

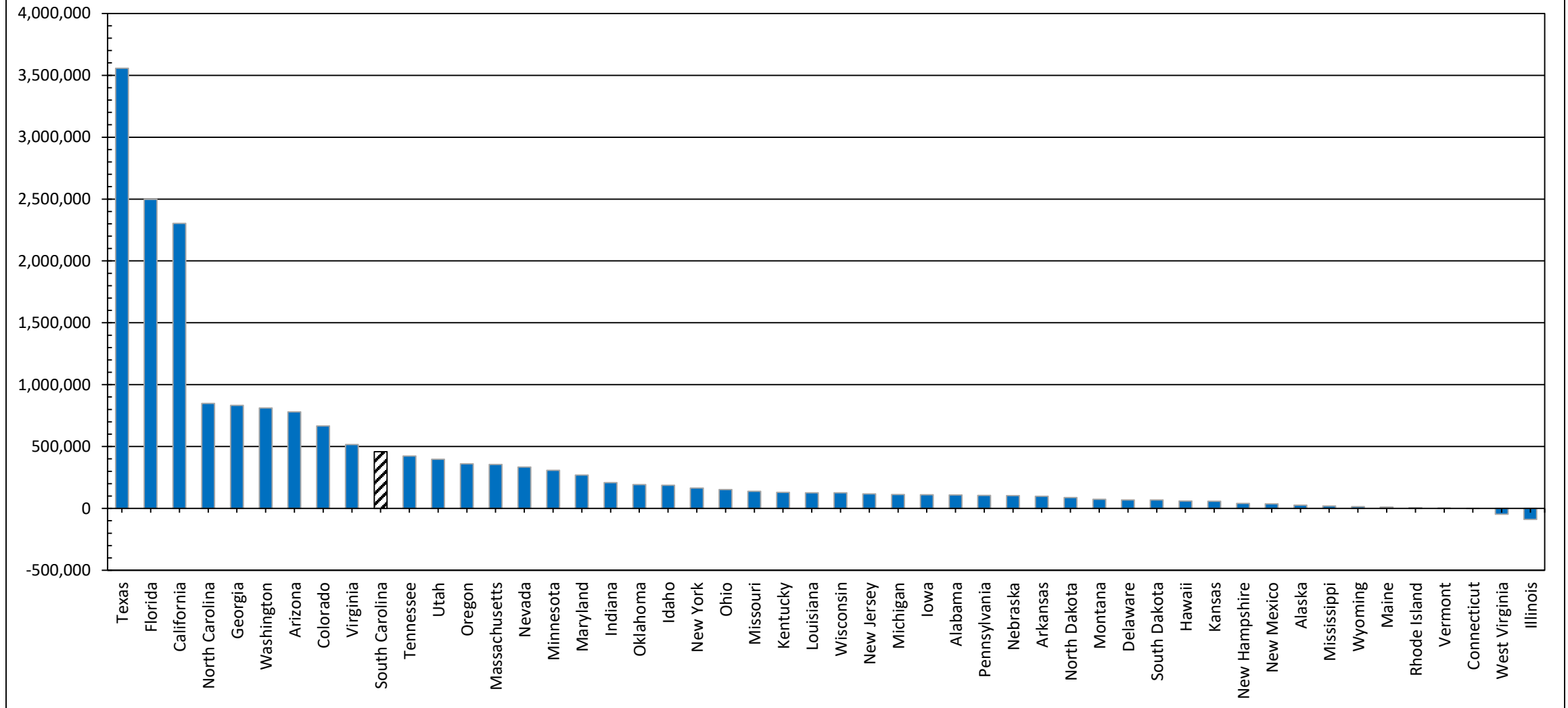
FY 2020-21 TRENDS AND ISSUES

SENATE FINANCE COMMITTEE February 4, 2020



South Carolina Revenue and Fiscal Affairs Office
1000 Assembly Street
Rembert Dennis Building, Suite 421
Columbia, SC 29201
(803) 734-2265
www.rfa.sc.gov

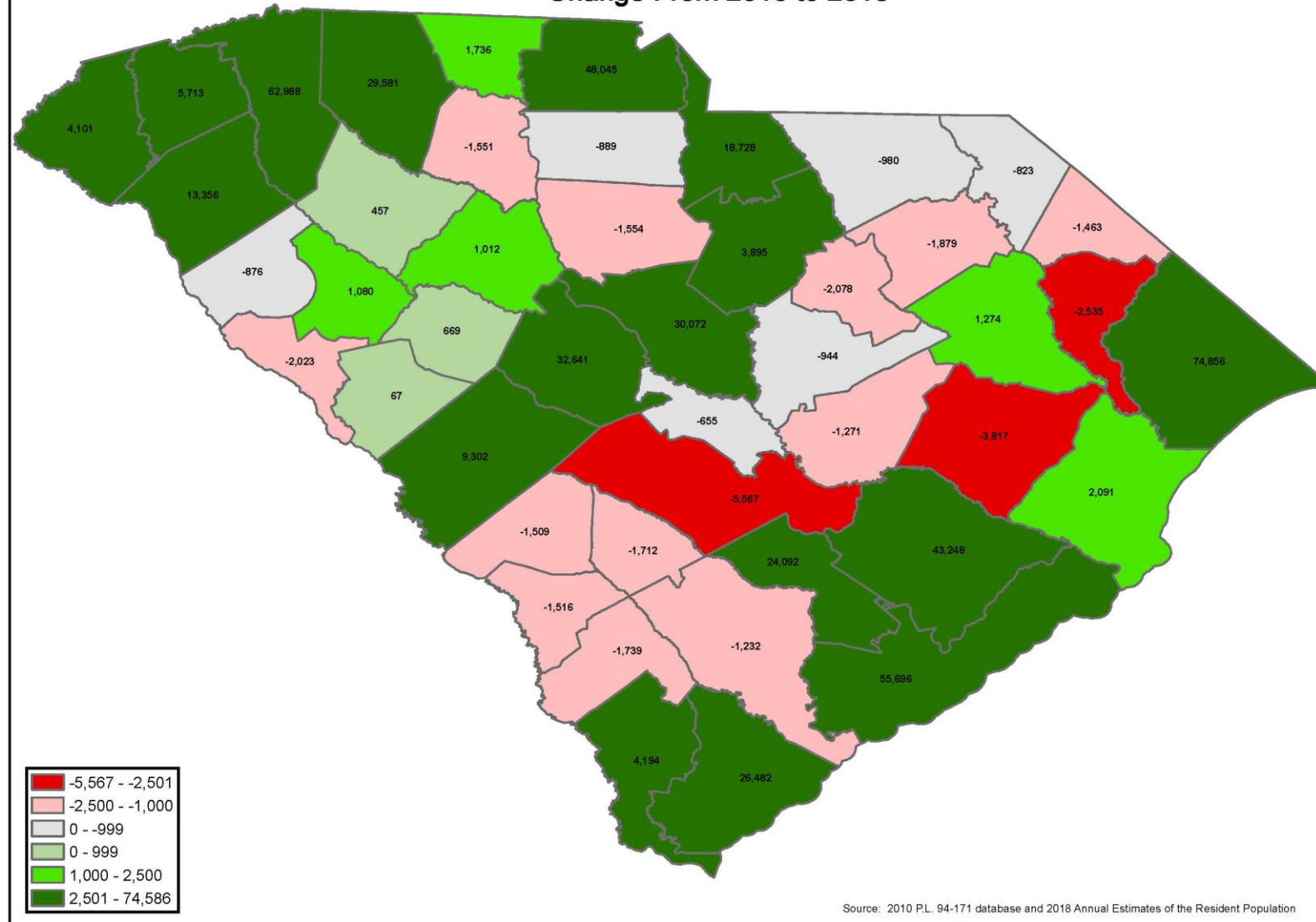
UNITED STATES CENSUS POPULATION Change From 2010 to 2018



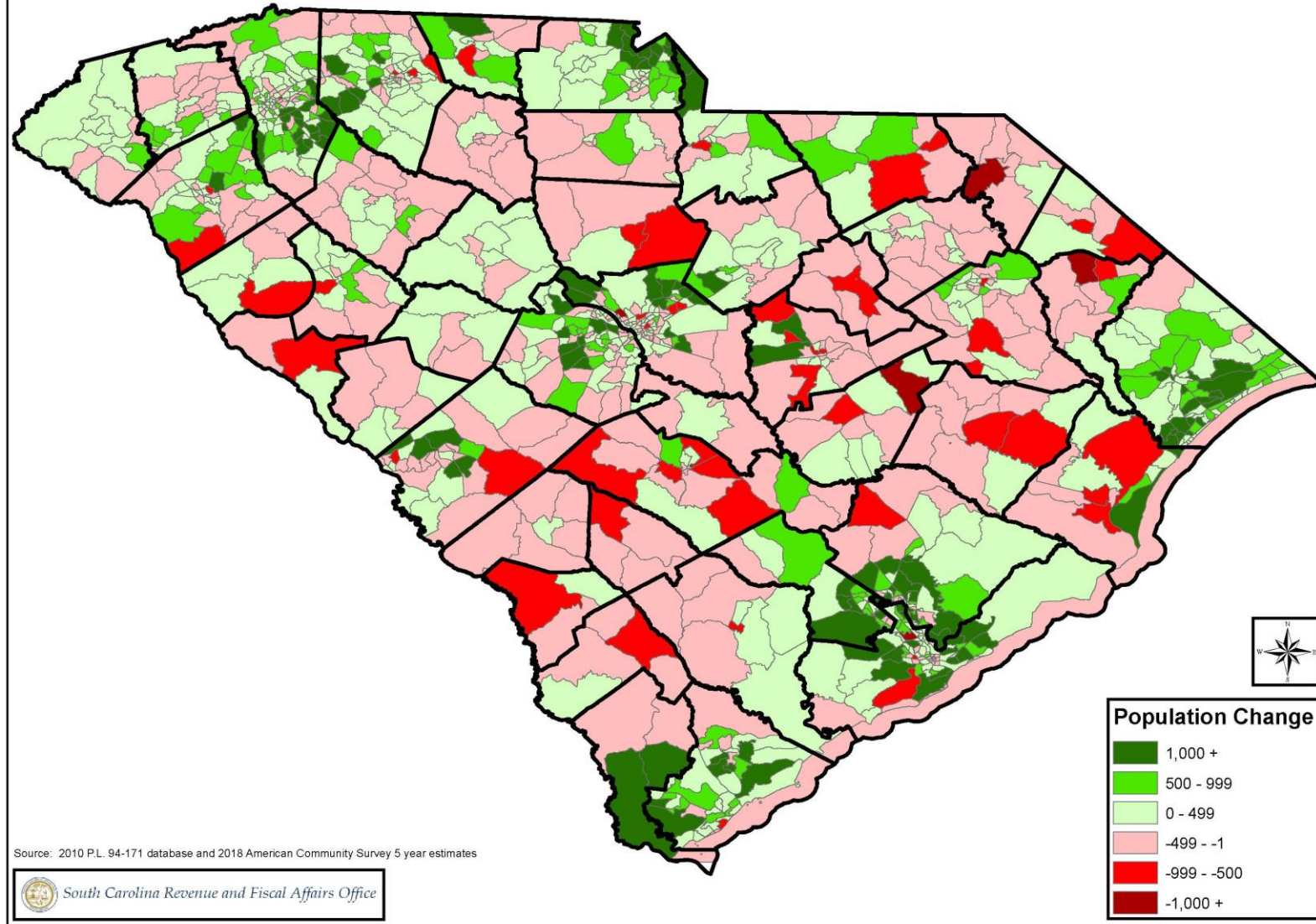
Source: S.C. Revenue and Fiscal Affairs Office - 211A - lpw/4/29/19



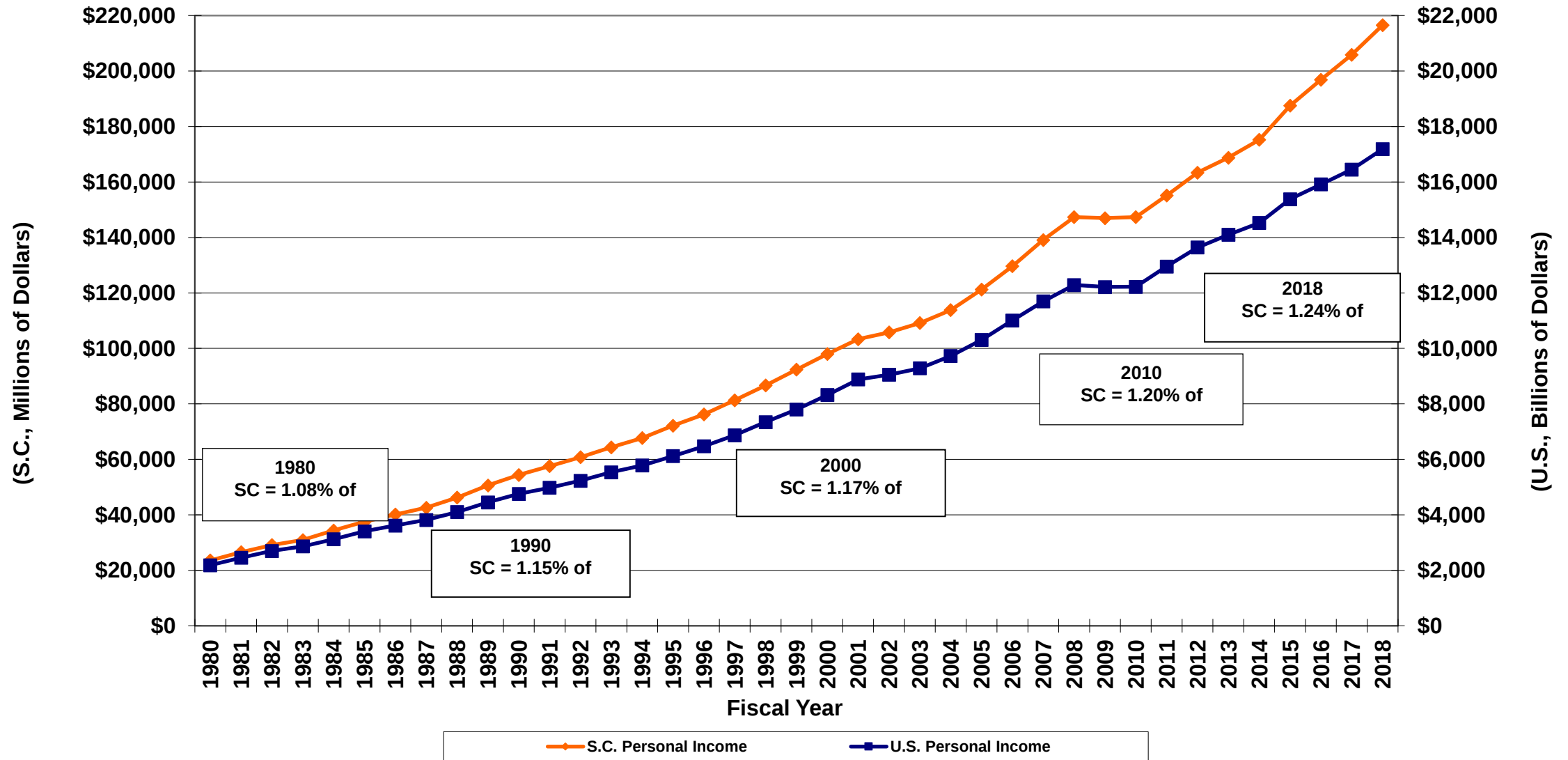
SOUTH CAROLINA CENSUS POPULATION Change From 2010 to 2018



