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STATE TREASURER CURTIS LOFTIS CALLS PLAN TO REFINANCE PORTION OF UNEMPLOYMENT DEBT “ILL-CONCEIVED.”

(Columbia, SC) – Today, South Carolina Treasurer Curtis Loftis issued the following statement on Governor Haley’s plan to borrow \$180 million to repay a portion of the loan owed by SC to the federal government for unemployment benefits.

“As a fiscal conservative and the custodian of the state’s funds, I cannot allow this ill-conceived idea of borrowing money to repay a loan to go unchallenged. It may place our AAA credit rating at risk, and could seriously disrupt our future attempts to access the credit markets. Additionally, the volatile nature of the income stream and the statutory hurdles to issuance of these bonds are great, and provide an unwanted degree of uncertainty to our banking partners.”

“This is like responding to one of those credit card offers in the mail wanting you to transfer debt from one credit card to another, but this time the taxpayers could potentially be on the hook.”

“As a current business owner I know firsthand that businesses in South Carolina are hurting. But increasing our debt is not the solution. Certain larger businesses will benefit while others will continue to pay more. If some of these companies go out of business or move to other states and payments are not made, the remaining businesses and hardworking taxpayers could be stuck holding the tab for millions of dollars.”

“I would encourage lawmakers to discount this idea that we can borrow our way out of debt.”

Tomorrow, our office will issue a statement concerning the additional observations about this bond issuance.

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