

SOUTH CAROLINA BUDGET TRENDS, FACTORS, AND ISSUES FY 2019-20 AND BEYOND

**Presented to
HOUSE WAYS AND MEANS COMMITTEE**

January 9, 2019

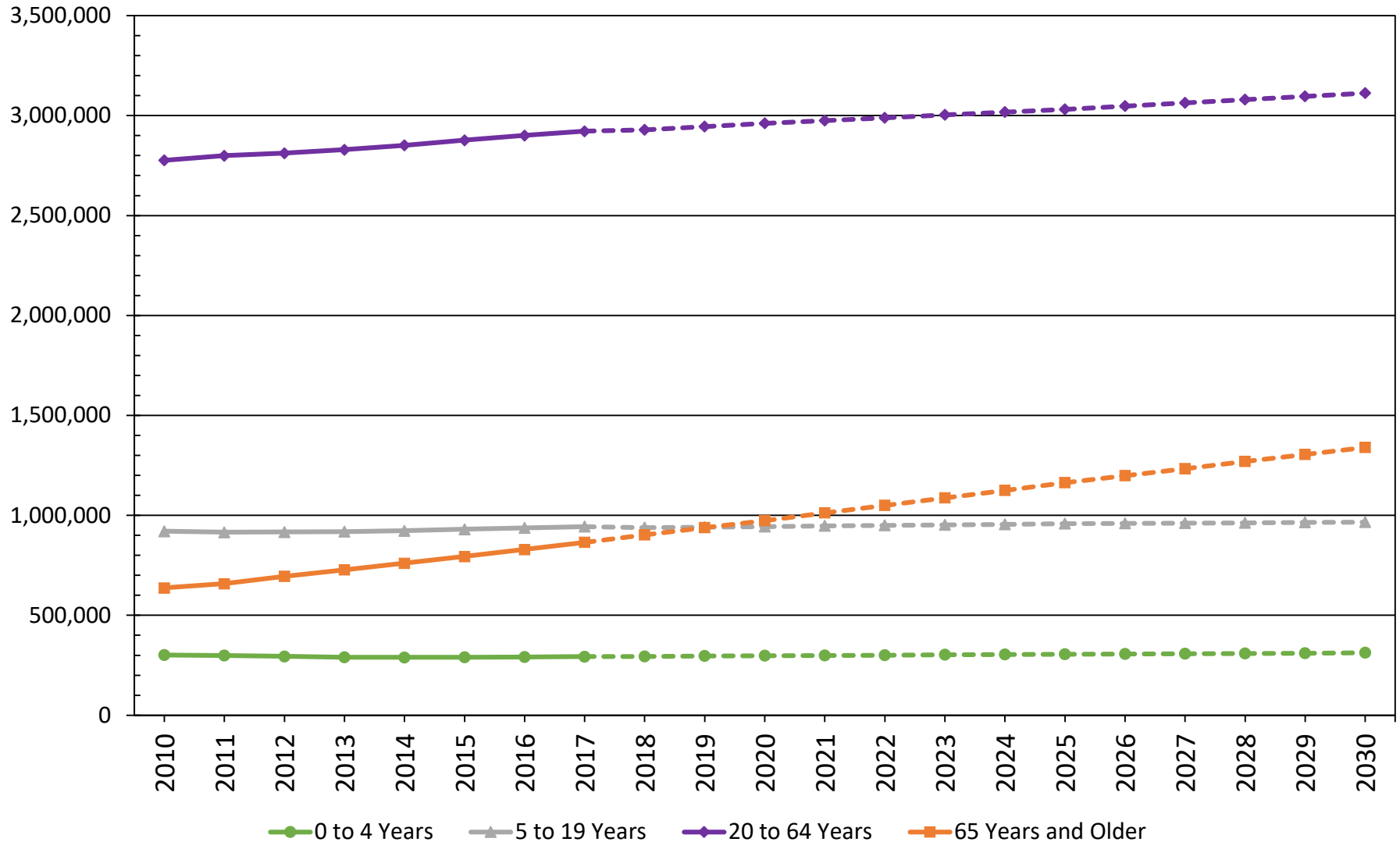


South Carolina Revenue and Fiscal Affairs Office
1000 Assembly Street
Rembert Dennis Building, Suite 421
Columbia, SC 29201
(803) 734-2265
www.rfa.sc.gov

DEMOGRAPHICS AND ECONOMICS



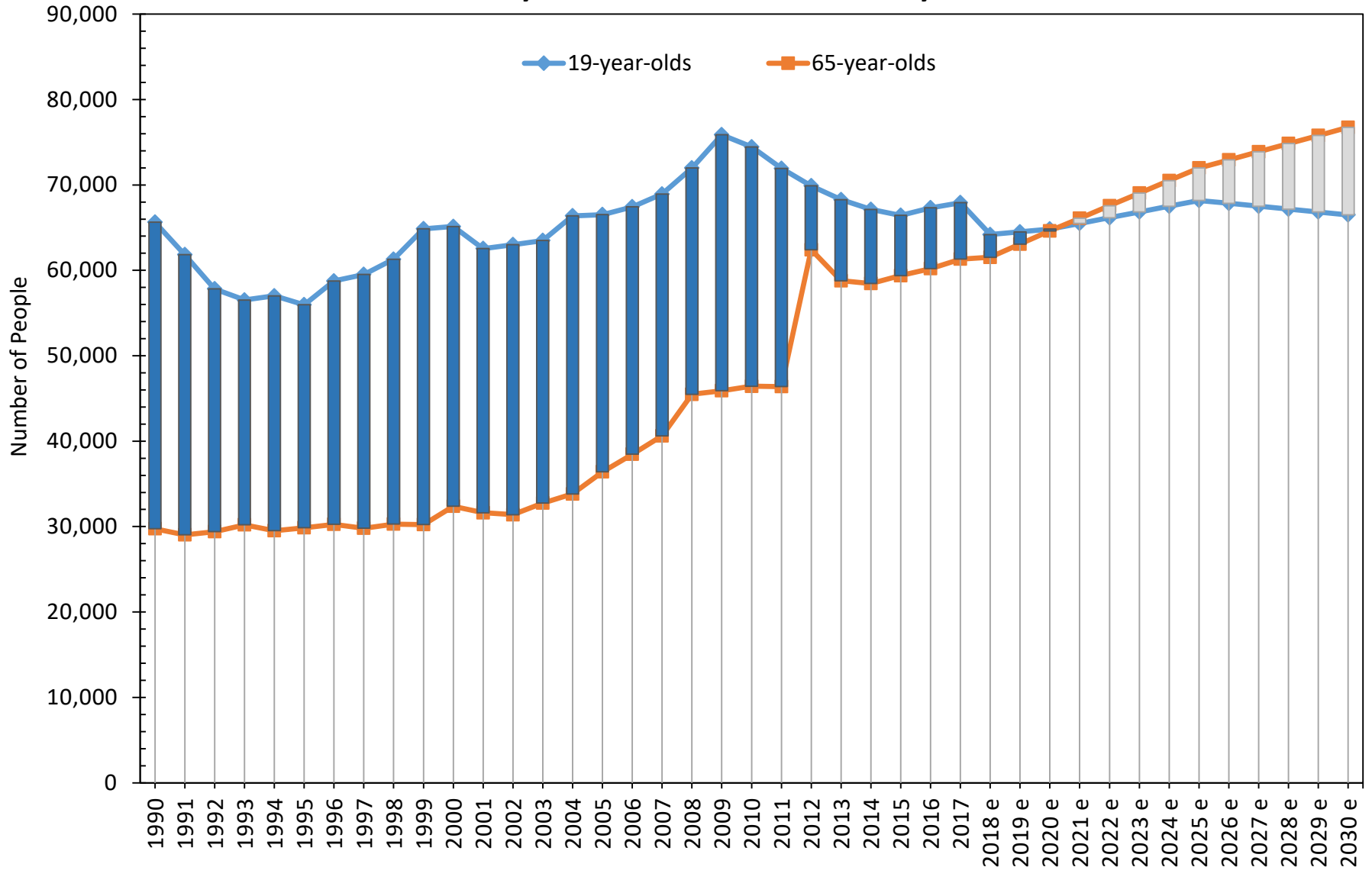
SOUTH CAROLINA POPULATION BY AGE GROUP 2010 to 2030 Estimates and Projections



Note: U.S. Census Bureau, population estimates 2010 to 2017; Revenue and Fiscal Affairs Office, population projections 2018 to 2030