POPULATION CHANGE BY CENSUS TRACT 2010-2018



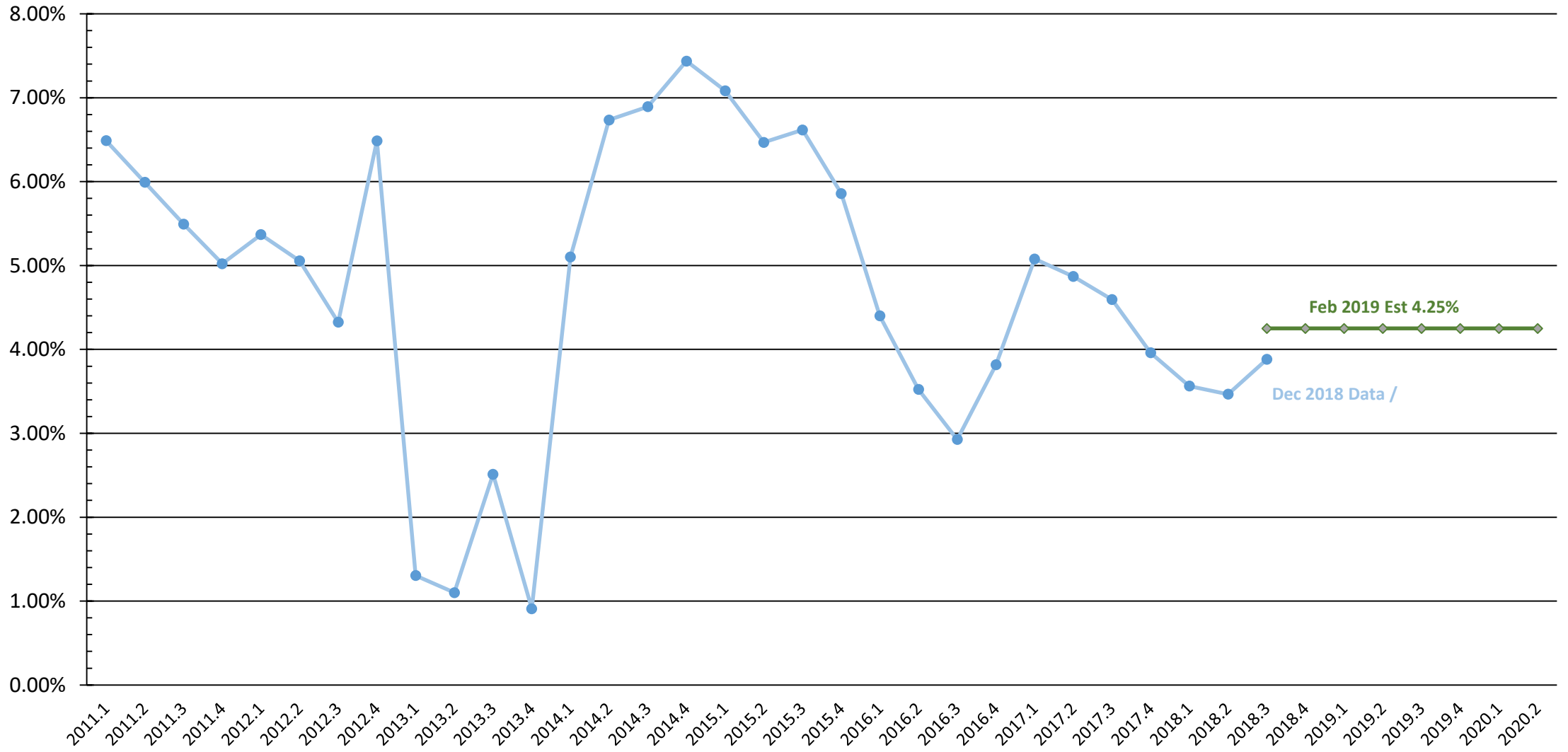
Personal Income in the United States and South Carolina



Source: U.S. Department of Commerce, Bureau of Economic Analysis, S.C. Board of Economic Advisors

SC PERSONAL INCOME ANNUAL PERCENT GROWTH - ACTUALS AND ESTIMATES

Dec 2018 Series and Feb 2019 Estimates



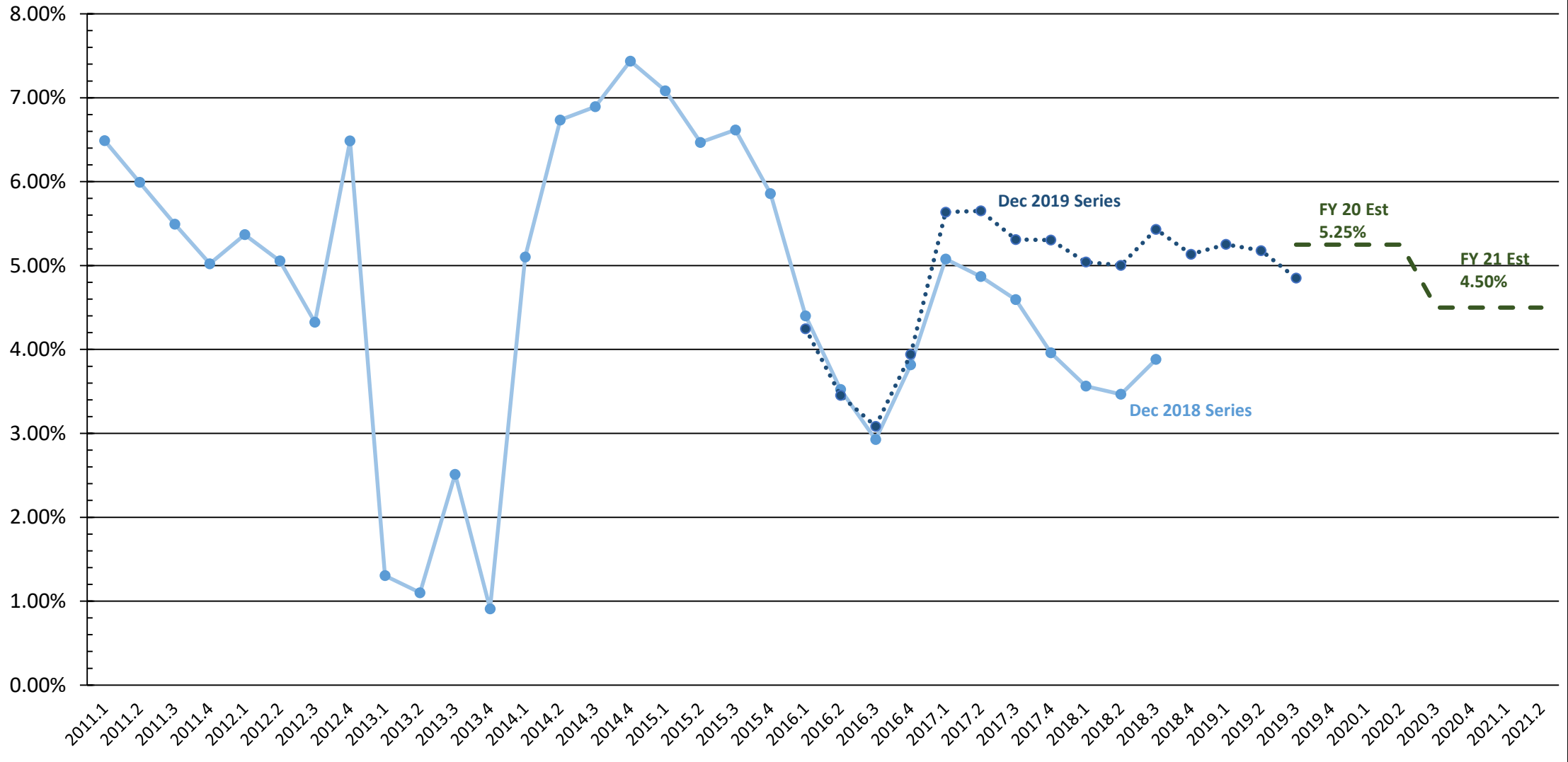
Source: Revenue and Fiscal Affairs/FAR/260/01-02-20



