

**Long Range Plan  
Recurring Revenues and Expenditures**

	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>
<b>BEA Long Range Revenue Forecast (June 23, 2005):</b>					
Gross Revenue	6,099,289,269	6,322,035,830	6,492,163,168	6,657,188,788	6,768,804,784
Legislation Affecting General Fund Revenue	(40,532,660)	(96,010,106)	(162,226,293)	(180,370,381)	(223,575,747)
Net General Fund Revenue	6,058,756,609	6,226,025,724	6,329,936,875	6,476,818,407	6,545,229,037
Percentage Growth		2.8%	1.7%	2.3%	1.1%
Less Tax Relief Trust Fund	513,870,537	532,369,876	551,535,192	571,390,459	591,960,515
Percentage Growth		3.6%	3.6%	3.6%	3.6%
Less General Reserve Fund Contribution		14,041,888	985,162	1,872,975	2,934,077
<b>General Fund Available For Appropriation Beginning Base</b>	<b>5,617,181,458 1/</b>	<b>5,679,613,960</b>	<b>5,777,416,521</b>	<b>5,903,554,973</b>	<b>5,950,334,445</b>
		5,617,181,458	5,679,613,960	5,777,416,521	5,903,554,973
<b>Constitutional/ Statutory Items:</b>					
Capital Reserve Fund	102,325,596	9,361,258	656,775	1,248,650	1,956,051
Local Gov. fund	230,232,591	21,062,831	1,477,743	2,809,463	4,401,115
Aid to Fire Districts	10,636,323	425,453	442,471	460,170	478,577
Debt Service					
<b>Subtotal Constitutional/Statutory Items:</b>		<b>30,849,543</b>	<b>2,576,989</b>	<b>4,518,283</b>	<b>6,835,743</b>
<b>Major Expenditure Categories:</b>					
EFA and Fringe		47,156,540	49,368,627	50,519,619	52,392,158
Percentage Growth		2.7%	4.7%	2.3%	3.7%
Medicaid-Growth (State Match)		84,446,048	97,856,304	113,569,461	132,013,002
Percentage Growth			15.9%	16.1%	16.2%
State Employee Pay Increases	65,600,000	34,112,000	34,794,240	35,490,125	36,199,927
Assumed Percentage Growth	4.0%	2.0%	2.0%	2.0%	2.0%
Employee Health Plan-growth + 6mo annualization		39,367,988	39,000,000	39,000,000	39,000,000
Higher Education					
LIFE					
HOPE					
Palmetto Fellows					
Department of Corrections					
Other Agencies					
<b>Total</b>	<b>408,794,510</b>	<b>235,932,119</b>	<b>223,596,160</b>	<b>243,097,488</b>	<b>266,440,831</b>
<b>Balance Available For New Appropriation</b> (Negative indicates program reductions required)		<b>(173,499,616)</b>	<b>(125,793,600)</b>	<b>(116,959,035)</b>	<b>(219,661,358)</b>

1/ FY 05-06 Revenue available for appropriation equals General Fund appropriations as contained in the Appropriation Act after vetoes.

<b>Constitutional/Statutory Fund Totals:</b>					
General Reserve Fund	153,488,394	167,530,282	168,515,444	170,388,419	173,322,496
Capital Reserve Fund	102,325,596	111,688,854	112,343,629	113,592,279	115,548,330
Local Government Fund	230,232,591	251,295,422	252,773,166	255,582,628	259,983,743
Aid to Fire Districts	10,636,323	11,061,776	11,504,247	11,964,417	12,442,994

STATE OF SOUTH CAROLINA

Board of Economic Advisors

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July 6, 2005

The Honorable Hugh K. Leatherman, Sr.  
Chairman, Senate Finance Committee  
111 Gressette Building  
Columbia, SC 29202

Dear Senator Leatherman,

This is in response to a request by Mr. Michael Shealy on your behalf for a copy of the Long Range General Fund Revenue Forecast. During the FY2005-06 legislative session, H.B.3847 was enacted requiring the Board of Economic Advisor's long-term revenue estimate to be incorporated into a three-year financial plan compiled by the Office of State Budget to assist the State in determining and planning for its long-term financial commitments. The forecast incorporates an additional \$125,000,000 in fiscal year 2004-05 over and above the surplus revenue estimate officially recognized by the BEA on May 9, 2005. This is the amount that revenues exceeded the BEA's revenue schedule at the end of May. We expect this extra revenue to be available when the state's accounting books are closed in August. The revenue base for fiscal year 2005-06 has been updated to include the current fiscal year's revenue growth, and legislative changes affecting general fund revenue that were enacted by the General Assembly during the 2005 legislative session.

If you have any questions, I will be happy to answer them.

Sincerely,

A handwritten signature in cursive script that reads "William Gillespie".

