

Senate Finance Committee Budget Briefing Fiscal Year 2013-14

Les Boles, State Budget Division
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FY 2013-14 Projected Revenue

FY 2013-14 General Fund Revenue

Revenue Item	Recurring
BEA FY 13-14 Gross GF Estimate (11/9/12):	6,843,954,369
Property Tax Relief Trust Fund:	(544,213,970)
Net General Fund Revenue:	6,299,740,399
FY 12-13 Beginning Base (After Vetoes):	(6,036,693,350)
Total “New” General Fund Recurring Revenue:	263,047,049

FY 2013-14 Projected Revenue

Surplus and Capital Reserve Fund

Revenue Item	Non-Recurring
Estimated FY12-13 Surplus (11/9/12 BEA Revised Estimate):	47,120,460
FY12-13 Capital Reserve Fund:	112,656,555
Total:	159,777,015

FY 2013-14 Projected Revenue

Education Improvement Act - EIA

Revenue Item	Recurring
BEA Estimate (11/9/12):	632,629,370
FY 12-13 EIA Base:	(616,727,053)
Total “New” EIA Revenue:	15,902,317

FY 2013-14 Projected Revenue

Education Lottery

Revenue Item	Recurring
BEA Estimate (11/9/12) w/ Interest Earnings:	254,100,000
Proviso 2.7 Election Day Sales:	740,000
Total Lottery Revenue:	254,840,000

FY12-13 Lottery Appropriations:	284,735,117
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Cigarette Tax

- Beginning July 2010 – 50¢ Cigarette Tax Surcharge

Annual Revenue Estimate:	\$115M
MUSC - Hollings Cancer Center:	(\$5M)
DHEC Smoking Cessation:	(\$5M)
Balance Medicaid Reserve Fund:	\$105M

FY12-13 Appropriation Act	
FY11-12 Medicaid Reserve Fund (1/2 Year):	\$52.3M
FY12-13 Medicaid Reserve Fund:	\$105M
FY 12-13 Medicaid Reserve Fund Appropriations:	\$157.3M

FY 2013-14 Projected Revenue

Cigarette Tax Available for Medicaid Reserve Fund

Revenue Item	Revenue
FY13-14 BEA Estimate (Less \$10 million – MUSC - Hollings and DHEC):	125,135,000
Medicaid Reserve Fund 6/30/13 Cash Balance (Non-Recurring):	32,865,000
Total Cigarette Tax Revenue:	158,000,000

FY 2013-14 Projected Revenue

Tobacco Securitization and MSA

Revenue Item	Recurring	Non-Recurring
Tobacco Securitization Escrow (Available June 3, 2013)		12,466,253
Tobacco Master Settlement Agreement CY 2013 – Estimated (Available June 3, 2013)	70,000,000	
Tobacco Master Settlement Agreement CY 2014 – Estimated		70,000,000
Total:	70,000,000	82,466,253

FY 2013-14 Projected Revenue

Incremental Summary

Revenue Item	Recurring	Non-Recurring
FY13-14 “New” General Fund	263,047,049	
Surplus and CRF		159,777,015
“New” EIA	15,902,317	
Tobacco Securitization and MSA	70,000,000	82,466,253
Total:	348,949,366	242,243,268

Education Lottery	254,840,000	
Cigarette Tax – Medicaid Reserve	125,135,000	32,865,000

FY 2013-14 Spending Issues

General Reserve Fund (GRF)

- Constitutional Amendment Increased GRF from 3% to 5% of General Fund Revenue of Latest Completed Fiscal Year in Annual One-Half Percent Increments

	Increment	Balance
FY12-13: 5%	98,175,036	281,641,388
FY13-14: 5%	11,248,376	292,889,764

FY 2013-14 Spending Issues

Capital Reserve Fund (CRF)

- 2% of General Fund Revenue of Latest Completed Fiscal Year
 - If Not Needed for Year End Operating Deficit, the CRF May be Appropriated for Non-Recurring Items

	Increment	Total Appropriation
FY12-13:		*112,656,555
FY13-14:	4,499,350	117,155,905

*Available for Appropriation

FY 2013-14 Spending Issues

Local Government Fund

- 4.5% of General Fund Revenue of Latest Completed Fiscal Year
 - Distributed to 83.3% to Counties and 16.7% to Municipalities by Population
 - Funding Formula Suspended Last Four Fiscal Years
 - Total FY 12-13 Appropriation \$212,619,411

		Incremental Increase
FY13-14 Annualization of NR funding		30,000,000
FY13-14 : @ 4.5%		50,981,376
Total:		80,981,376