**The call on the field was that SC Personal Income grew less than four percent.
That data is under review.**

SC PERSONAL INCOME ANNUAL PERCENT GROWTH - ACTUAL AND ESTIMATES

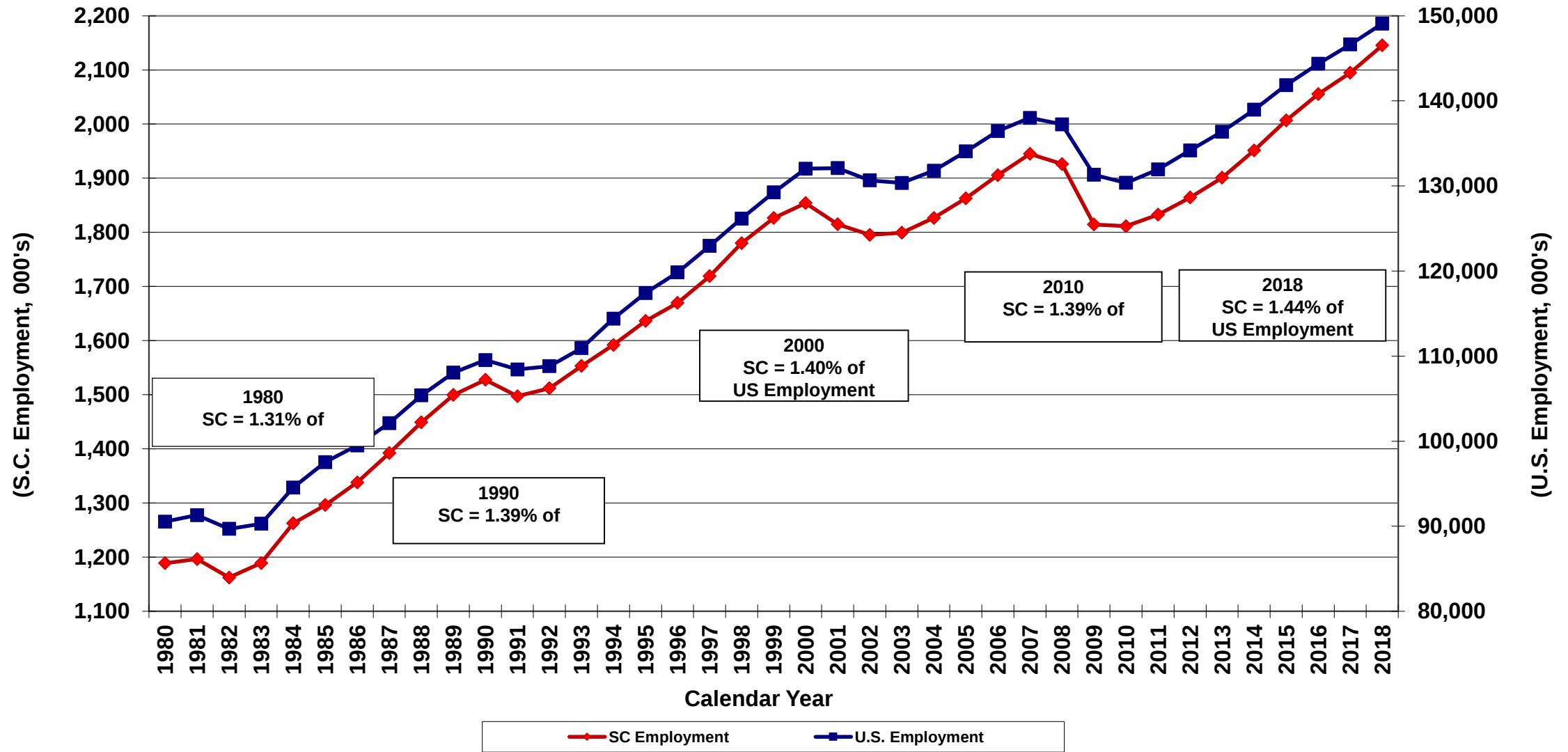
Dec 2018 Series v. Dec 2019 Series



Source: Revenue and Fiscal Affairs/FAR/261/01-02-20



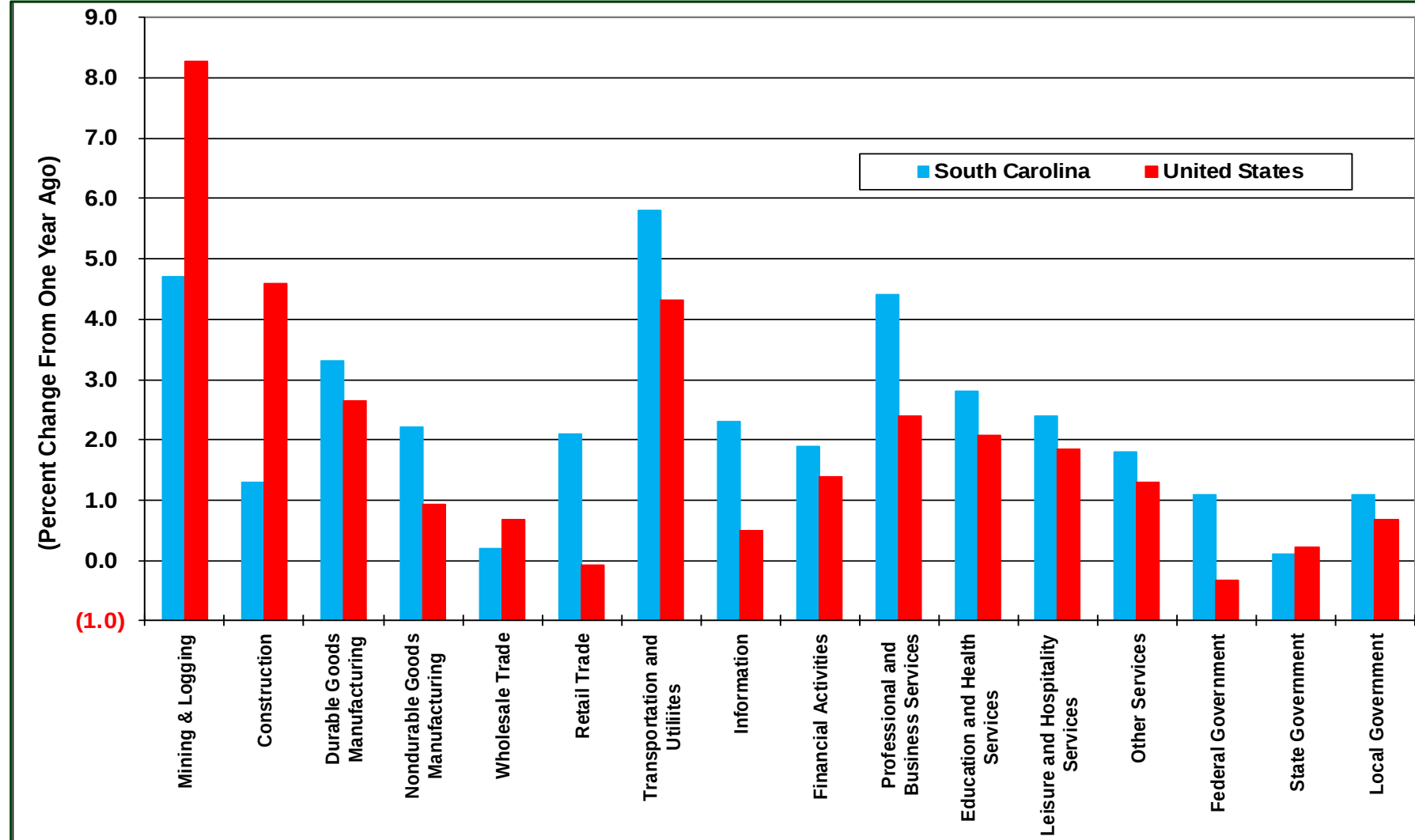
Total Nonfarm Employment in the United States & South Carolina



Source: U.S. Department of Commerce, Bureau of Economic Analysis, S.C. Board of Economic Advisors

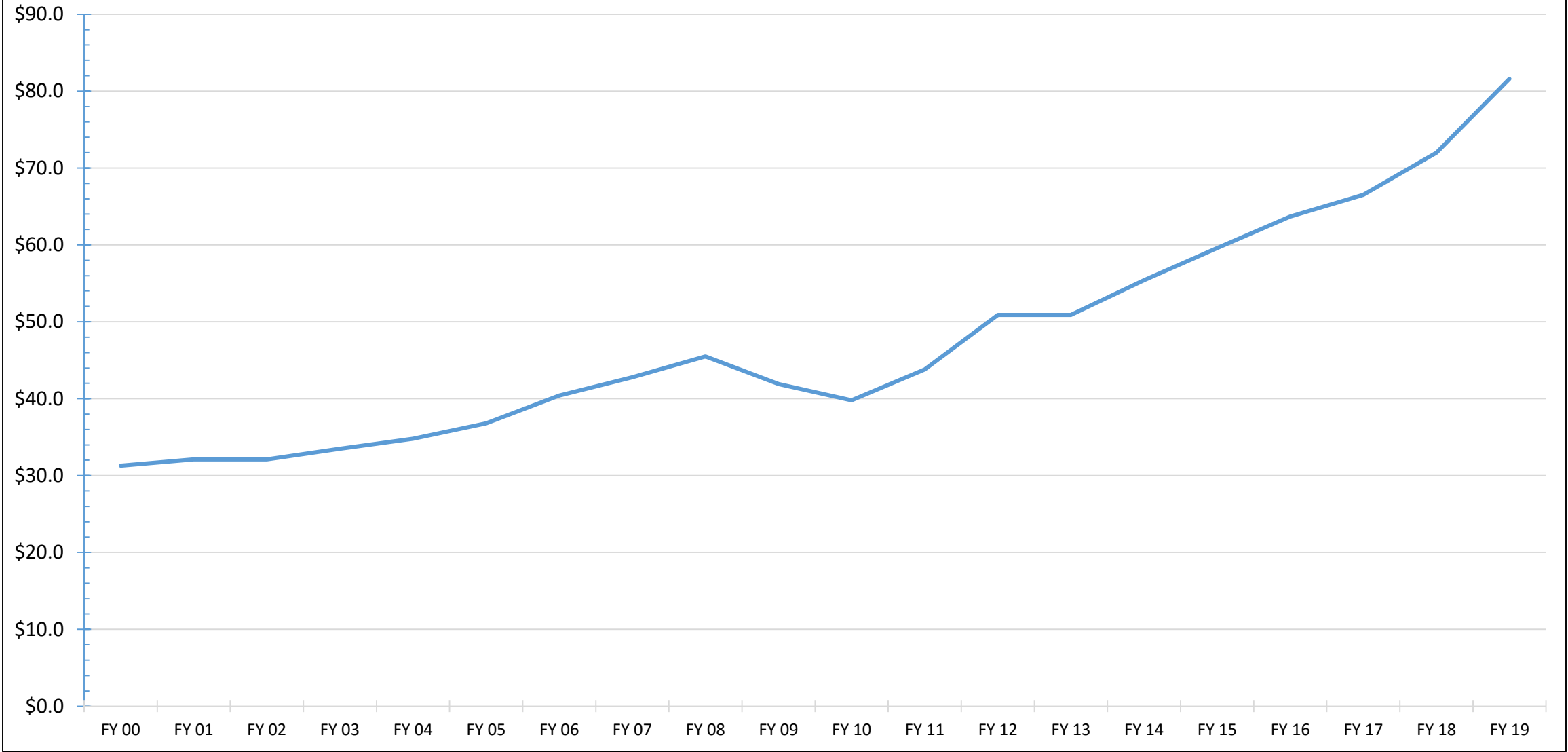


South Carolina Nonfarm Employment Growth by Sector – Percent Change (2017-2018)



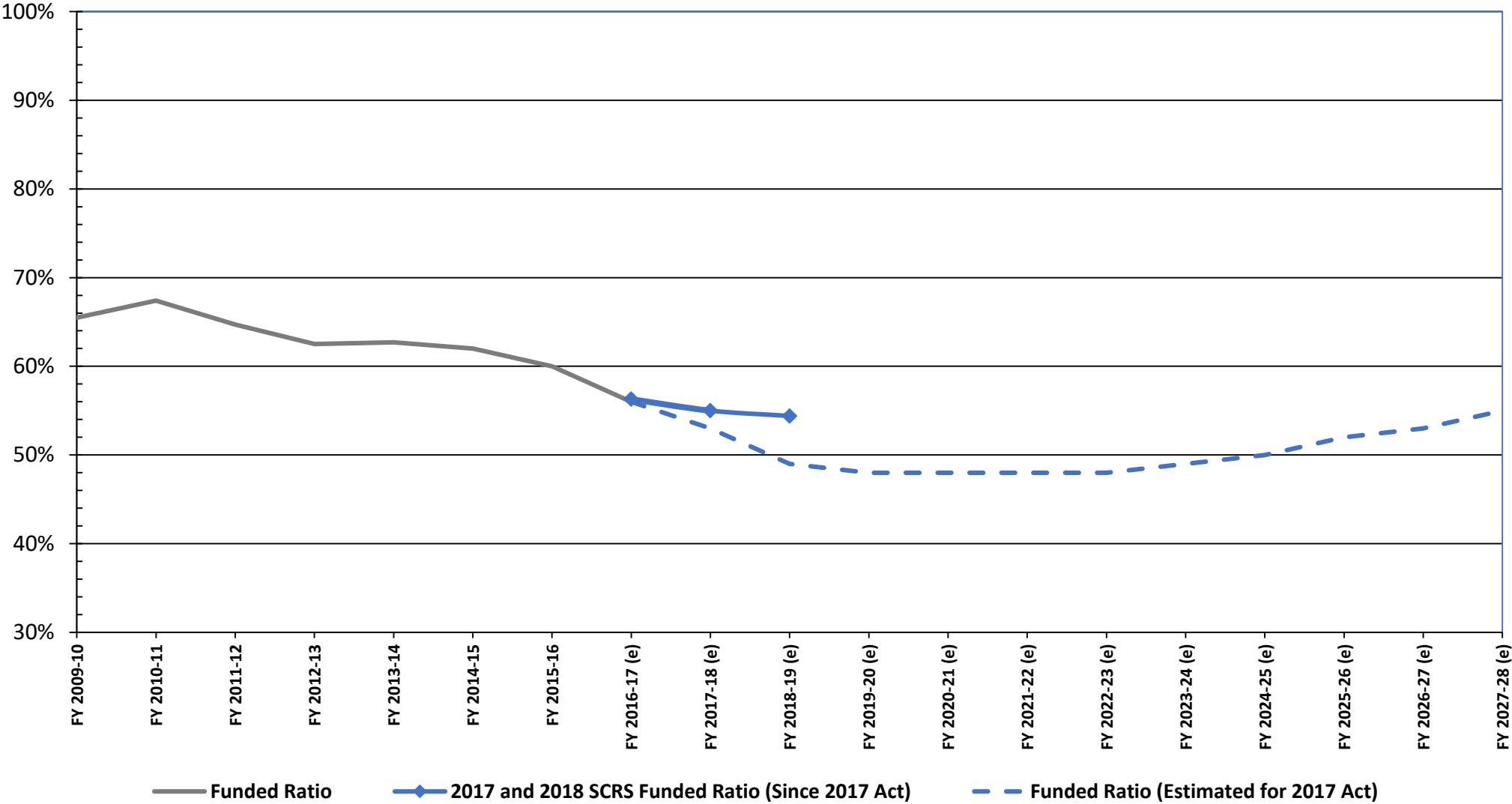
Source: U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C., S.C. Board of Economic Advisors

ACCOMMODATIONS TAX



Source: Revenue and Fiscal Affairs Office/FAR/1-21-20

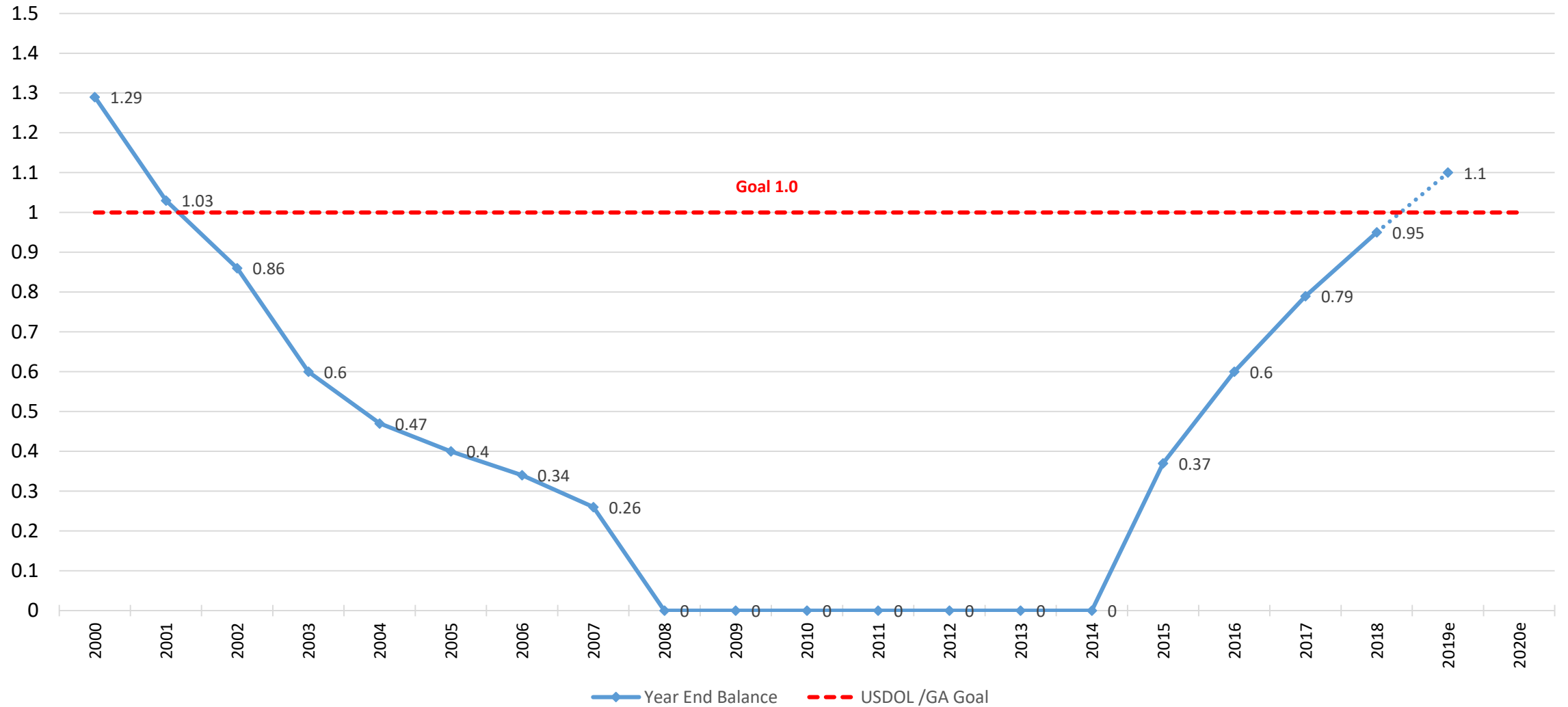
SC RETIREMENT SYSTEM FUNDED RATIO



Source: SC Retirement Systems CAFR and Joint Committee on Pension Systems Review,197,GOS/FAR, 01/3/20