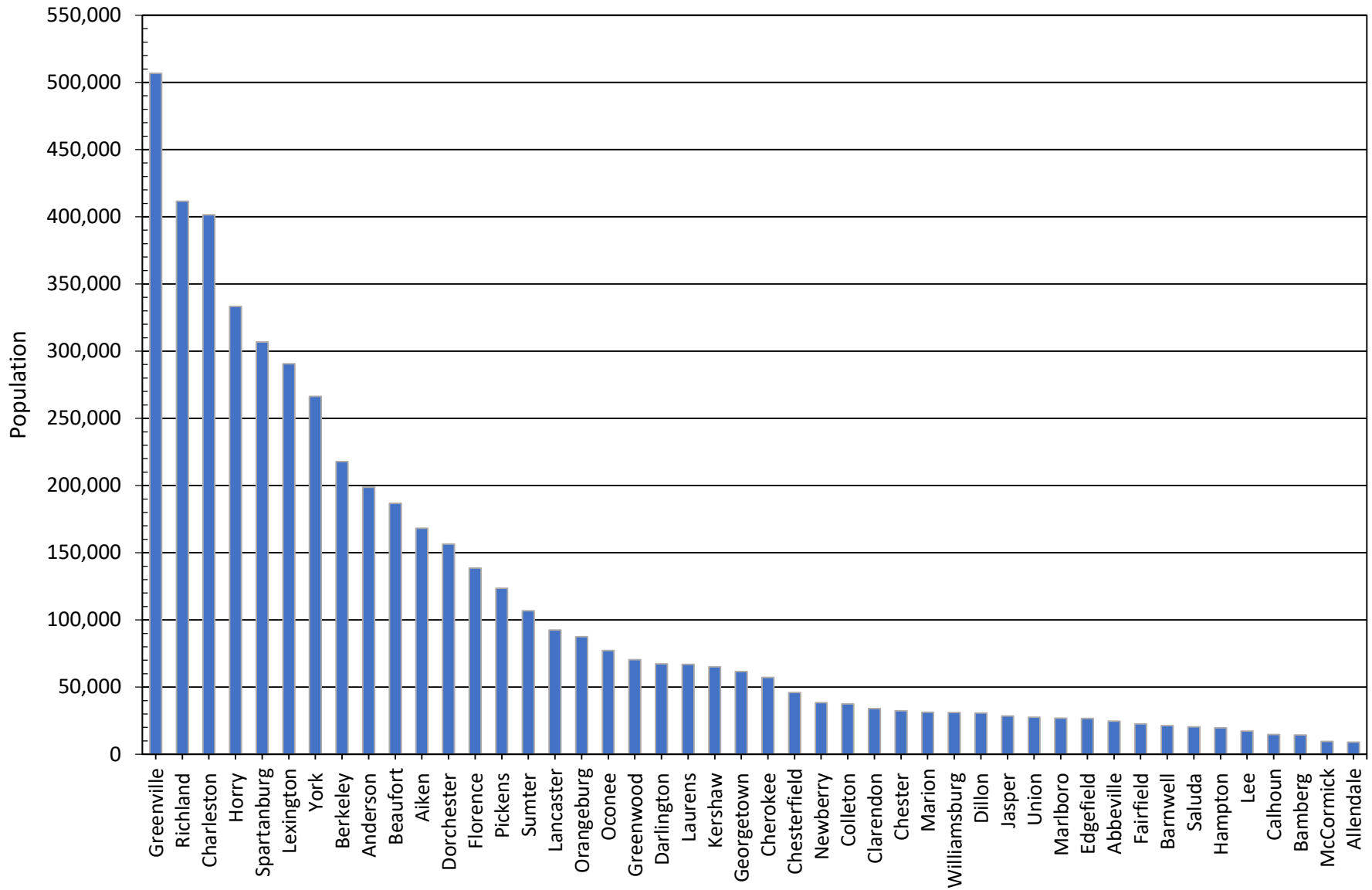
SOUTH CAROLINA

Number of 19-year-olds and Number of 65-year-olds

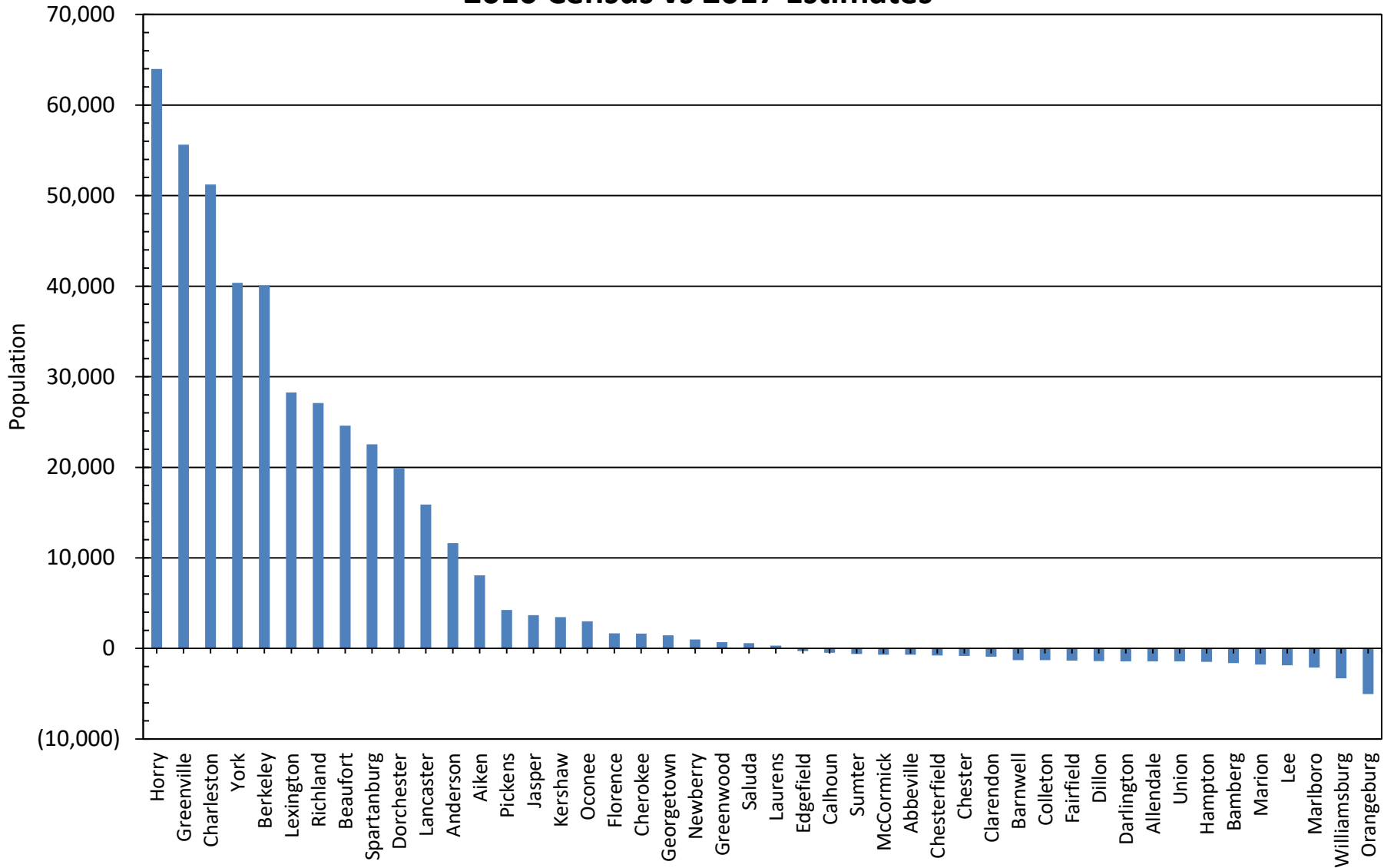


SOUTH CAROLINA POPULATION BY COUNTY

Estimates as of July 1, 2017



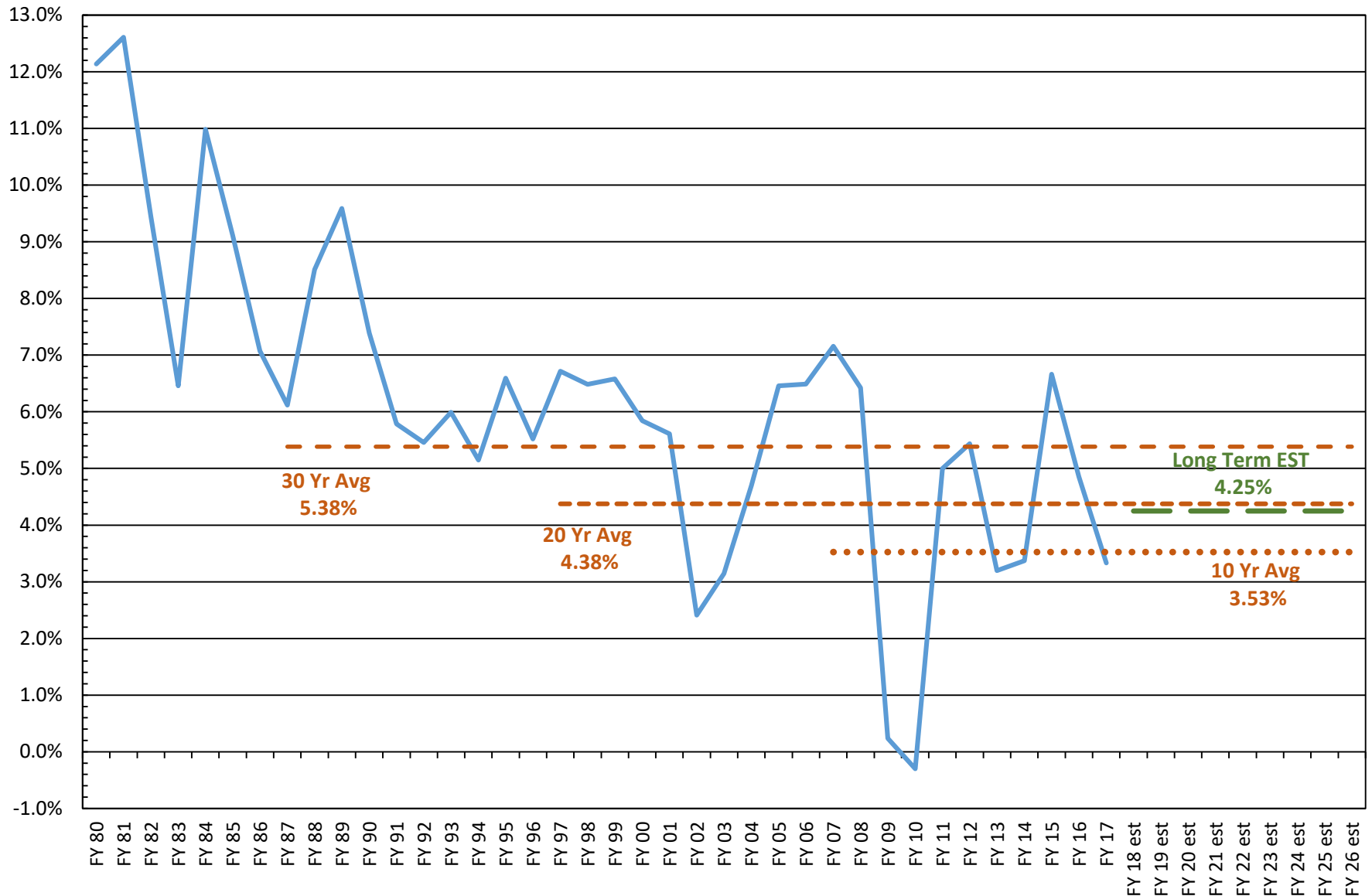