FY 2013-14 Spending Issues

Act 388 of 2006 – One Penny Sales Tax Swap

Homestead Exemption FY 13-14 Estimates

Reimbursements

Tier I	249,069,750
Tier II (Age 65 homestead exemption)	80,892,728
Tier III Includes 3.235% CPI & pop. Increase	673,596,200
\$2.5 million supplement	15,836,803
Total School District Reimbursements	1,019,395,481

Revenue:

Tier I (from Tax Relief Trust Fund)	249,069,750
Tier II (from Tax Relief Trust Fund)	80,892,728
One Cent Sales Tax (BEA Estimate)	572,983,413
Total	902,945,891

Shortfall Made Up By General Fund Appropriations	116,449,590
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FY 12-13 General Fund Appropriations (Base)	108,787,514
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Additional Funding Needed in FY 2013-14	7,662,076
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FY 2013-14 Spending Issues

Employee Insurance Program

(State Agencies and School Districts)

- FY13-14 Increases General Fund Only
- No Change In Plan Design

1. FY12-13 Annualization of Premium Increases:	14,836,000
2. FY13-14 Retirees (Growth):	25,497,000
3. CY 2014 Premium Increase (1/2 Year) 13.05% Increase Employer & Employee	44,634,000
Total (1,2, & 3):	84,967,000
3a. Employer Pay All of Premium Increase:	61,775,000
Total (1,2, & 3a):	102,108,000

FY 2013-14 Spending Issues

Employee Insurance Program

(State Agencies and School Districts)

- FY13-14 Increases General Fund Only
- With ACA Allowed Plan Design Changes (Grandfathered Status)

1. FY12-13 Annualization of Premium Increases:	14,836,000
2. FY13-14 Retirees (Growth):	15,896,000
3. CY 2014 Premium Increase (1/2 Year) 4.9% Increase Employer & Employee	16,816,000
Total (1,2, & 3):	47,548,000
3a. Employer Pay All of Premium Increase:	23,259,000
Total (1,2, & 3a):	53,991,000

FY 2013-14 Spending Issues

Base Pay Increase

- Estimated Cost of 1% Base Pay Increase with Fringe FY13-14 (General Fund Only)
 - **\$15,000,000**
- Current Funding by Source
 - General Fund: 32%
 - Federal/Other: 68%

FY 2013-14 Spending Issues

K-12 Education Request

Spending Item	Recurring	Non-Recurring
Base Student Cost w/ Fringe – Maintain @ \$2,012:	20,741,903	
School Bus Transportation:	11,852,000	
Instructional Materials – Annualization of EIA:	13,727,331	
Instructional Materials – Increase Request:	18,440,647	
IDEA Contingency Reserve – Potential Loss of Federal Funds:		36,202,909
School Buses		46,000,000
Total:	64,761,881	82,202,909

FY 2013-14 Spending Issues

Medicaid

Revenue Item	Recurring	Non-Recurring
Annualization of Non-Recurring Funding – Cigarette Tax Partial Year & Tobacco Deallocation	60,781,757	
Enrollment Growth, Medical Inflation, Federal Mandates, MMIS	95,649,533	1,800,000
Total:	156,431,290	1,800,000

FY 2013-14 Spending Issues

Other Funding Issues

Revenue Item	Recurring	Non-Recurring
Other Health and Social Services Agencies – DHEC, Mental Health, DDSN, and DSS	30,000,000	
Tobacco MSA: Diligent Enforcement Sec 11-49-55 Dept of Agriculture	2,028,000 1,000,000	
Department of Revenue – Data Breach Loan Repayment		20,170,000
Scholarship Programs Growth – Estimate in February	7 to 10 Million	
Total:	43,028,000	20,170,000

FY 2013-14 Spending Issues

Summary of Major Drivers

Item	Recurring	Non-Recurring
Reserve Funds, Local Gov and Homestead Exemption	104,391,178	
K-12 Education Request	64,761,881	82,202,909
EIP - No Change in Plan Design	84,967,000	
Medicaid Request	156,431,290	1,800,000
Other Funding Issues	43,028,000	20,170,000
Total:	453,579,349	104,172,909

FY 2013-14 Spending Issues

Other Items

- Statewide Cyber Security
- Law Enforcement and Corrections
- Economic Development
- Natural Resources
- Higher Education

FY 2013-14 Recap

Item	Recurring	Non-Recurring
Revenue - “New” Funds	348,949,366	242,243,268
Spending Issues – Major Drivers	(453,579,349)	(104,172,909)
Total:	(104,629,983)	138,070,359