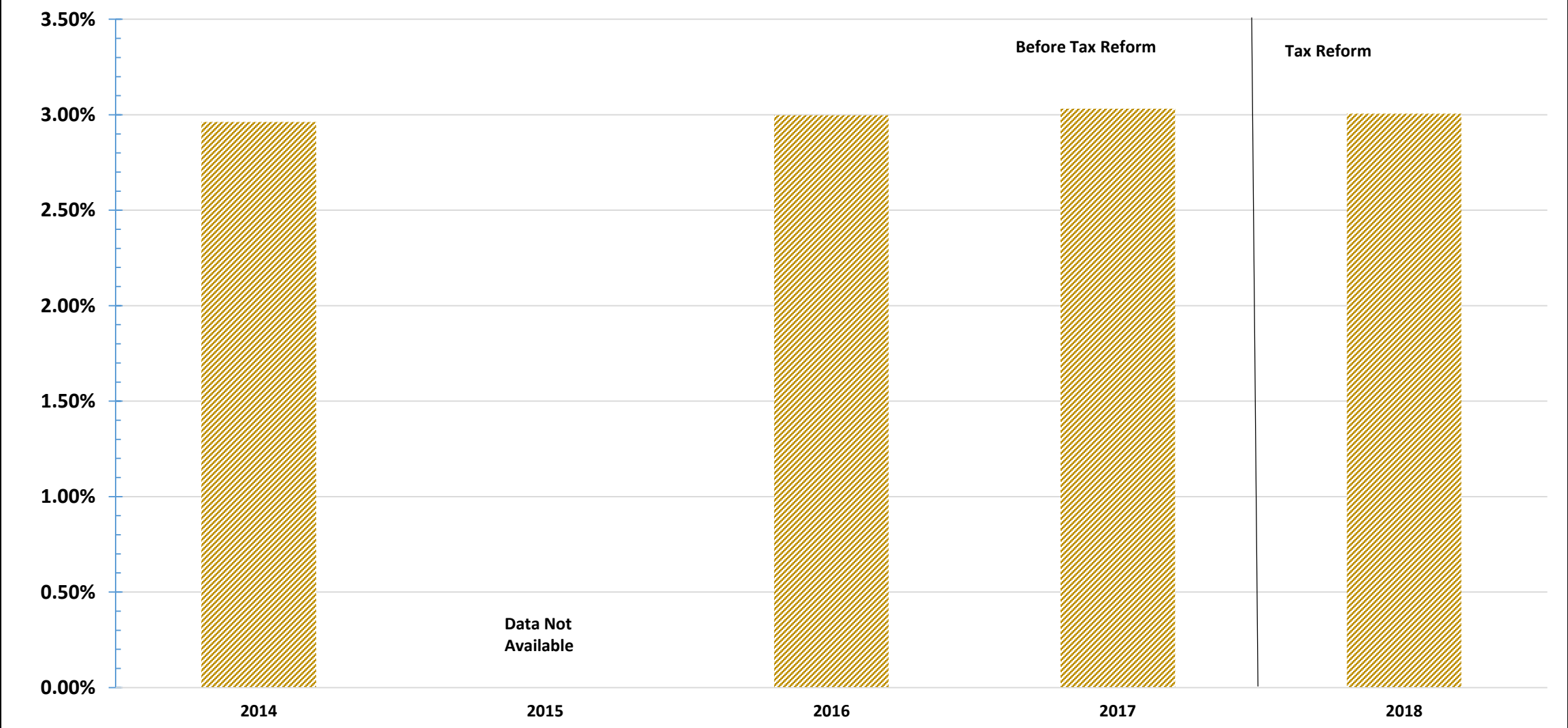
SC UNEMPLOYMENT TRUST FUND STATUS

Ratio of Fund Balance to One Year Payout (Moderate Recession) - Actual vs Goal



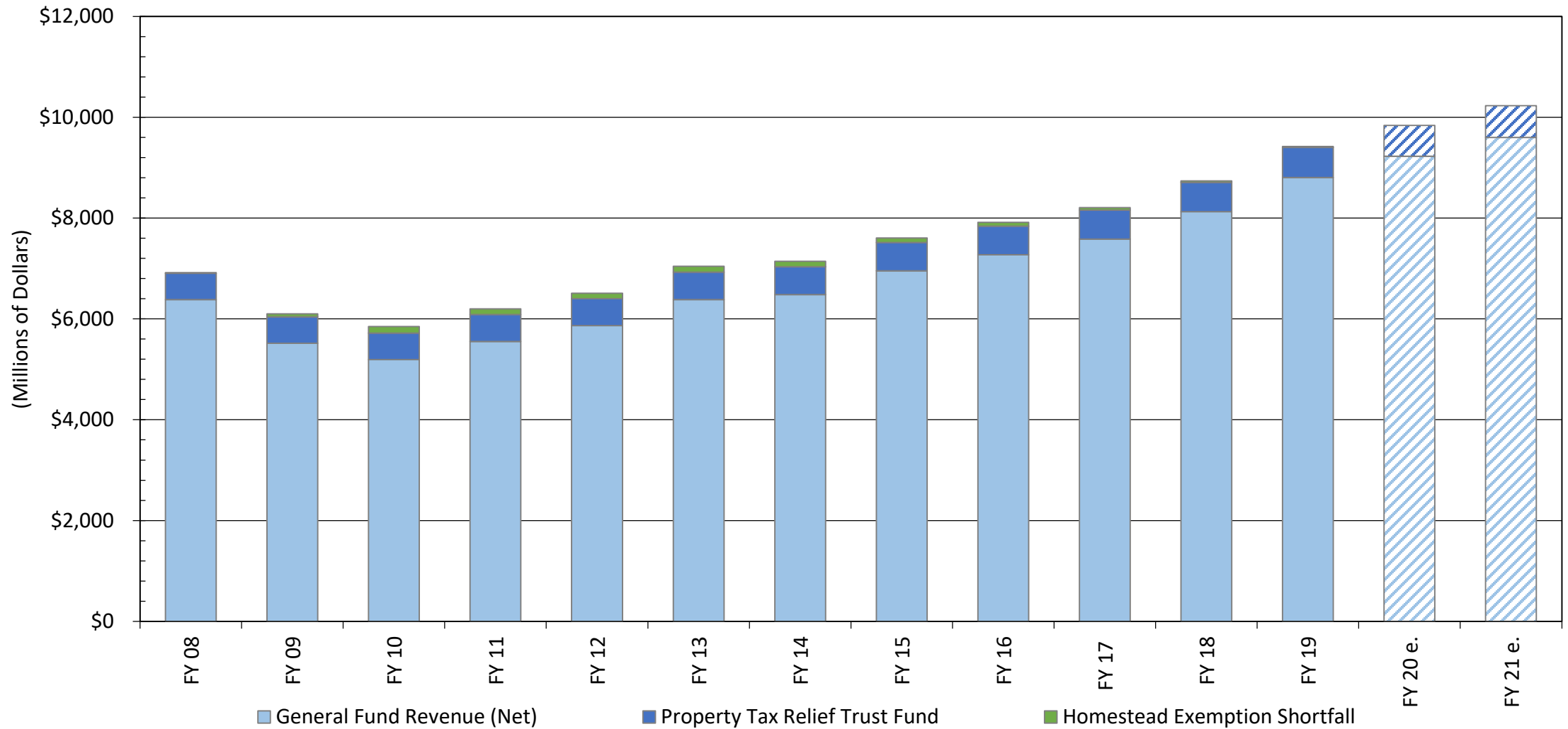
Source: Revenue and Fiscal Affairs Office/FAR/1-9-20

**SC INDIVIDUAL INCOME TAX LIABILITY
AS A PERCENTAGE OF FEDERAL AGI**



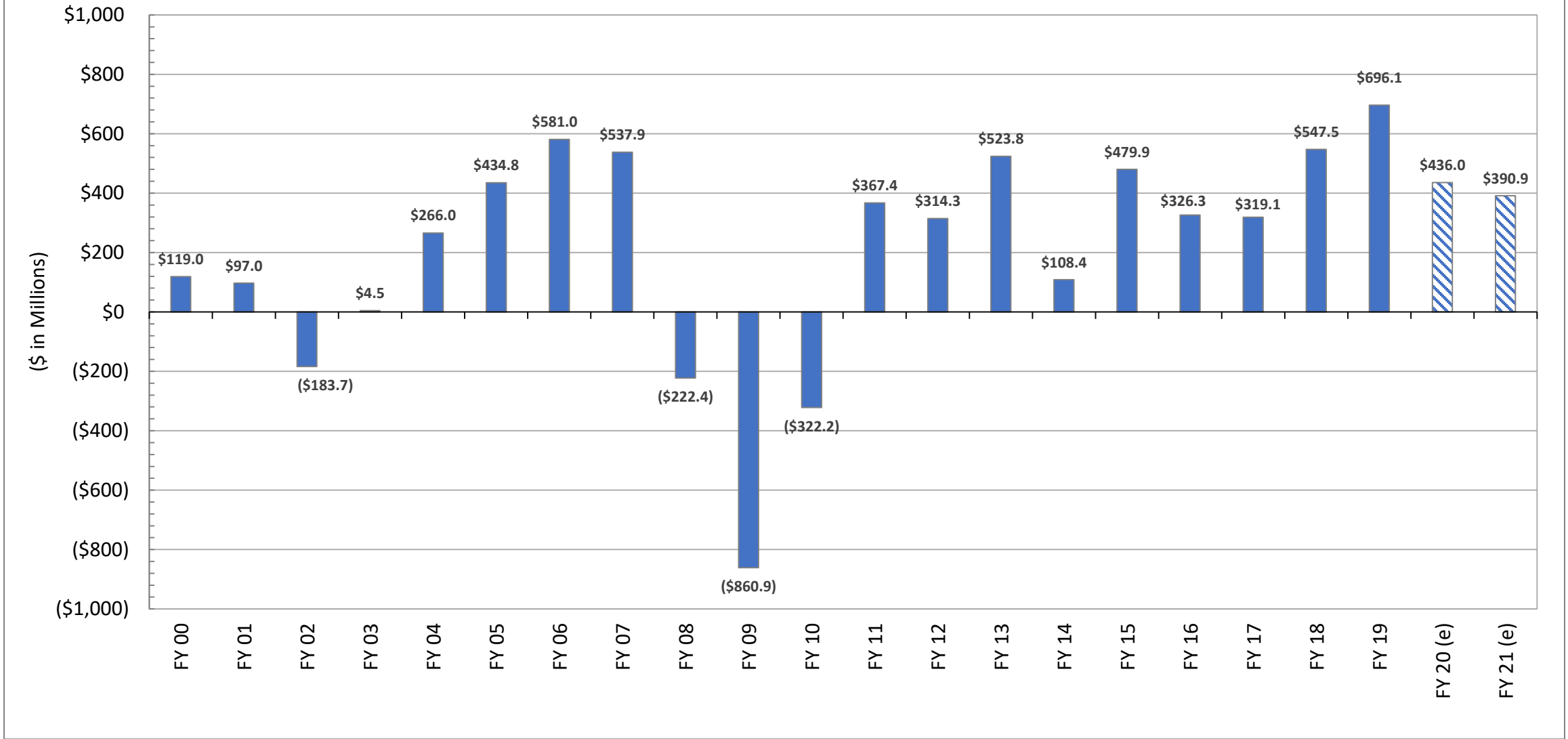
Source: Revenue and Fiscal Affairs Office/FAR/1/16/20

GENERAL FUND REVENUE With Trust Fund and Homestead Exemption Shortfall



Source: S.C. Revenue and Fiscal Affairs 213-LHJ 11/12/2019

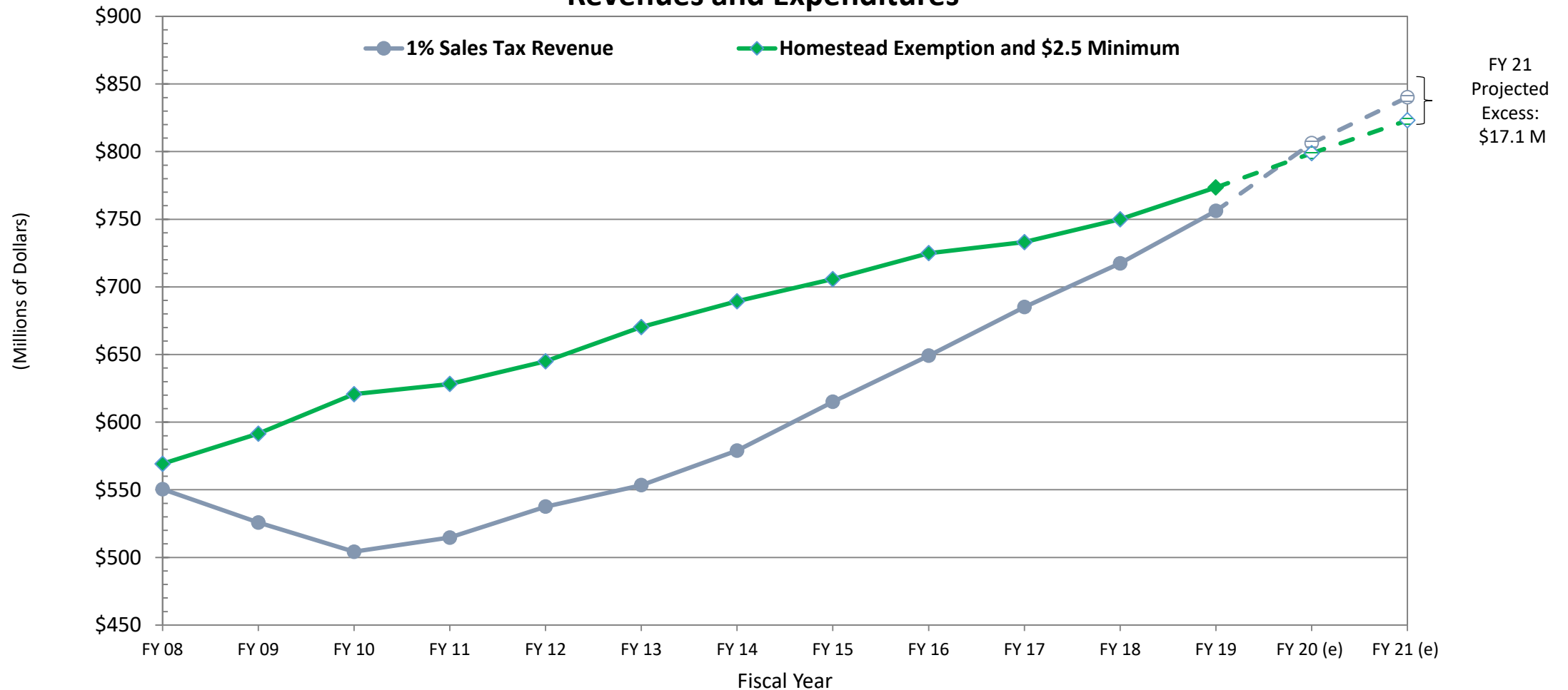
ANNUAL GROWTH IN GENERAL FUND REVENUE



Source: Revenue and Fiscal Affairs - 169A/LHJ/11/12/19

HOMESTEAD EXEMPTION FUND (TIER III)

