship between the parents and the public school** cannot be overestimated. That is what acting *in loco parentis* (in the place of the parent) is all about. Most public school parents do not intend to micromanage the work of teachers and principals, they simply wish to know **what their children are being taught** outside the home. A Parents' Bill of Rights would enact **curriculum transparency requirements** for all subjects. (South Carolina already has a transparency requirement for health education.)

70%

In a recent survey, 70% of likely South Carolina Voters agreed with the statement:

"Public school boards should be required to disclose school curricula."



3. ALLOW OPEN ENROLLMENT

In South Carolina, **we no longer segregate children** from certain public libraries, parks, or swimming pools because of the color of their skin or their family's income. But **what about public schools?** Wealthy parents can buy a home in the "right" school district and by law their child will have a seat. Most low- and moderate-income parents do not have that option, even for schools with open seats.

South Carolina's new public education funding formula, enacted as a part of the 2022-23 state budget, is more student-based and less program-based. These reforms can make *intra*-(within) and even *inter*-district (between) open enrollment options less fiscally complicated.



In Greenville County, 16% of students take advantage of intra-district public school choice.



4. CREATE SALARY BANDS

South Carolina simply must find a way to **pay good teachers more**. The typical pay scale that rewards only time in grade and level of education cannot do that. One method is to introduce **Salary Bands** for the teaching profession. If properly instituted, Salary or Pay Bands can **reward effective teaching**.



Teachers matter more to student achievement than any other factor at school.

Effective teachers are best identified by their performance, not their background or experience.

—RAND Corporation (2019)



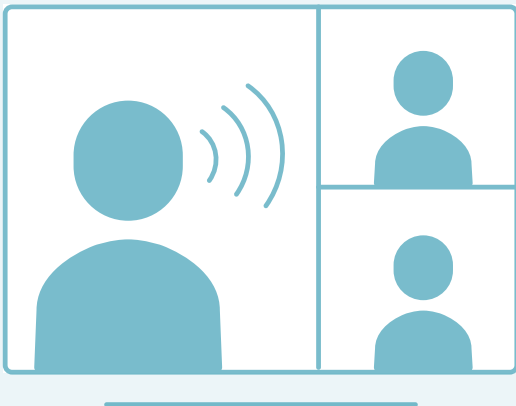


5. STREAM SCHOOL BOARD MEETINGS

Many municipal and county councils **livestream their meetings** or **broadcast meetings** on local access cable or both. Many public school districts livestream or post audio or video recordings of meetings. A **deadline should be established** in state law for all to comply with live streaming to ensure real-time transparency.

A bill requiring each school district to adopt a livestream policy passed the Senate 39-0 in 2022.

(The House passed a version as well.)





6. ENCOURAGE THE CHICAGO STATEMENT

The University of Chicago adopted a policy statement in 2014 making it clear that the **University would not act as a speech police**. It has spread like wildfire. More South Carolina institutions should sign on.

"It is for the individual members of the University community, not for the University as an institution, to make those judgments for themselves, and to act on those judgments not by seeking to suppress speech, but by openly and vigorously contesting the ideas that they oppose."

Over **90** colleges and universities have signed onto The Chicago Statement,

including **3** South Carolina institutions.



7. EXPAND TEACHING & LEARNING

South Carolina should take an **“all of the above” approach** in its quest for more good teachers, and new pathways to build on the specific interests of students. Imagine a state where: every student can choose from **hundreds of courses** (“online course access”), students can progress through courses at their **own pace** (“competency-based instruction”) and teachers can be drawn from a **wider pool** (alternative paths to certification including non-baccalaureate options).



For Fall 2022, **students in Louisiana** had access to **5,396 sections** of hundreds of courses from **over 50 providers** taught through the state’s Supplemental Course Academy.