ESTIMATED CHANGE IN COUNTY POPULATION 2010 Census vs 2017 Estimates



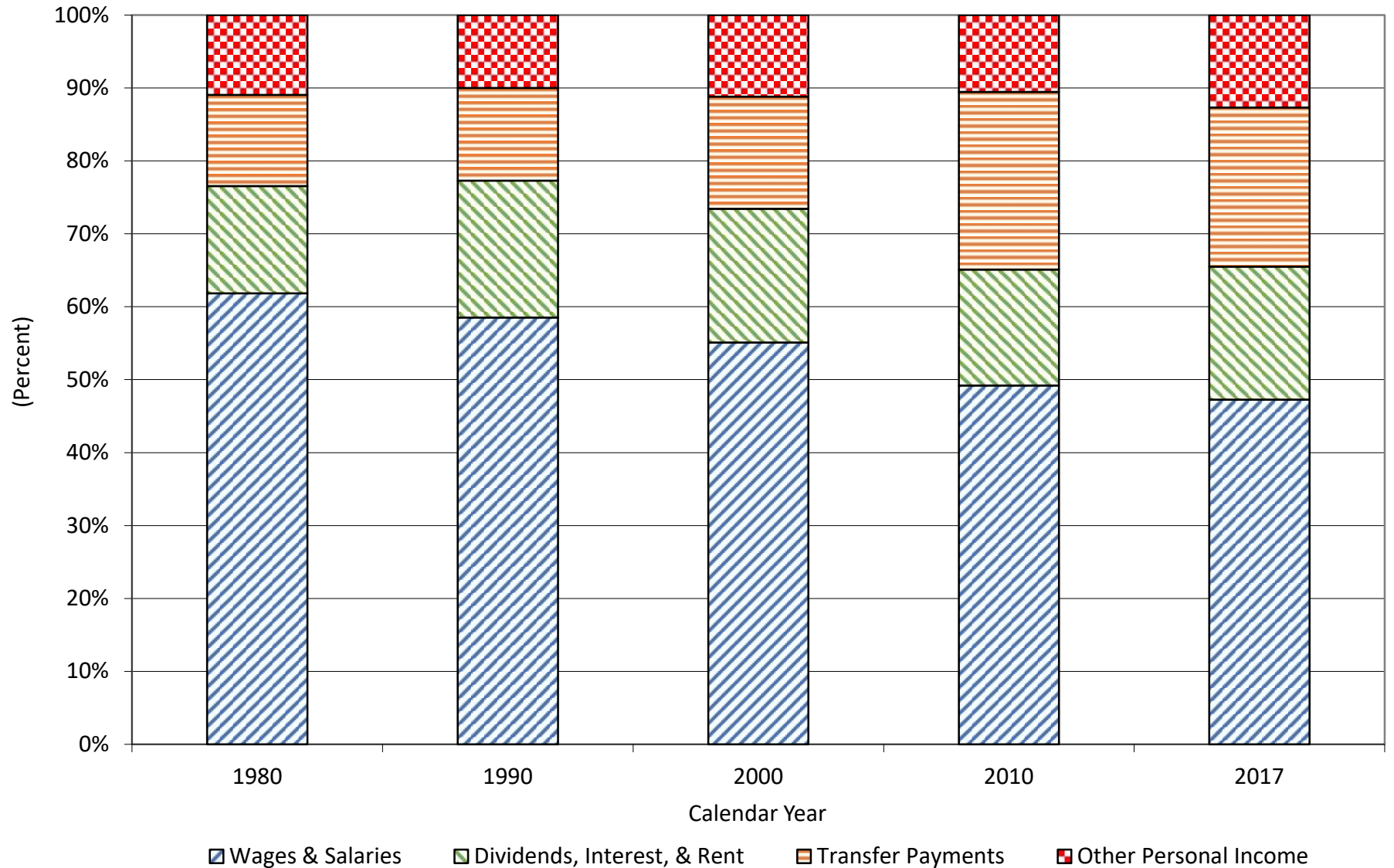
Note: Population figures are based on 2010 U.S. Census Bureau data and 2017 U.S. Census population estimates.