Revenues and Expenditures

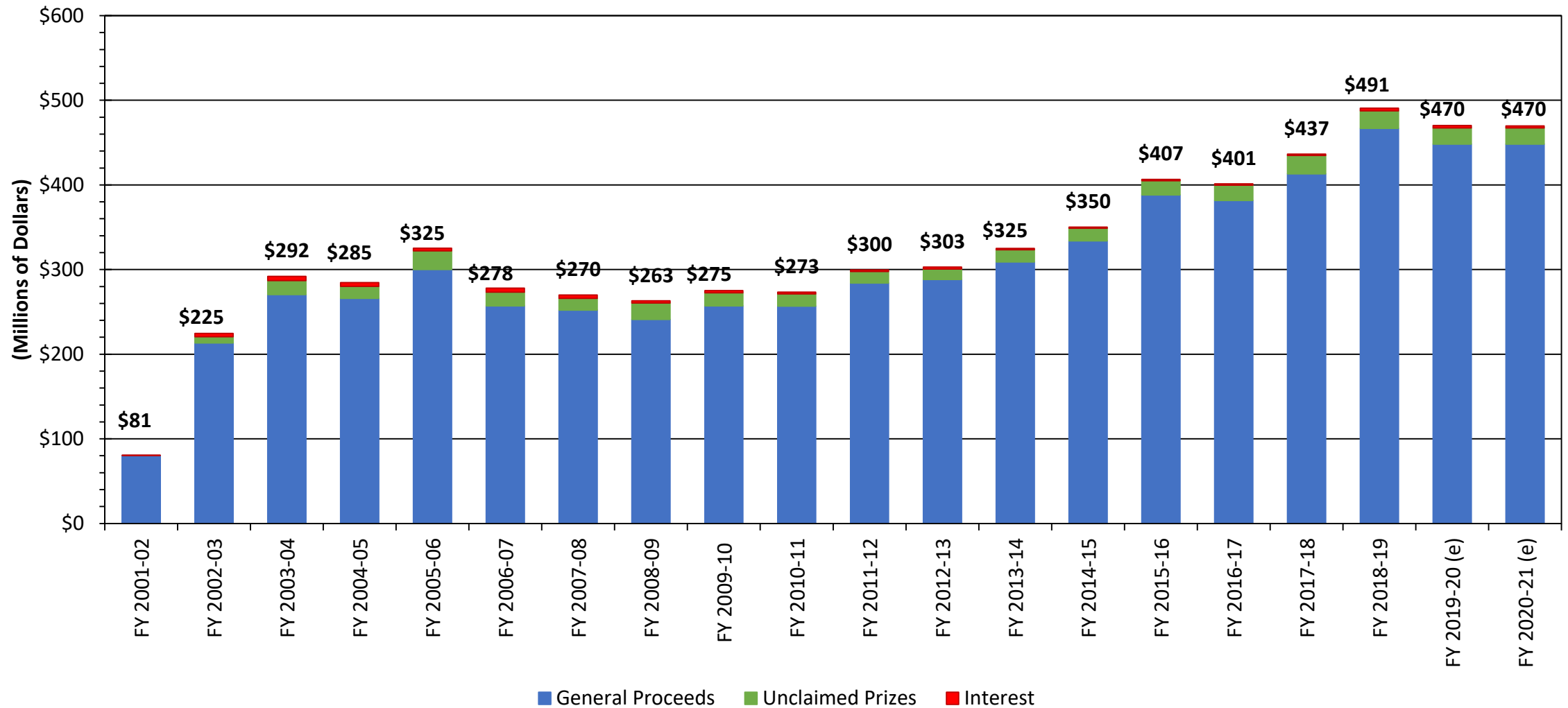


Note: Tier III Expenditure includes \$2.5M minimum disbursements and lease purchase lawsuit revisions. Revenue projection based upon 11/08/2019 BEA forecast.

Source: SC Revenue and Fiscal Affairs Office MKM-40- 11/08/19

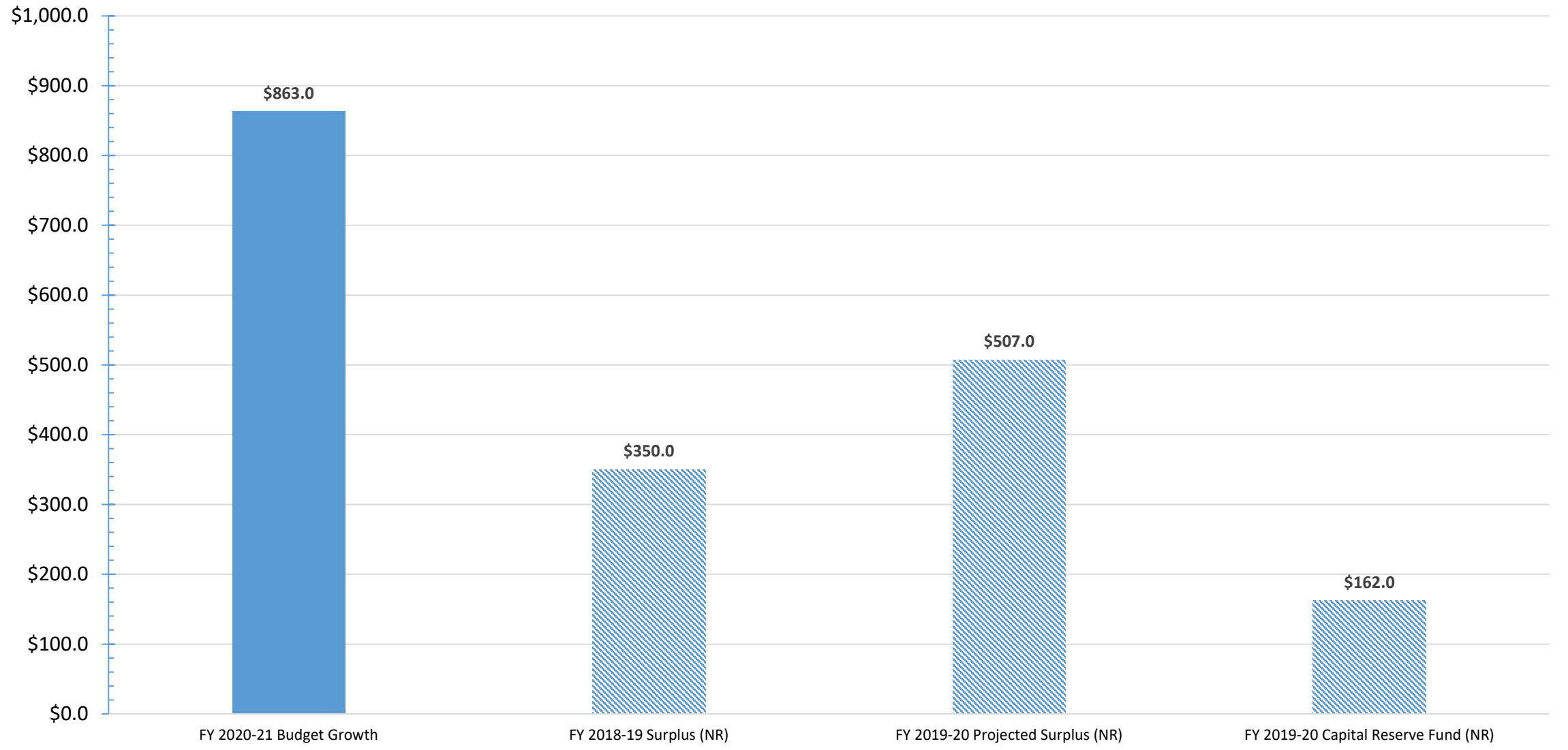
TRANSFERS TO SC EDUCATION LOTTERY ACCOUNTS

Inception to FY 2020-21 BEA Estimate



Source: South Carolina Revenue and Fiscal Affairs Office RFA/265/jlw/01/22/2020

FY 2020-21 BUDGET PROCESS - AVAILABLE FUNDS

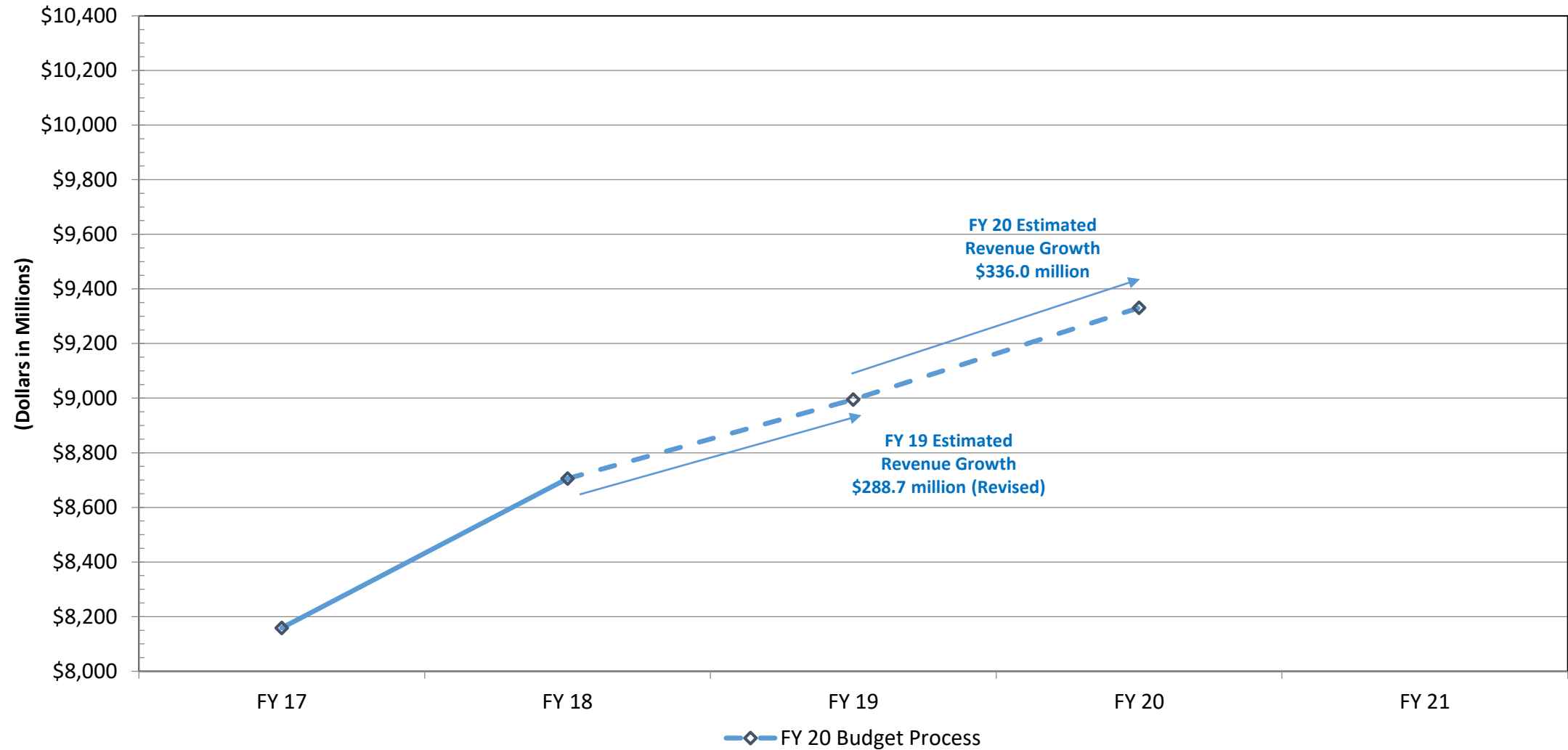


Source: Revenue and Fiscal Affairs Office/FAR/1-8-20



FY 2019-20 APPROPRIATIONS ACT EXPECTATIONS

Estimated Revenue Growth (April 2019)