William C. Gillespie, Ph.D.  
Chief Economist

WCG/rwm

cc: Michael L. Shealy



PERSONAL INCOME GROWTH  
FY05 - 3.5%; FY08 - 3.0%  
FORECAST PERIOD - 4.4%

REVENUE CATEGORIES	FY02/FY03	FY03/FY04	FY04/FY05	FY05/FY06	FY06/FY07	FY07/FY08	FY08/FY09	FY09/FY10	FY10/FY11	FY11/FY12	FY12/FY13	FY13/FY14	FY14/FY15	FY15/FY16
METAL SALES TAX 1/	2.1	6.3	4.0	3.8	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
EXCISE, CASUAL SALES TAX	17.5	7.6	0.3	3.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
INDIVIDUAL INCOME TAX	-0.8	4.5	11.4	0.3	2.3	0.8	-0.3	-1.8	-2.0	-2.2	-2.4	-2.6	-2.8	-3.0
CORPORATION INCOME TAX	4.3	17.2	15.1	-3.1	2.0	-4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SALES AND INCOME TAXES	0.8	5.7	8.5	1.7	3.1	2.1	1.5	1.0	1.0	1.1	1.1	1.1	1.1	1.1
ADMISSIONS/BAND TAX	-1.7	0.5	0.1	0.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
ADMIS. TAX TRANSFER TO COMMERCE														
AIRCRAFT TAX	12.4	120.0	-35.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
ALCOHOLIC LIQUOR TAX	13.0	2.5	1.7	2.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
BANK TAX	68.7	-14.8	57.5	1.6	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
BEER AND WINE TAX	1.5	3.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
BUSINESS LICENSE TAX	0.1	1.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
COMPOUNDED DIESELS	45.1	-22.5	30.1	-15.8	16.1	-3.6	3.7	8.0	-7.4	21.0	-17.3	35.5	-20.2	51.8
CORPORATION LICENSE TAX	8.8	32.3	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
DEPARTMENTAL REVENUE 3/	0.2	-1.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DOCUMENTARY TAX	3.8	32.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1
LESS: CONSERVATION BANK TRUST FUND														
EARNED ON INVESTMENTS	-70.2	-27.5	21.2	31.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ELECTRIC POWER TAX	4.2	4.7	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
LESS: TRANSFER TO NON-FED HSWY FUND														
ESTATE AND GIFT TAXES	-6.9	0.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
LESS: FEDERAL CHANGE TO ESTATE TAX														
INSURANCE PREMIUM TAX	9.5	10.1	4.6	4.7	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
INSURANCE LICENSE TAX	130.4	-49.8	125.0	-62.0										
INSURANCE RETALIATORY & OTHER TAX	3.7	-27.5	-4.5	-9.1										
LESS: INSURANCE CREDITS	-3.8	60.3	0.5	2.6										
MOTOR VEHICLE LICENSES	-82.7	48.9	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MOTOR VEHICLE LICENSES	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
LESS: INFRASTR. BANK TRANSFER-TRUCK														
LESS: HIGHWAY FUND TRANSFER-CAR														
LESS: TRANSFER TO NON-FED HSWY FUND														
PLUS: TRANSFER TO NON-FED HSWY FUND														
PETROLEUM INSPECTION TAX	1.1	3.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
LESS: TRANSFER TO NON-FED HSWY FUND														
PRIVATE CAR LINES TAX	-18.0	2.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
PUBLIC SERVICE AUTHORITY	1.6	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
RETAILERS LICENSE TAX	4.9	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
SAVINGS & LOAN TAX	-10.7	5.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
WORKERS COMP. INSURANCE	12.5	4.0	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
CIRCULARITY COURT FINES	2.6	-1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
DEBT SERVICE TRANSFERS	35.4	-18.4	16.5	-16.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INDIRECT COST RECOVERIES	-0.0	2.1	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MENTAL HEALTH FEES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PAROLE / PROBATION FEES	0.0	0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNCLAIMED PROPERTY FUND	-54.5	0.0	21.2	25.0	-34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER BASE SOURCES	-4.0	8.6	3.3	-4.3	0.2	-1.8	6.8	1.2	8.4	1.2	6.8	1.3	6.5	1.3
TOTAL GENERAL FUND REVENUE	0.1	5.0	7.8	0.9	2.8	1.7	2.3	1.1	1.7	1.1	1.6	1.1	1.5	1.1
APPROPRIATION ACT REVENUE	-1.2	-6.1	1.8											
LESS: TAX RELIEF TRUST FUND	2.7	2.4	4.1	1.7										
PLUS: TAX RELIEF FUND CARRYFORWARD														
EXCLUDING TRUST FUND	-1.5	-6.8	1.5	9.1										
CAPITAL RESERVE FUND (2%) - BEG. BAL.	1.5	-3.0	0.8	2.4	0.2	0.8	2.7	1.5	2.2	0.8	1.5	0.8	1.8	0.8
GENERAL RESERVE FUND (5%) - BEG. BAL.	-38.2	27.1	52.4	65.4	31.9	0.8	2.2	1.5	2.2	0.8	1.5	0.8	1.8	0.8
TOTAL RESERVES	-33.8	5.3	16.0	30.0	21.2	0.8	2.7	1.5	2.2	0.8	1.5	0.8	1.8	0.8
REVENUE EXCESS / SURCHARGE														
EDUCATION IMPROVEMENT ACT 2/	1.9	6.0	6.0	3.8	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
EIA FUND	2.0	6.1	5.9	3.8	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
EIA INTEREST	-47.1	-7.1	103.7	90.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
S.C. EDUCATION LOTTERY FUND (NET)	210.1	21.1	-10.2	8.1										

1/ Excludes (1%) Education Improvement Act  
2/ Includes Interest earnings.  
3/ Includes former Dept. of Agriculture agency  
Source: S. C. Board of Economic Advisors