SC PERSONAL INCOME FISCAL YEAR GROWTH RATES

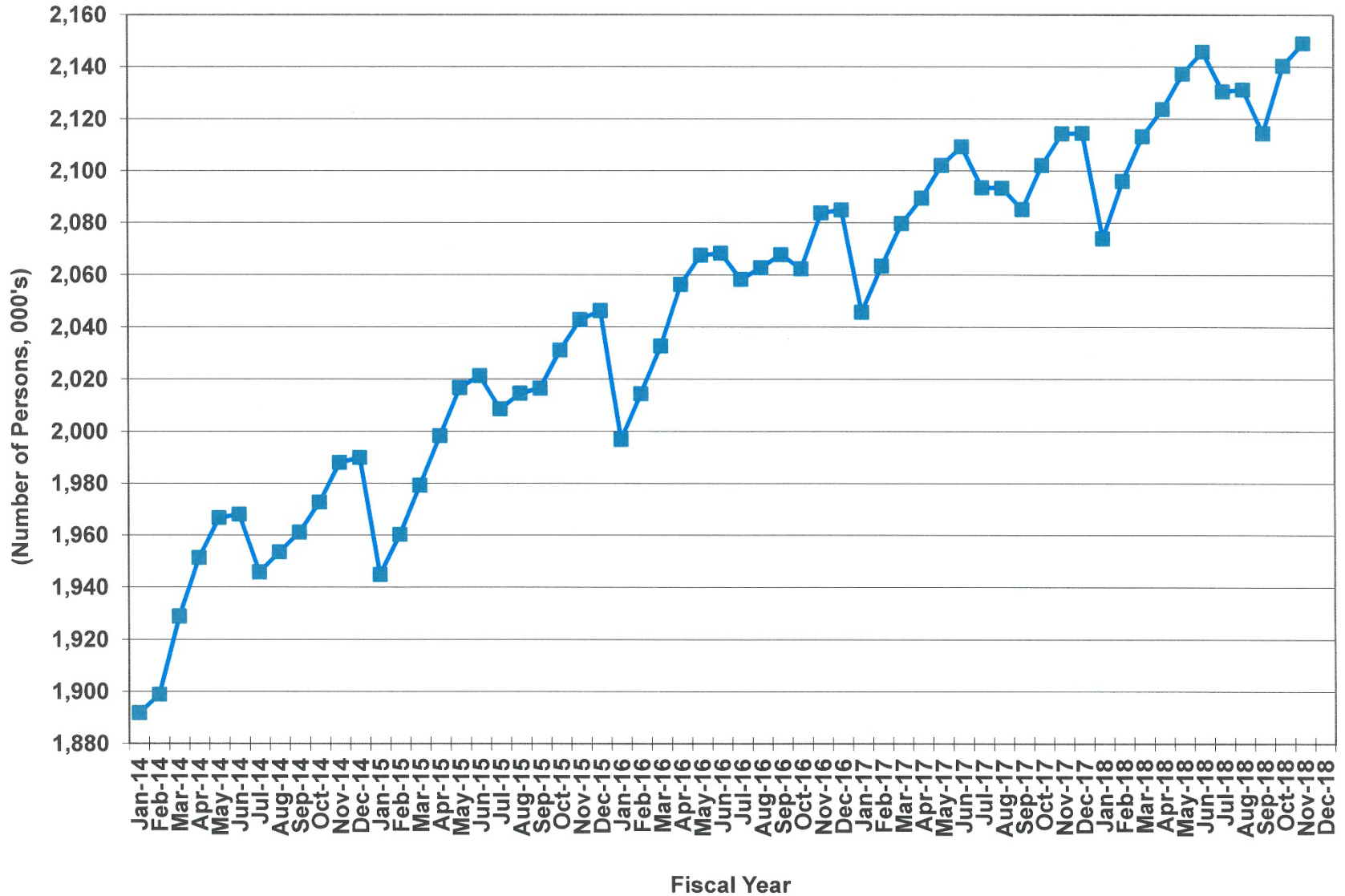
Actuals, Estimates, and Averages



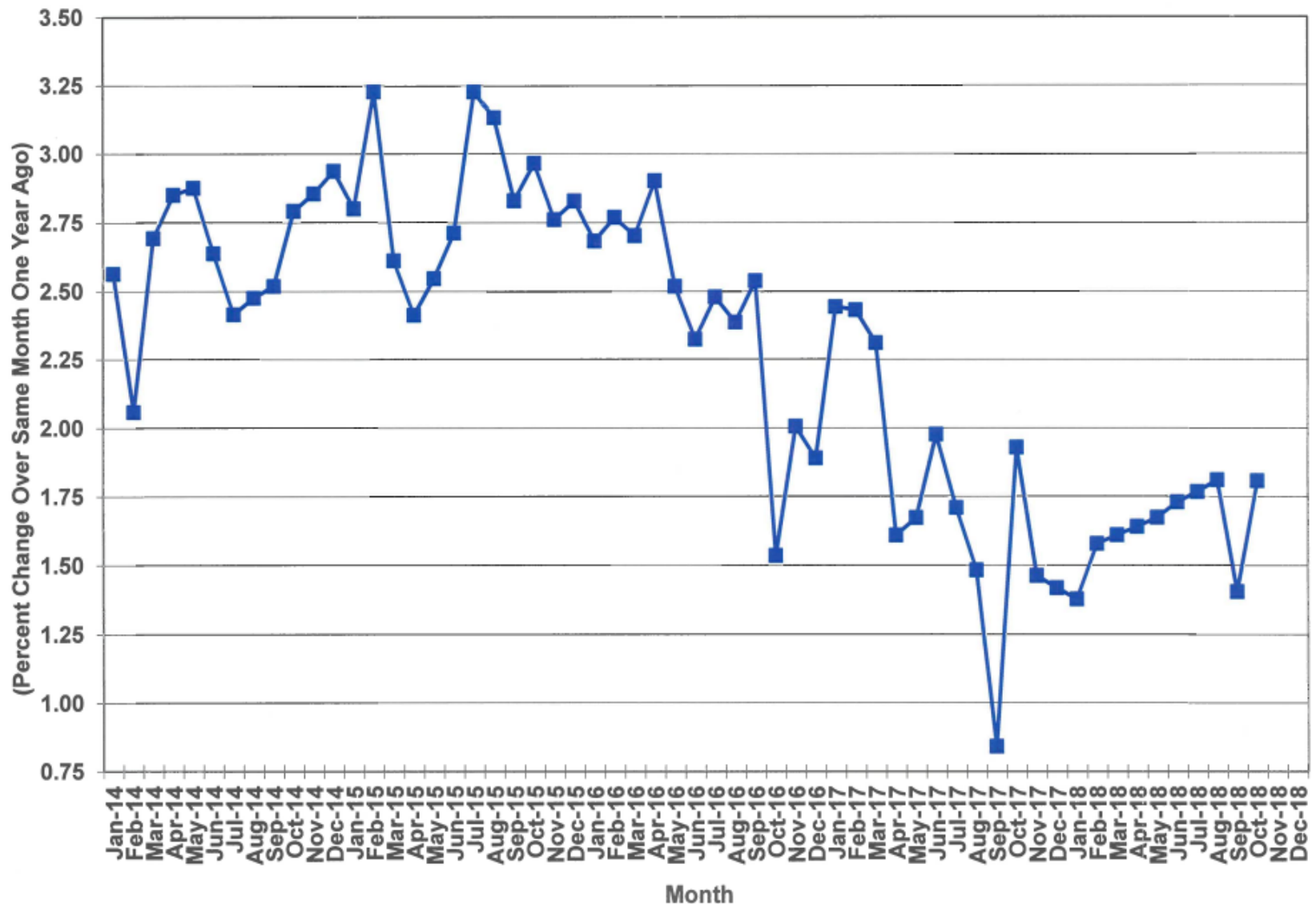
SHARES OF PERSONAL INCOME COMPONENTS in South Carolina