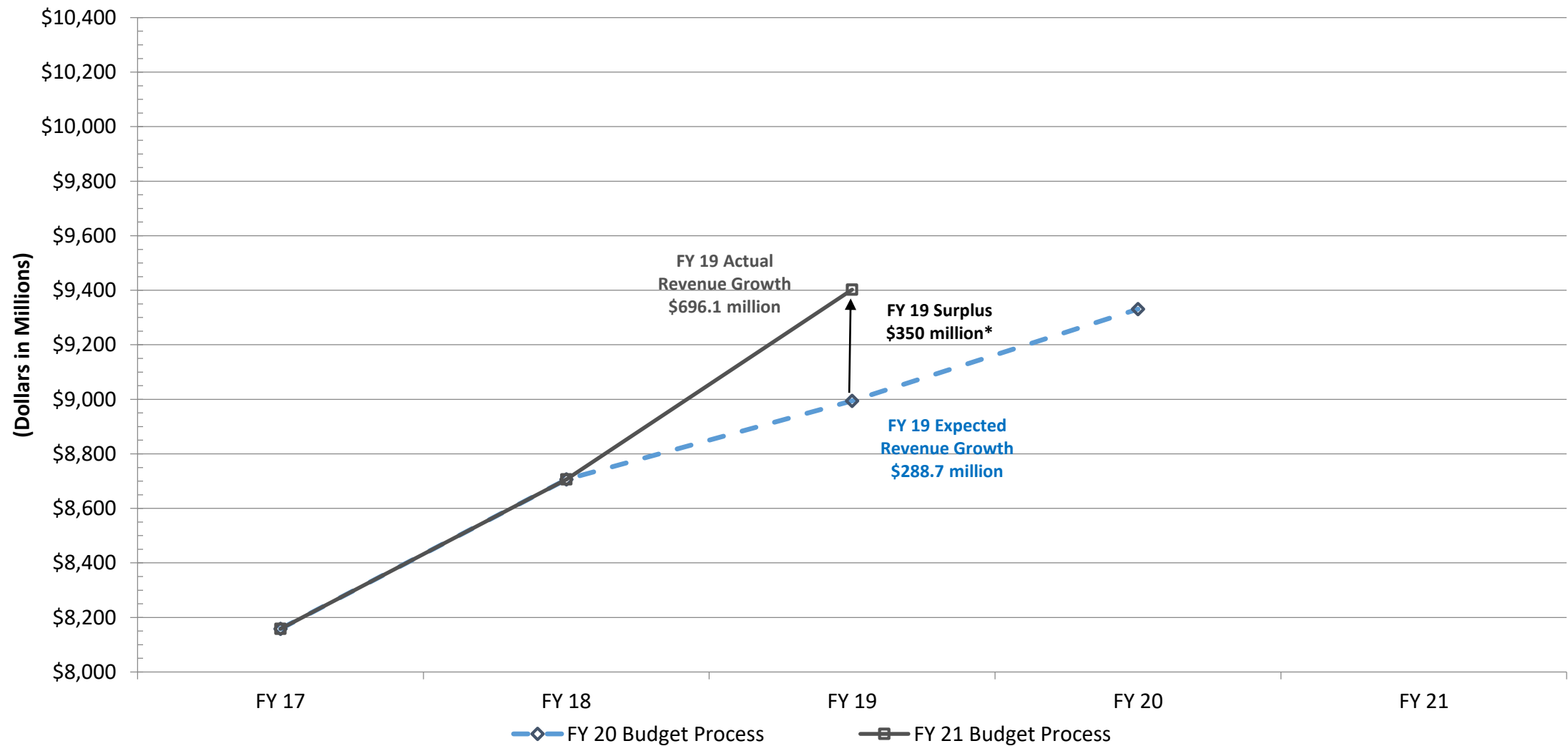


Source: Revenue and Fiscal Affairs/FAR/11-6-19



FY 2018-19 ACTUAL REVENUE GROWTH

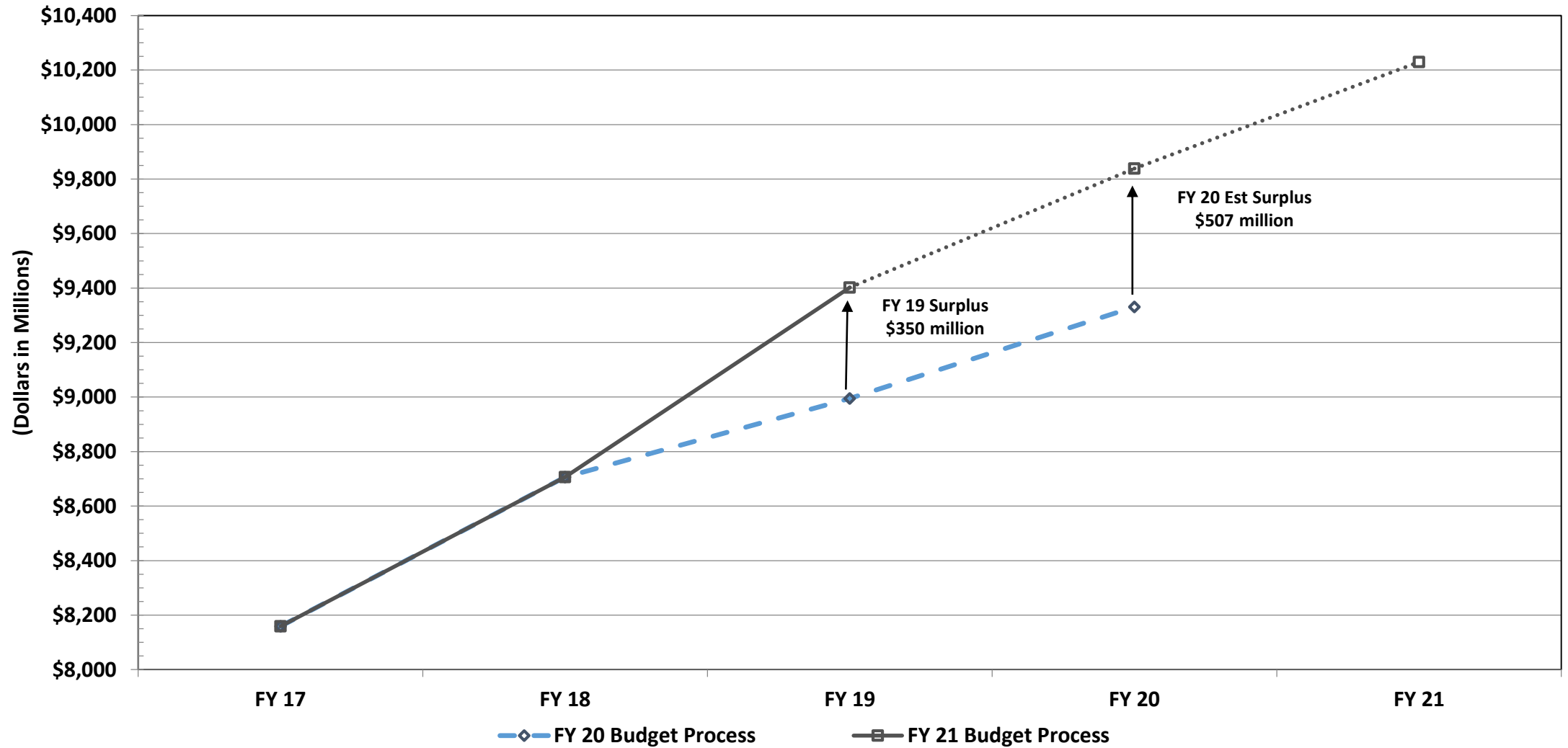
Impact to FY 2019-20 Appropriations Act Expectations (August 2019)



Source: Revenue and Fiscal Affairs/FAR/11-6-19

FY 2019-20 REVISED REVENUE ESTIMATE

Effect of Actual FY 2018-19 Growth On FY 2019-20 Revenue Surplus (November 2019)

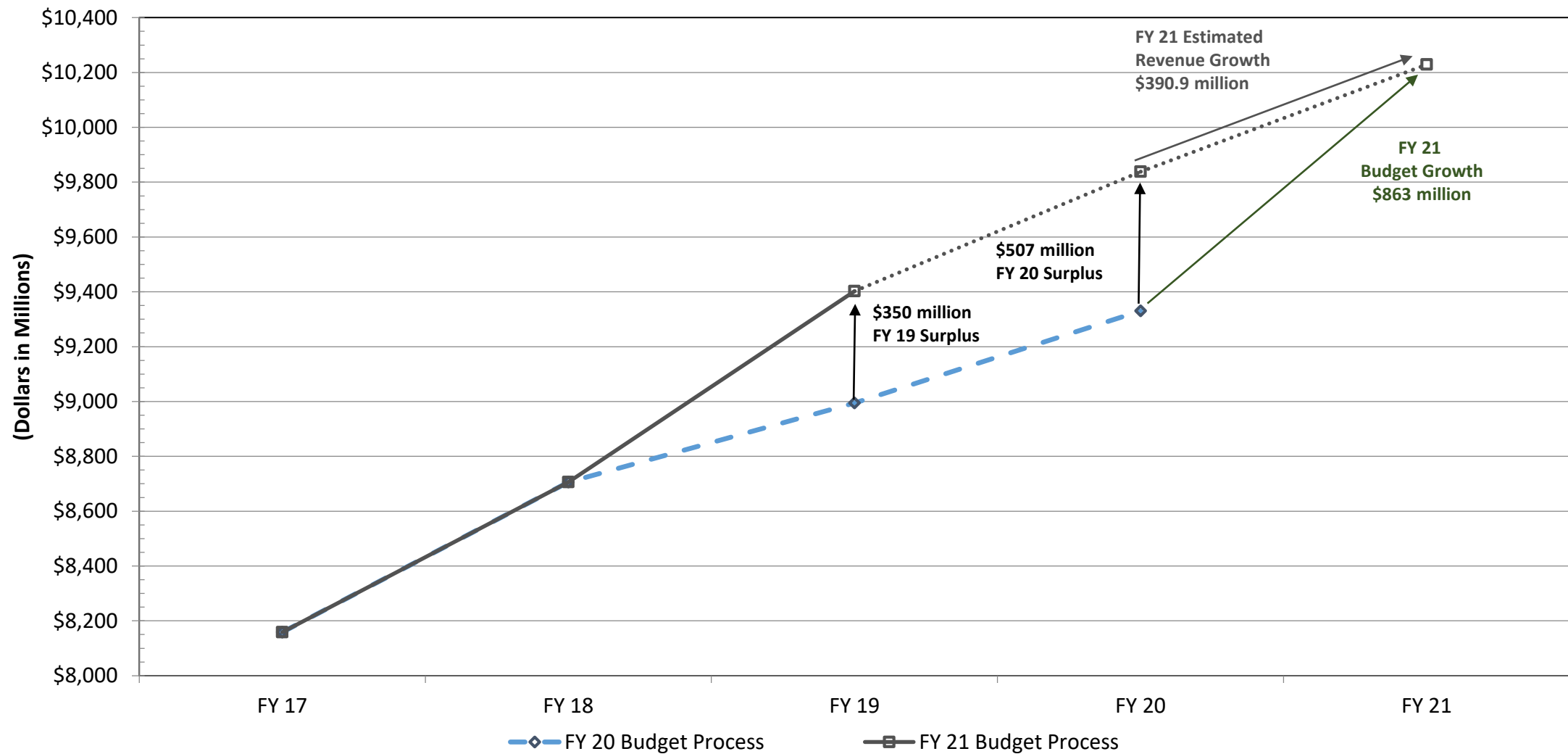


Source: Revenue and Fiscal Affairs Office/FAR/11/6/20



FY 2020-21 BUDGET "CATCH-UP"

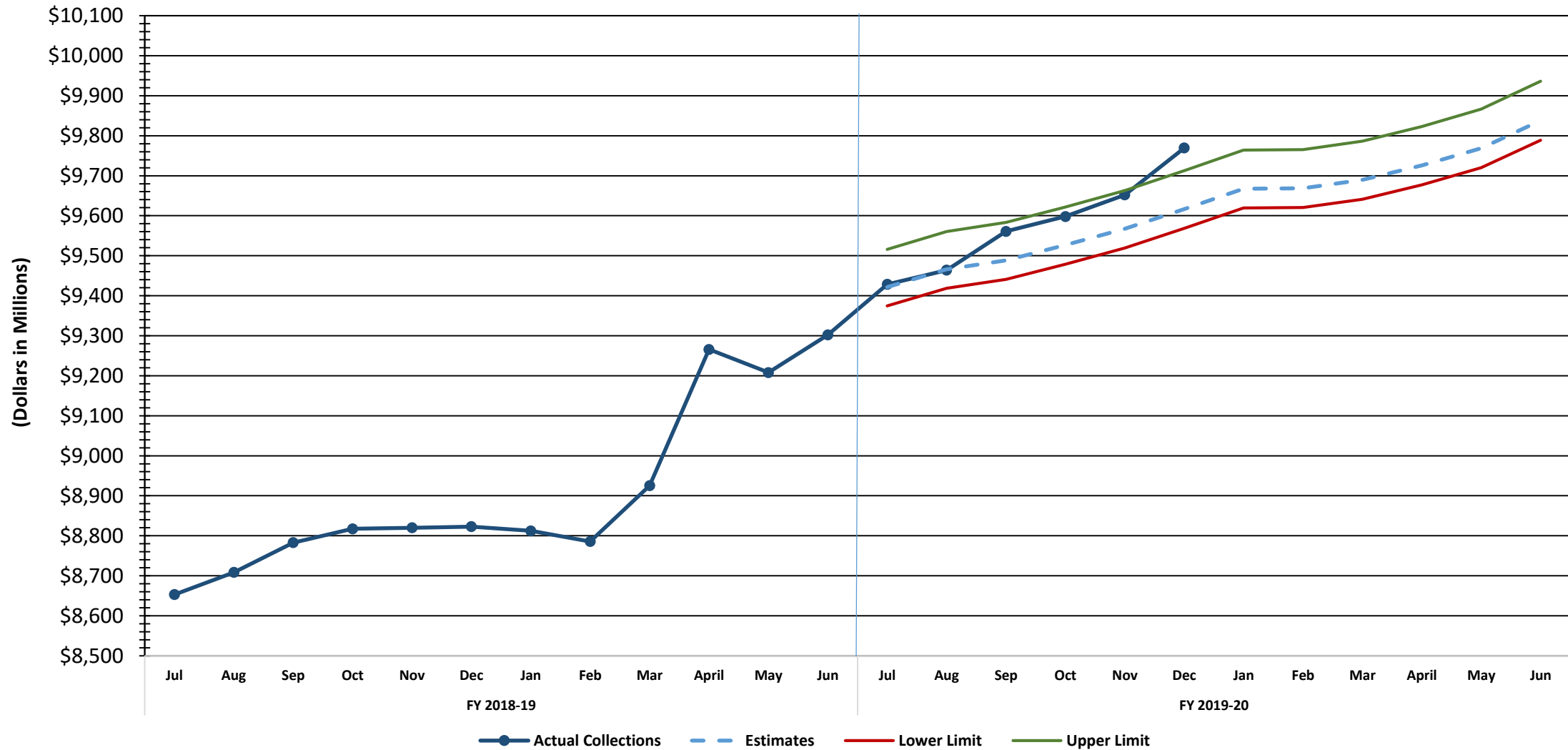
Compounding Effect of FY 2018-19 Revenue Surplus on FY 2020-21 Budget (November 2019)