**5,396
sections**



**over 50
providers**



HEALTHY CITIZENS

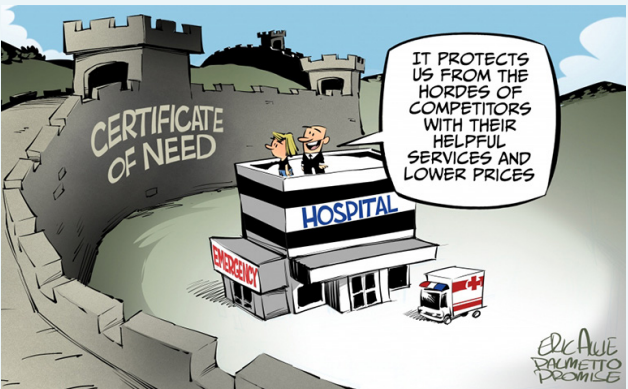
palmettopromise.org/healthcare



8. REPEAL CERTIFICATE OF NEED (CON)

Under our Certificate of Need (CON) law, the state DHEC must determine that a **need for a healthcare facility or service exists** and issue a permit before a provider may move forward. Then, competitors can tie up needed projects in endless litigation after DHEC has said yes.

CON means constrained access and higher prices for patients. No wonder both the Trump and Obama Administrations called for repeal of CON.





9. EXPAND TELEHEALTH

South Carolina receives good telehealth ratings from the Cicero Institute for: modality fairness, membership in compacts, the range of providers who may use telehealth, and our avoiding burdensome payment and coverage mandates. The Palmetto State's opportunity in telehealth is to **provide an easier path for telehealth** *across state lines* beyond narrow carveouts for certain types of providers.

In 2022, the legislature created a carveout that allows social workers licensed in another state to provide **behavioral health services** in South Carolina. A good start, much more to do.



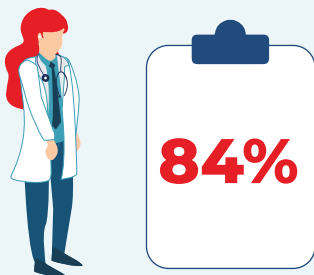
*In 2020, there were over
2,000,000 telehealth
interactions in South
Carolina, a **364%**
increase over 2019.*



10. REQUIRE PRICE TRANSPARENCY

Palmetto Promise Institute has been supportive of **price transparency in healthcare** since before the Trump Administration took up the cause by executive order (2019-20). Patients across South Carolina have sent us their healthcare bills showing the rates and charges they didn't expect.

Patients shouldn't have to wait for the bill to arrive to know within reason what their care will cost. A supermajority of Democrats, Republicans, and Independents in South Carolina agree.



of South Carolina voters said that healthcare providers should supply patients with a reasonable statement of actual out-of-pocket costs at least 72 hours before a non-emergency procedure.

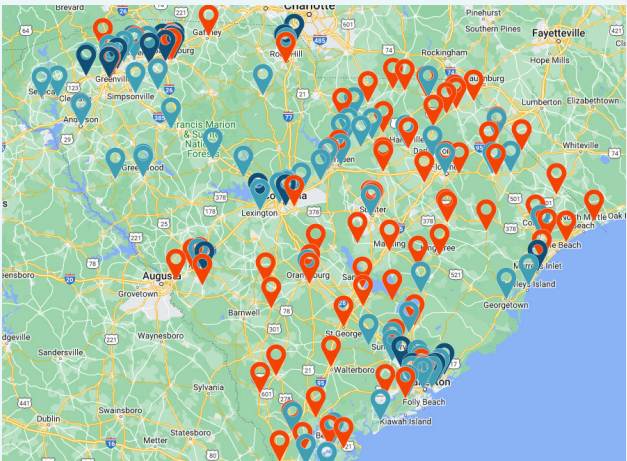


11. TRUST PROVEN PROFESSIONALS

The General Assembly can take a number of simple actions that will ensure that South Carolinians have more healthcare options.

Expanding Scope of Practice is one.

Joining more interstate health compacts would be another. **Direct Primary Care** (“cash for care”) practices have earned protection from being defined as insurance. **A waiver of Continuing Medical Education** (CME) fees in some cases would improve quality of life for healthcare professionals in more moderate-income brackets.



Find a free, federally qualified, or direct primary care clinic in South Carolina at

<https://palmettopromise.org/>



FLOURISHING CITIZENS

palmettopromise.org/quality-of-life



12. SHIFT TO CRIMINAL ASSET FORFEITURE

Law enforcement can take a person's property without charging that person with a crime and then use 95% of the proceeds to fund police and prosecution expenses. Some jurisdictions use this power wisely and fairly. In other places, there is a **“policing for profit” scheme**.