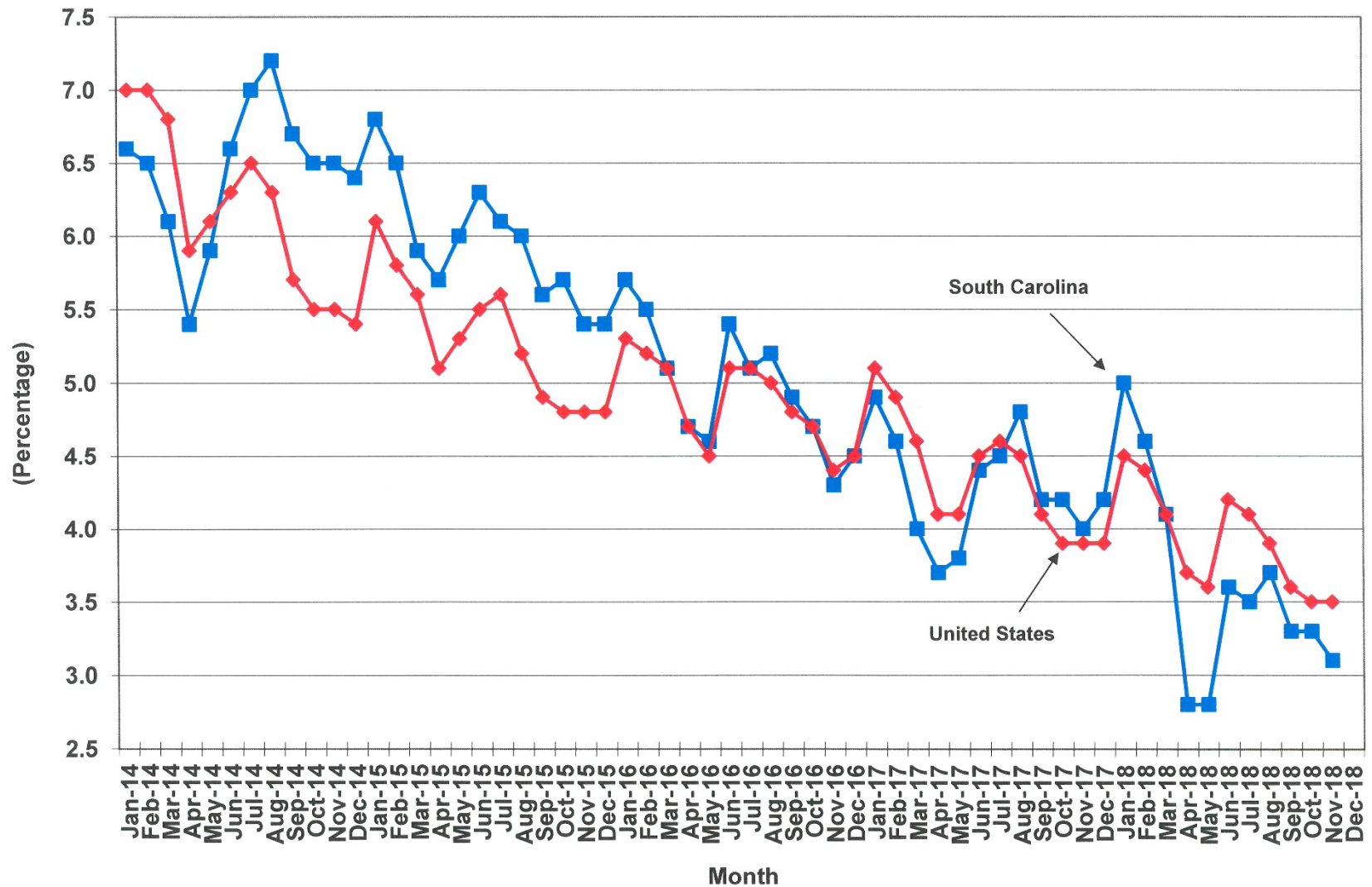
Total Nonfarm Employment in South Carolina



Total Nonfarm Employment Growth in South Carolina



Unemployment Rate in South Carolina (Unadjusted)