Source: Revenue and Fiscal Affairs/FAR/11-6-19

ROLLING FISCAL YEAR - TOTAL GENERAL FUND REVENUE

Actuals, Estimates, and Limits - FY 2018-19 to FY 2019-20



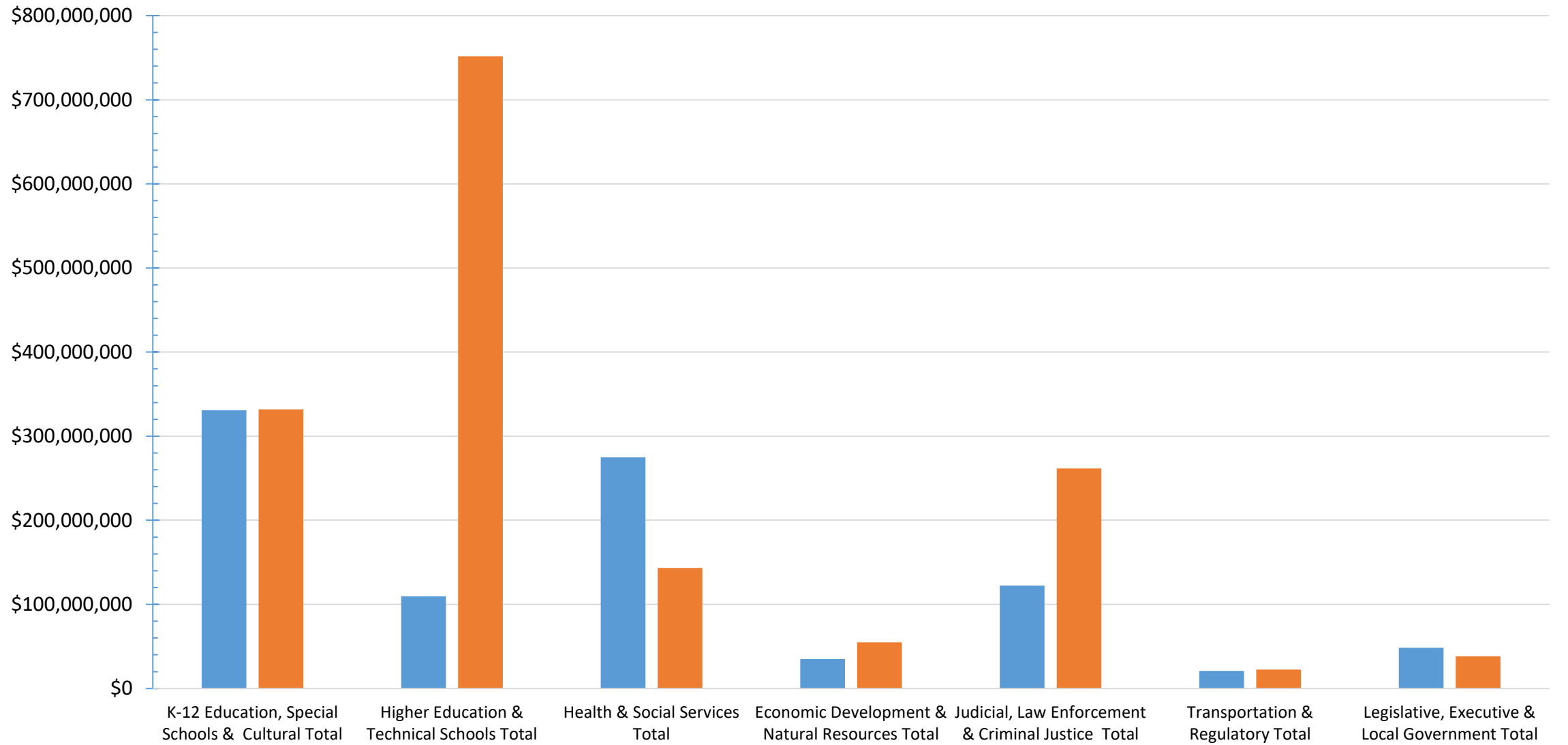
Source: Revenue and Fiscal Affairs Office/FAR/2/3/20

ROLLING FISCAL YEAR - CORPORATE INCOME & LICENSE TAXES FY 2010-11 to FY 2019-20



Source: Revenue and Fiscal Affairs Office/FAR/2-3-20

BUDGET REQUESTS FY 2020-21

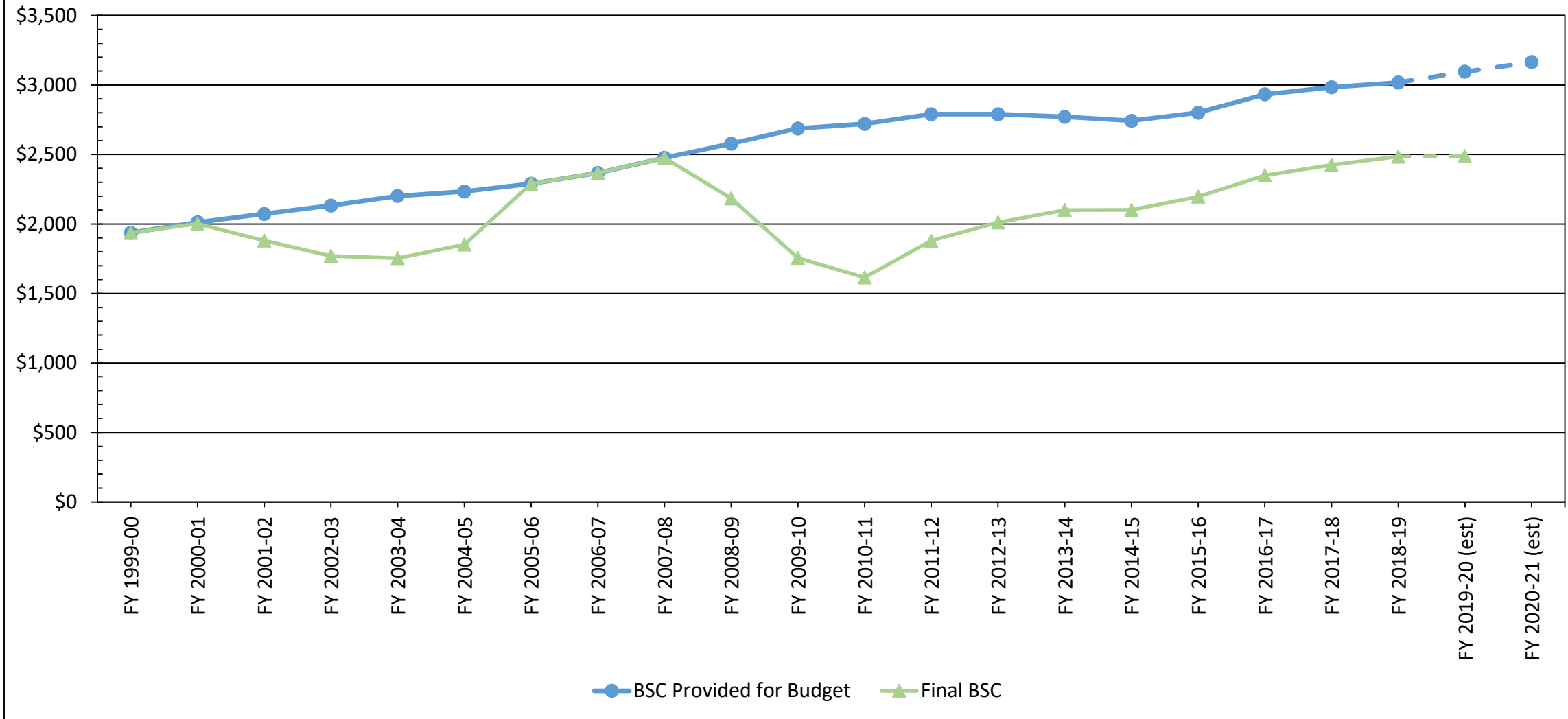


Source: Revenue and Fiscal Affairs Office/FAR/1-22-20



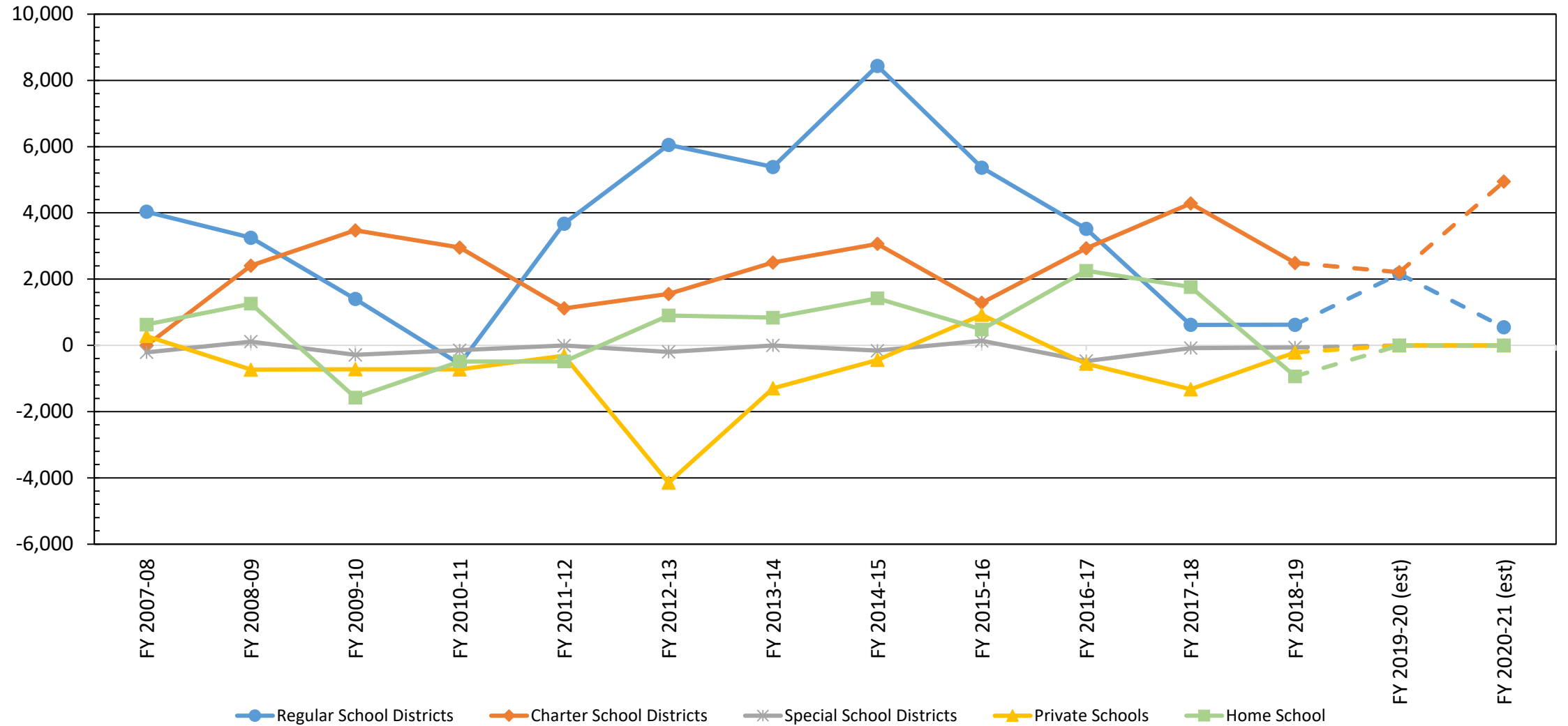
EFA BASE STUDENT COST

BSC Provided for Budget Compared to Final BSC



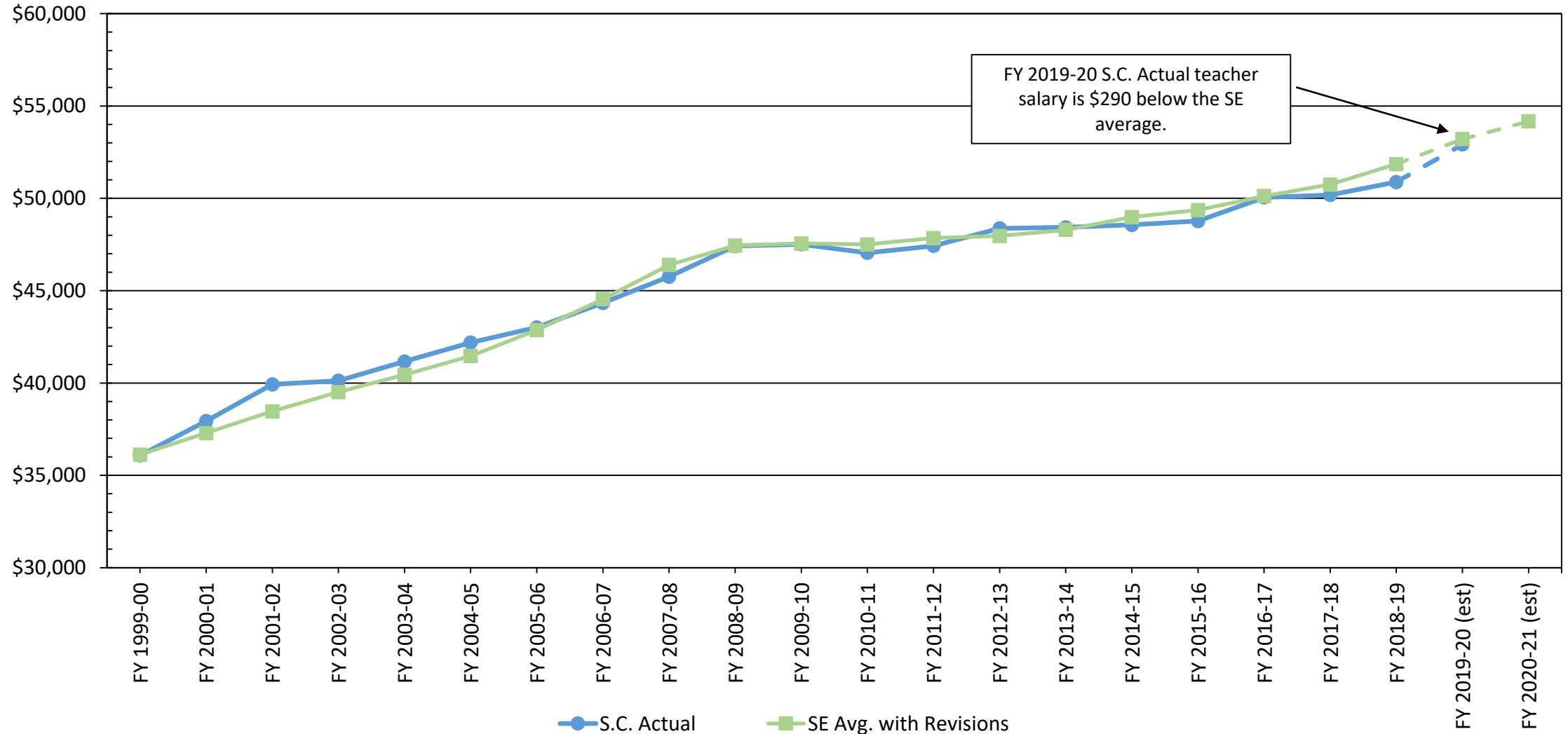
Source: S.C. Revenue and Fiscal Affairs Office - 267A - lpw/1/21/20