The SC Supreme Court recently ruled that any changes to this system (like shifting to *criminal* asset forfeiture) must come from the General Assembly, not the courts. South Carolina should fully **fund the police and address Civil Asset Forfeiture**. A higher standard, like a *criminal* conviction for example, should be required for the permanent forfeiture of property.

The Greenville News

According to The Greenville News, **\$17 million was seized** over three years in South Carolina but in **20%** of cases, **no one was charged with a crime** and in another **20%** charges were filed but **the defendant was not convicted**.



13. INCENT HOUSING SUPPLY

There is a **mismatch between the average income** of a South Carolina household and the **price of the average home**. The gap is wider in the most popular residential zip codes of the Palmetto State. Reforms like the American Enterprise Institute's "light touch density" policy would increase housing starts. **Accelerated depreciation** could solve the housing crisis without government subsidies. Both are worth researching further.

*According to RedFin, the median list price for a home in South Carolina is **\$365,000** but the median household income in South Carolina is **\$54,864**.*





14. REFORM OCCUPATIONAL LICENSING

We make it too difficult to work and do business in South Carolina. Too many jobs have **unnecessary barriers to hiring** and **too much government interference** prevents businesses from functioning efficiently. The General Assembly has opened doors to military families who have licenses from other states. This is a good start, but more can be done for all South Carolinians.

67%

*of general election voters
polled thought that
the state should make
it easier to work by
dropping unnecessary
regulatory barriers.*



15. BAN ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)

ESG is where financial firms **make strategic decisions** on the investment of their client's funds in entities based on a screening or rating process that uses "social responsibility" (aka political) factors in addition to or in place of the standard of **maximizing return for the client**. ESG rating processes are often subjective and rapidly changing. ESG has the effect of unfairly punishing, denying basic rights, and chilling free speech.



Legislative drafting must be precise in this area.

One option could be to ban companies that engage in ESG-driven political vendettas from doing business with the state.



16. OPEN ELECTRICITY MARKETS

South Carolina is in the most uncompetitive region in America for electricity, the Southeast. But even within our region, our residential, commercial, and industrial **electricity rates trend higher** than our neighbors.



67%

of voters surveyed favor **injecting competition** into the market for electricity.



palmettopromise.org/energy



EFFICIENT, FISCALLY- RESPONSIBLE GOVERNMENT

palmettopromise.org/tax-budget



17. ALLOW FULL EXPENSING FOR RESEARCH

South Carolina has a solid record of **reviewing the federal tax code** and “non-conforming” our code to IRC [Internal Revenue Code] when federal code changes were not friendly to free enterprise and job creation. The legislature should investigate other conformity issues that would enhance a business’s ability to “fully expense.”



Free enterprise tax scholars recommended 4 items for conformity or non-conformity to the federal tax code following the Tax Cuts & Jobs Act (TCJA, 2017).

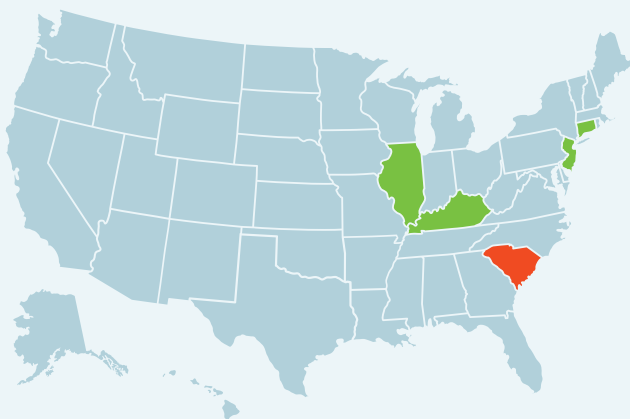


18. LIMIT PENSION LIABILITY

South Carolina took a good first step in addressing our **unfunded state pension fund liabilities** four years ago. Our total unfunded liability and unfunded liability per capita have shifted from among the highest liability to the middle of the pack among states.

But our ratio of assets to liabilities, an important measure of a pension fund's health, is **among the nation's worst**....and it has been trending down. We must move fully to a defined contribution model to modernize and sustain benefits for new state employees.