Source: U.S. Department of Labor, Bureau of Labor Statistics

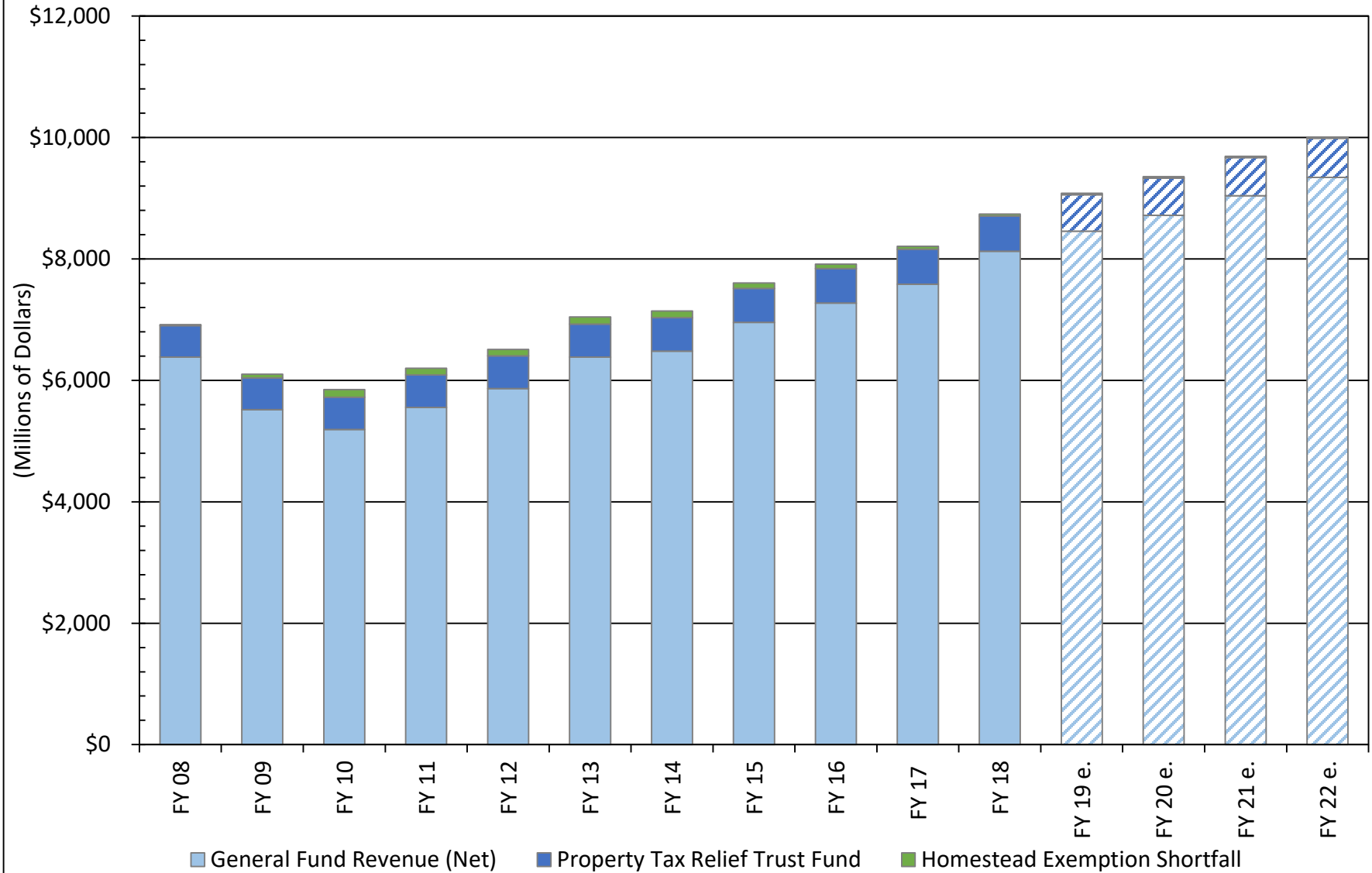
SCBEA/RWM/10/18/18

REVENUES

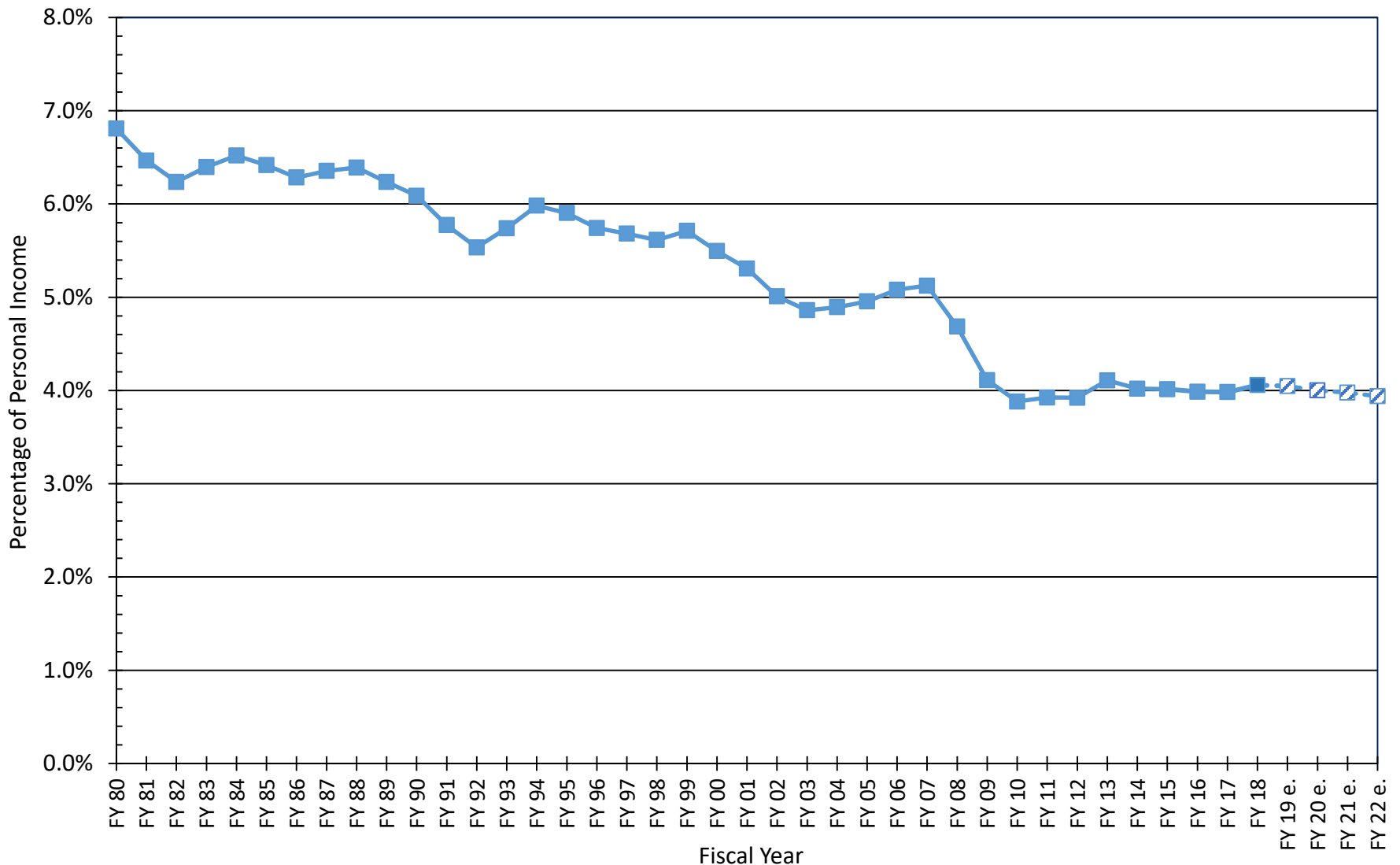


GENERAL FUND REVENUE

Less Trust Fund and Homestead Exemption Shortfall

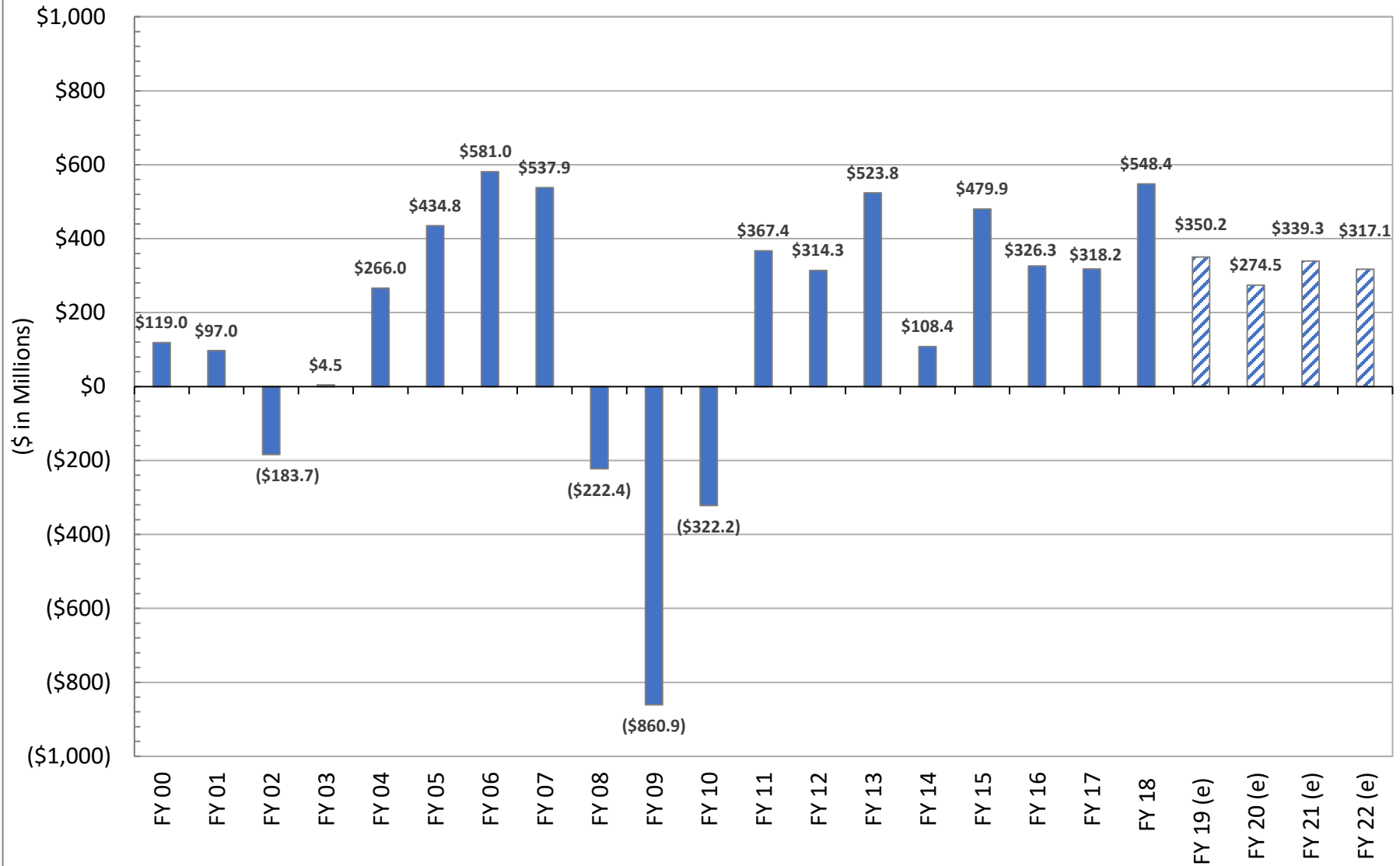


SOUTH CAROLINA GENERAL FUND REVENUE as a Percentage of Total Personal Income



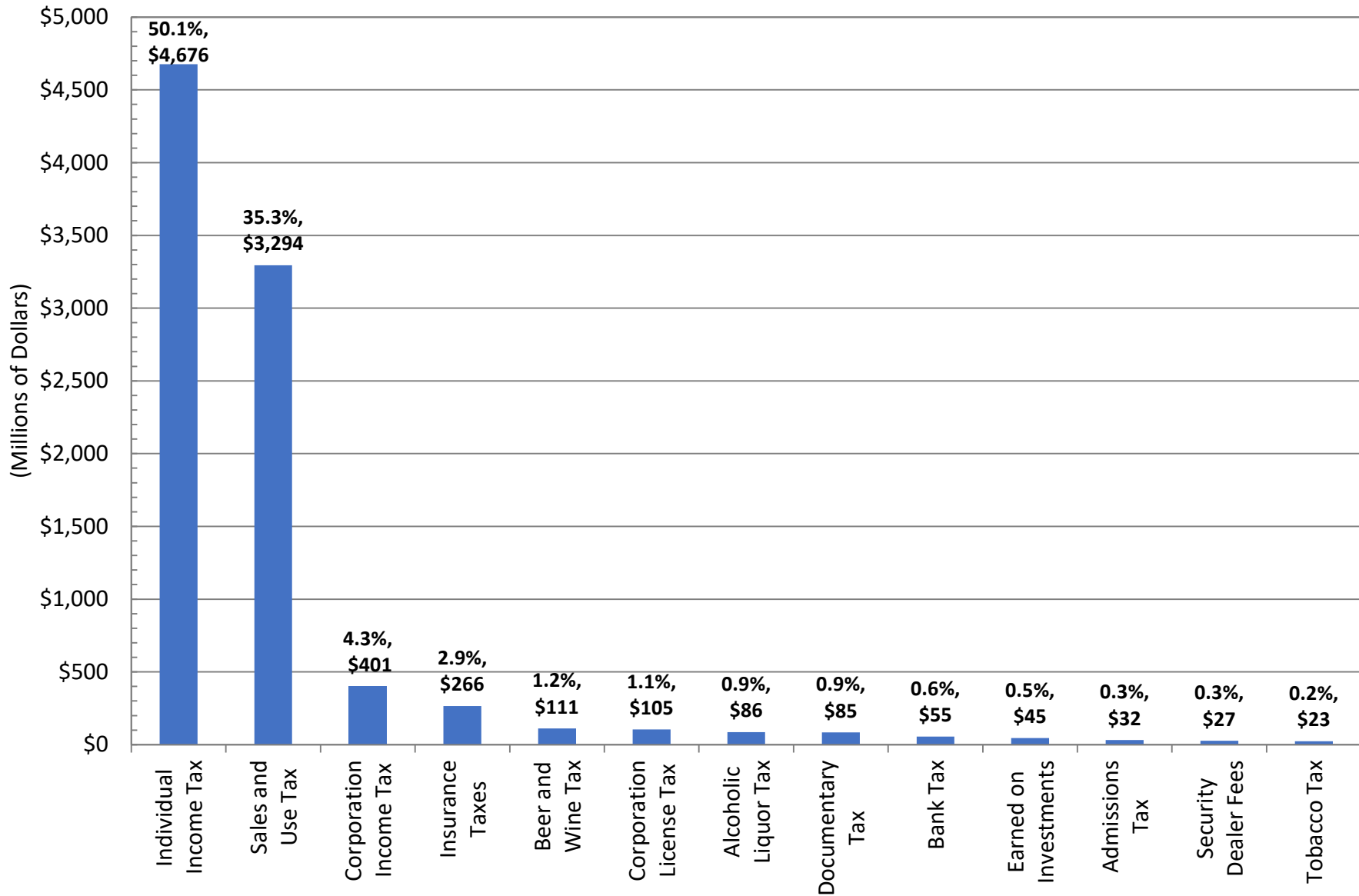
Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Revenue and Fiscal Affairs Office 34F-EM/01/04/19