SOUTH CAROLINA SCHOOL ENROLLMENT Annual Growth by Type of School



Source: S.C. Revenue and Fiscal Affairs Office - 267G - lpw/1/21/20

SOUTH CAROLINA AND SOUTHEASTERN TEACHER SALARY



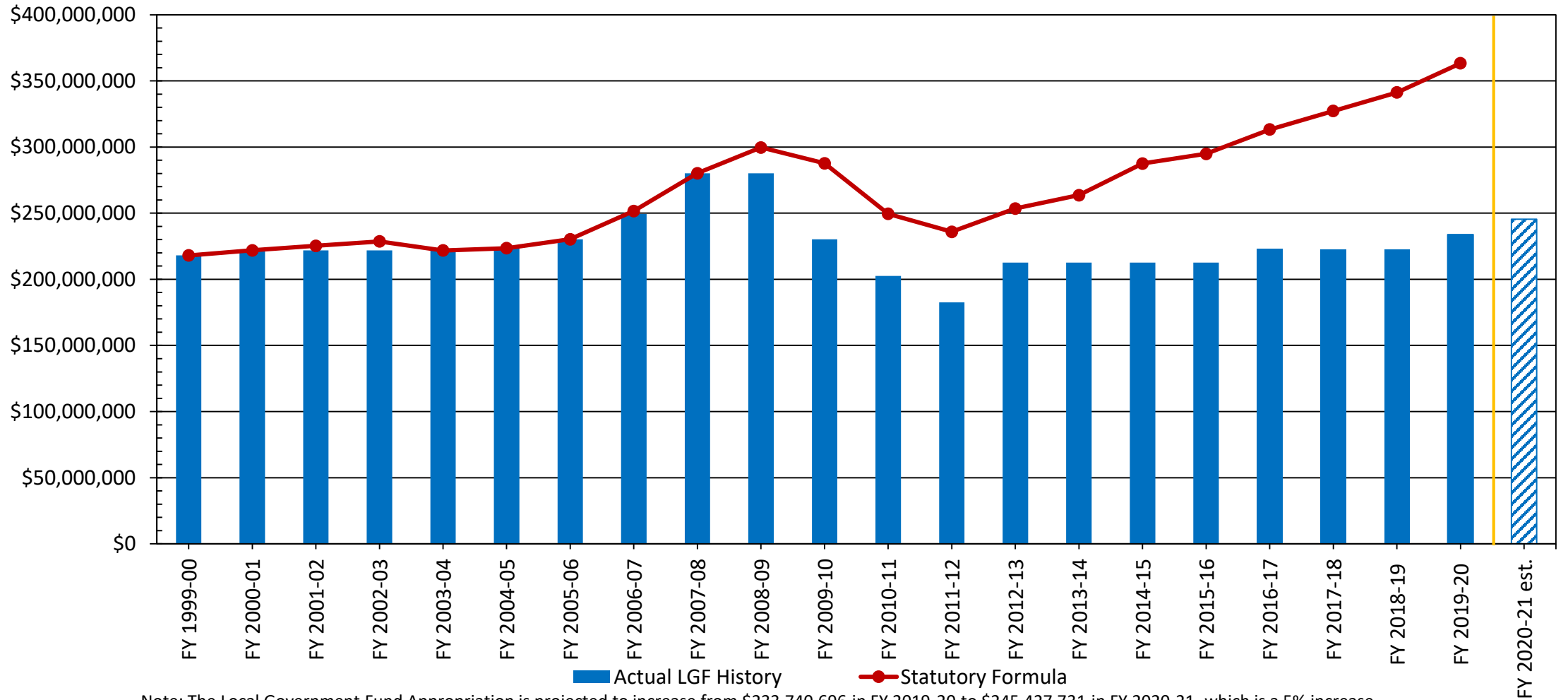
FY 2019-20 S.C. Actual teacher salary is \$290 below the SE average.

Note: The FY 2019-20 S.C. actual teacher salary figure is a preliminary figure from the S.C. Department of Education.

Source: S.C. Revenue and Fiscal Affairs Office - 267B - lpw/1/21/20

LOCAL GOVERNMENT FUND

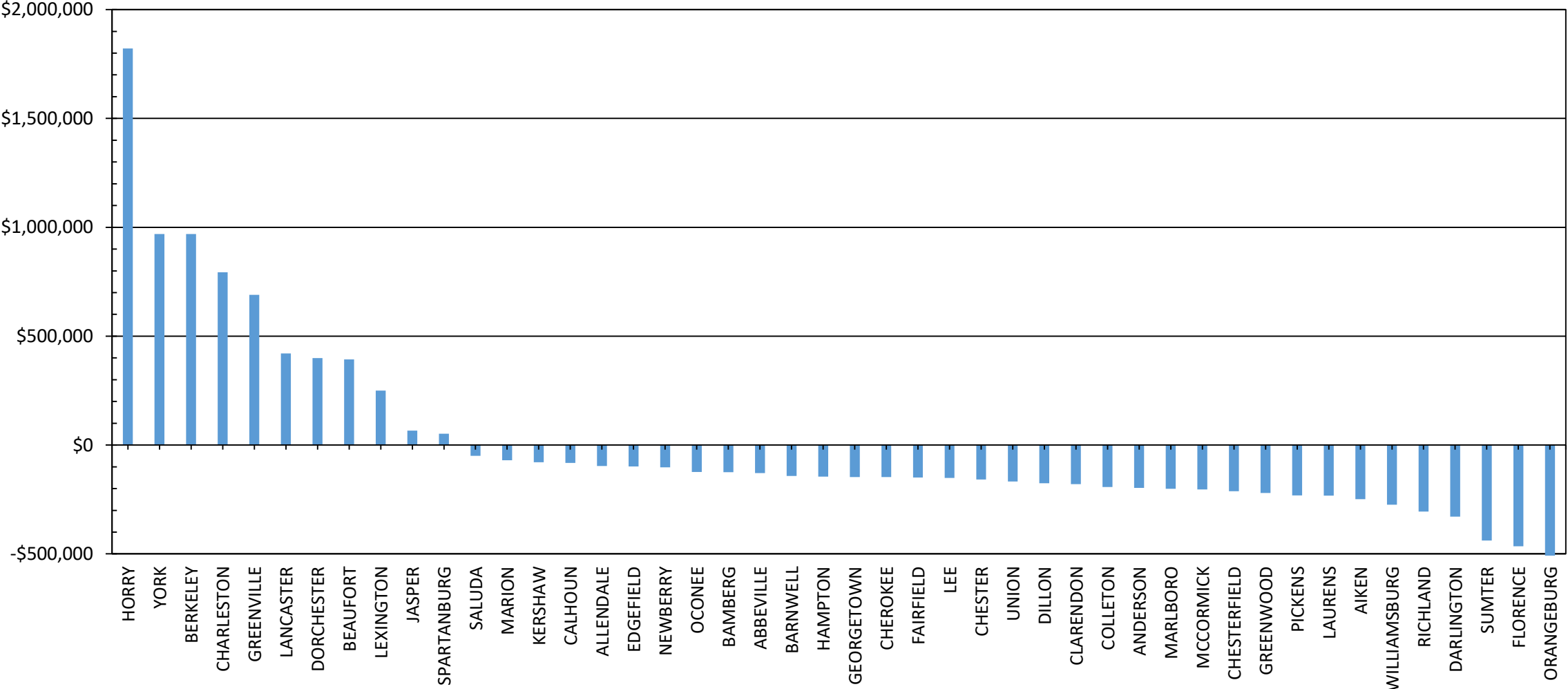
Comparison of Actual Funding to Statutory Formula



Note: The Local Government Fund Appropriation is projected to increase from \$233,740,696 in FY 2019-20 to \$245,427,731 in FY 2020-21, which is a 5% increase.

Source: S.C Revenue and Fiscal Affairs Office - 193/lpw/11/14/19

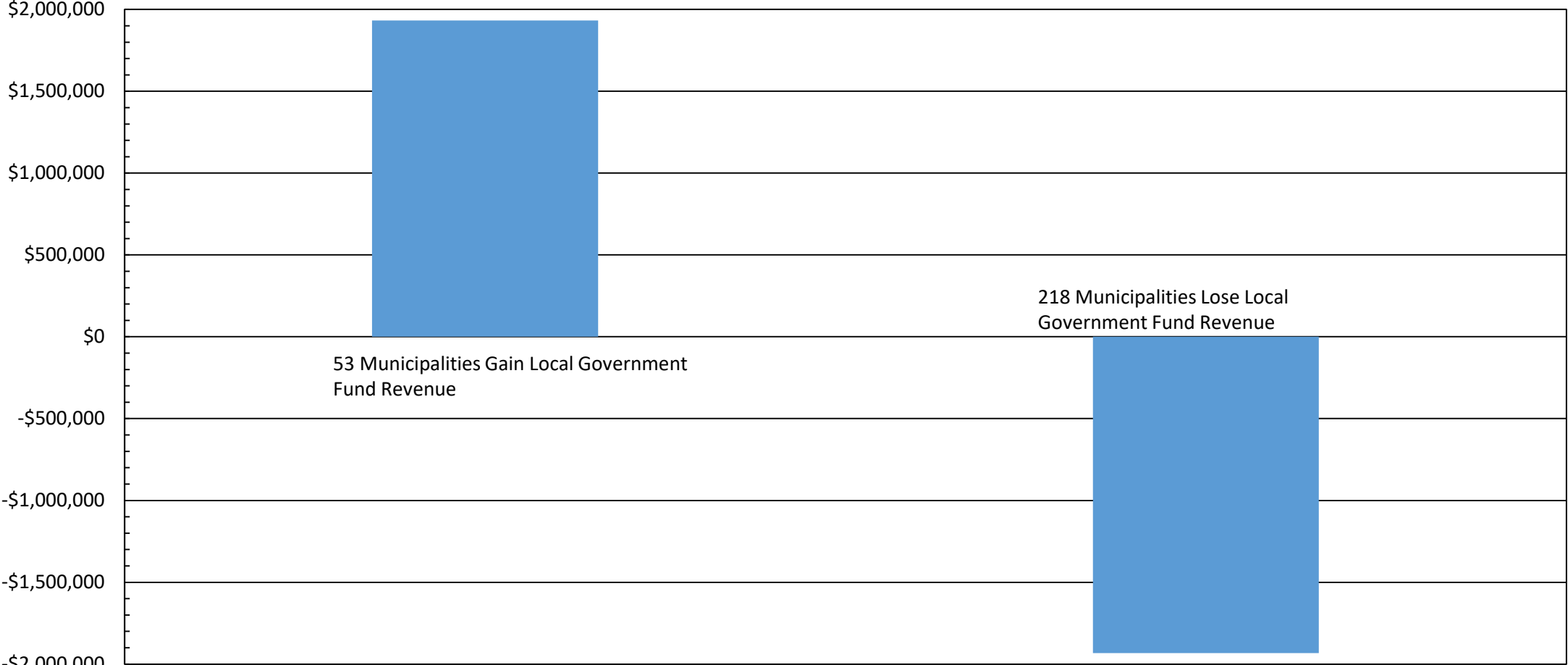
COUNTY LOCAL GOVERNMENT FUND CENSUS POPULATION IMPACT
Funding With 2010 Census vs 2018 Estimated Population



Note: Local Government Fund estimates are based upon recurring funds of \$233,740,696 as ratified by the General Assembly on May 22, 2019. The population figures are based on 2010 U.S. Census Bureau data and 2018 U.S. Census population estimates.

Source: S.C. Revenue and Fiscal Affairs Office - 211C - emm/06/03/19

MUNICIPAL LOCAL GOVERNMENT FUND CENSUS POPULATION IMPACT
Change in Funding with 2010 Census vs 2018 Estimated Population



Note: Local Government Fund estimates are based upon recurring funds of \$233,740,696 as ratified by the General Assembly on May 22, 2019. The population figures are based on 2010 U.S. Census Bureau data and 2018 U.S. Census population estimates.

Source: S.C. Revenue and Fiscal Affairs Office - 211G - emm/06/04/19

THANK YOU!

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE



Our mission is to provide independent research, analysis, and resources to facilitate informed policy decisions and administration of services.