Only Illinois, Kentucky, Connecticut, and New Jersey have a lower ratio of plan assets to plan liabilities than South Carolina.





19. CONTROL LOCAL DEBT, TAXATION, & SPENDING

South Carolina always takes a hit in the annual *Rich States, Poor States* economic outlook rankings because of local government debt levels. The level of **local spending transparency** (often through the posting of online “checkbooks”) varies widely by jurisdiction. This should be standardized statewide as a true checkbook system.

The Palmetto State should also consider a Taxpayer Bill of Rights (TABOR) or Truth in Taxation legislation (Tennessee, Kansas) that **prevents property tax bills** from rising *automatically* simply due to an increase in property valuation.



North Carolina is twice the size of South Carolina in population,



but South Carolina local government debt is three-quarters of North Carolina's. State debt is 85% of North Carolina's.

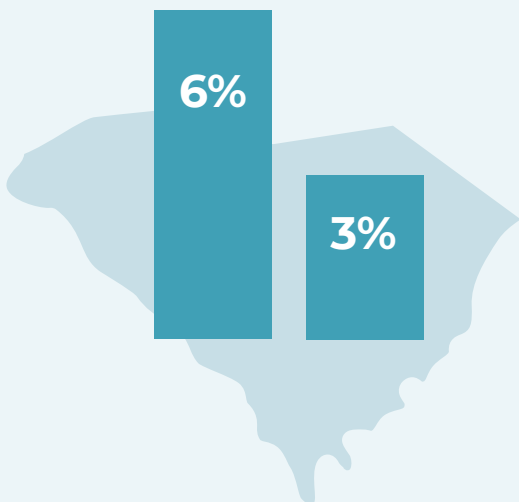


20. ENACT MORE TAX REFORM

The legislature's 2022 phased-in **reduction of personal income tax rates** accompanied by a **reduction in industrial property taxes** will pay dividends for our economy and our people for years to come. The other two legs of the tax stool, personal property taxes and sales taxes remain in need of reform. Sales tax rates could be cut if the base is broadened to reflect a 21st Century economy that is more *service-based* than *goods-based*.

The South Carolina sales tax applies to only 34% of actual sales transactions. Twenty years ago, 48% of sales were taxed.

With a broader base, the state sales tax could be cut from 6% to 3%.





MODERN GOVERNMENT



21. SPLIT DHEC

The pandemic taught us that the Health and Environmental functions belong in **separate** cabinet agencies.

*The bill numbered S.2
made progress in the 2021-
22 General Assembly but
splitting DHEC failed to
reach the finish line.*





22. REFORM THE MAGISTRATE SYSTEM

Magistrates (Summary Court Judges) interact with the public the most, but their required training is minimal.

Citizens sentenced to jail by a non-lawyer magistrate **should have the option** of a re-trial, training of magistrates should be substantially enhanced, and Senators should vote for magistrates on the record.



South Carolina magistrates hear over 800,000 cases each year but nearly 3/4 of these judges do not possess a law degree.



23. REPAIR THE LEGAL SYSTEM

It is time for a meaningful round of tort reform and judicial selection reform. It only makes sense that a jury verdict form should allow jurors to assign liability **across all parties** where a tort has occurred, including the plaintiff.

The Judicial Merit Selection Commission (JMSC), currently consisting mostly of lawyer-legislators, should include **more citizens** and JMSC screening should advance **all qualified candidates** for a seat on the bench to give the legislature more choices.

South Carolina made the American Tort Reform Foundation “judicial hellhole” list in 2020 and has remained in the top 10 since.

The state has become famous for outrageous asbestos decisions, including \$ 32 million for secondhand exposure. Judges have increased awards and acted as a “thirteenth juror,” driving up damages to ludicrous levels.



OUR VALUES



**PALMETTO
PROMISE**
INSTITUTE

FINDING COMMON GROUND

Building trust and establishing relationships with South Carolinians of all backgrounds.

BEST PRACTICES

Performing rigorous research and thorough analysis to explain what's working in public policy, both here and around the country, and why.

POLICY ENTREPRENEURSHIP

Promoting innovative policy solutions that are grounded in the principles of freedom and equal opportunity and communicated with respect and kindness.



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