ANNUAL GENERAL FUND REVENUE GROWTH

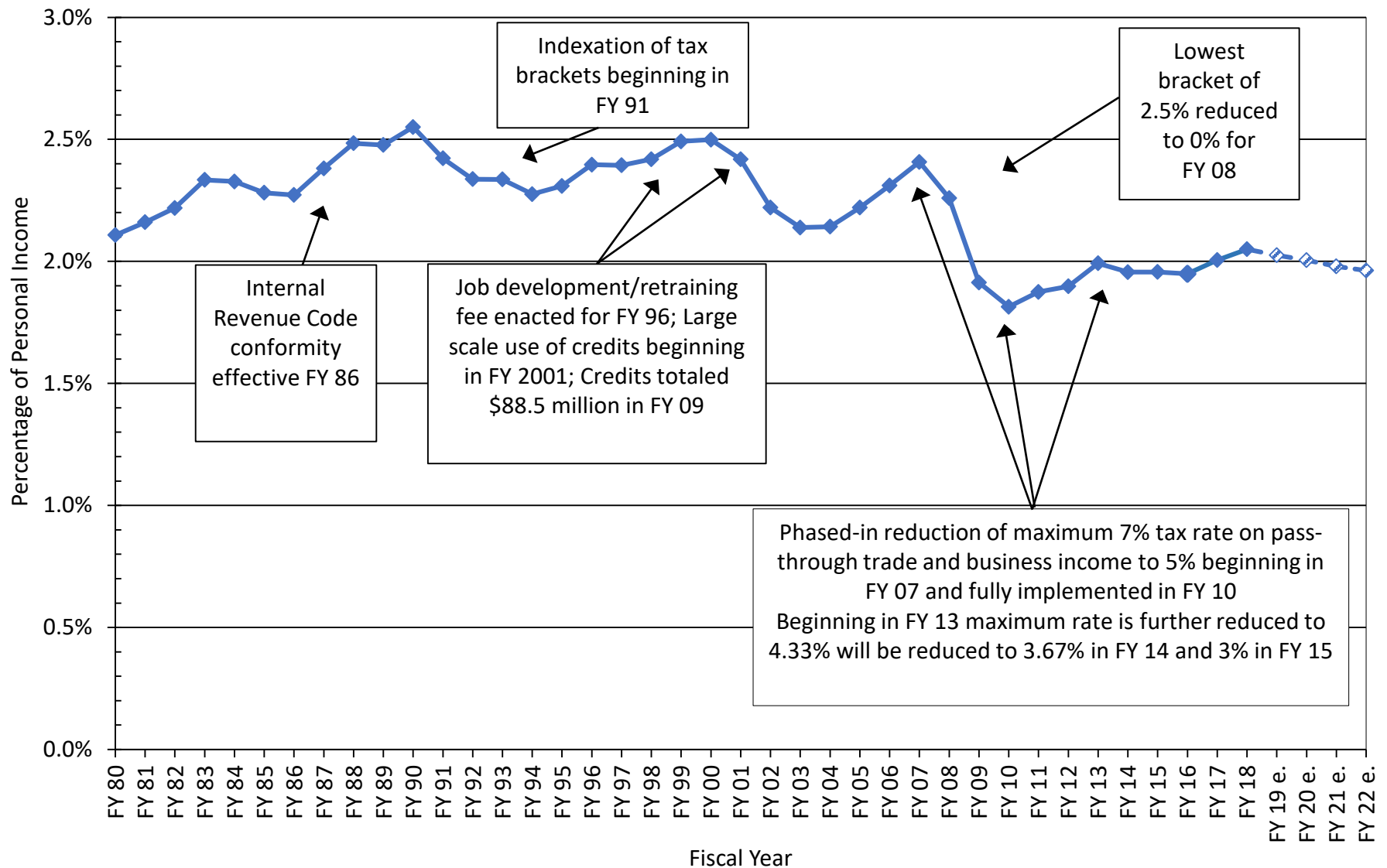


FY 2019-20 ESTIMATED GENERAL FUND REVENUE BY TYPE

Categories in Excess of \$25 Million

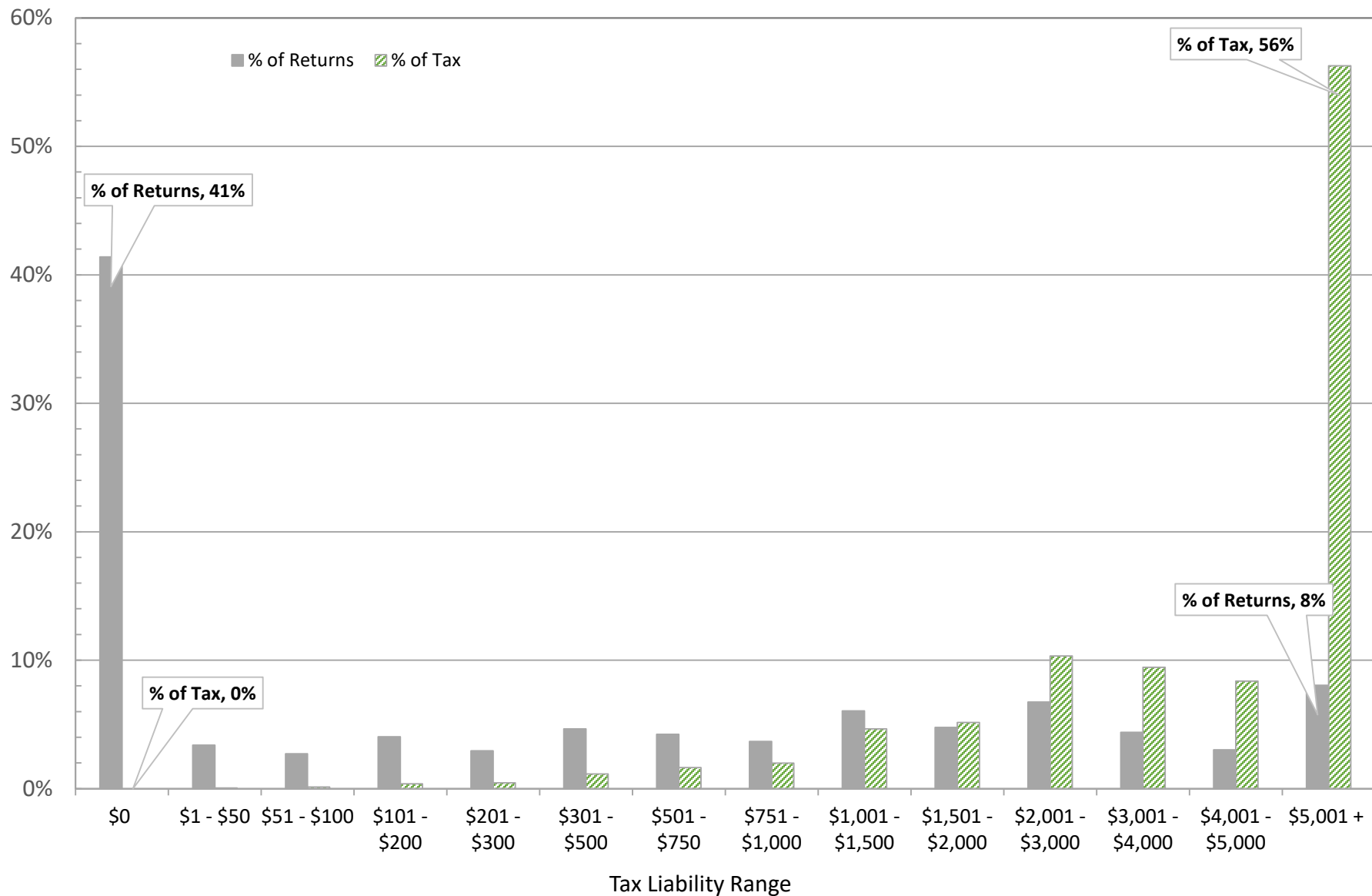


SOUTH CAROLINA INCOME TAX COLLECTIONS as a Percentage of Total Personal Income

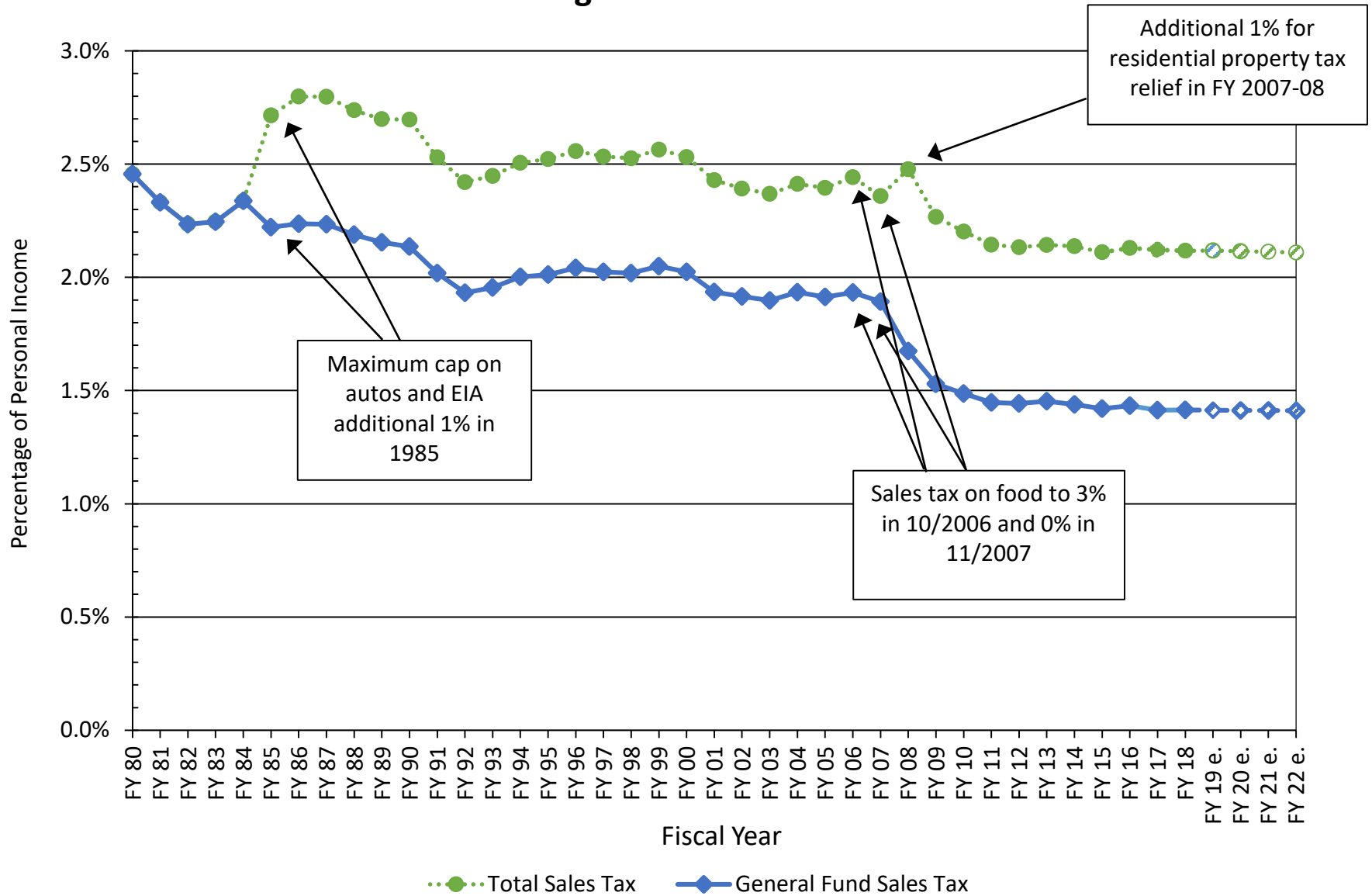


DISTRIBUTION OF TAX RETURNS AND LIABILITY

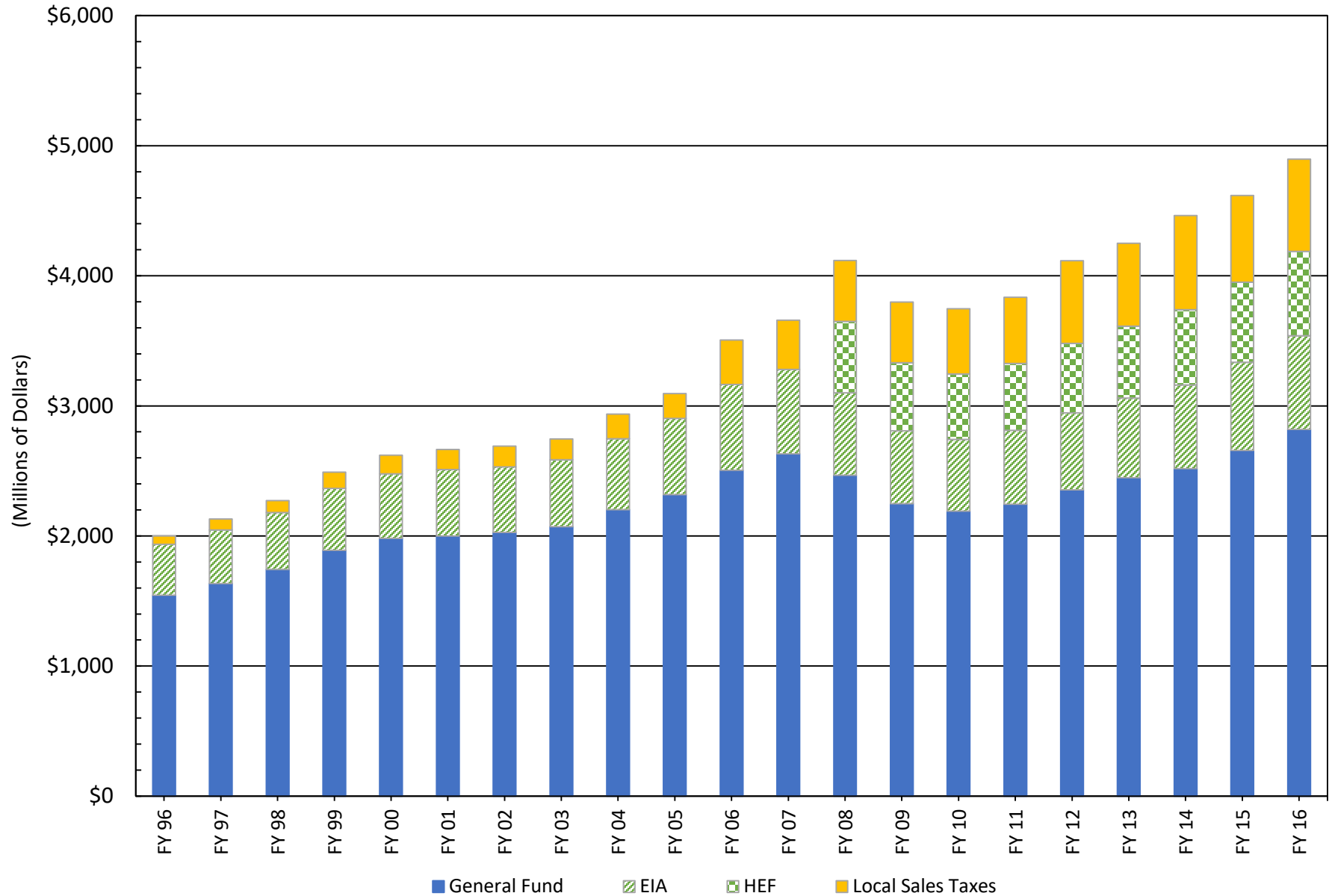
By Tax Liability, Tax Year 2016



SOUTH CAROLINA TOTAL AND GENERAL FUND SALES TAX COLLECTIONS as a Percentage of Total Personal Income

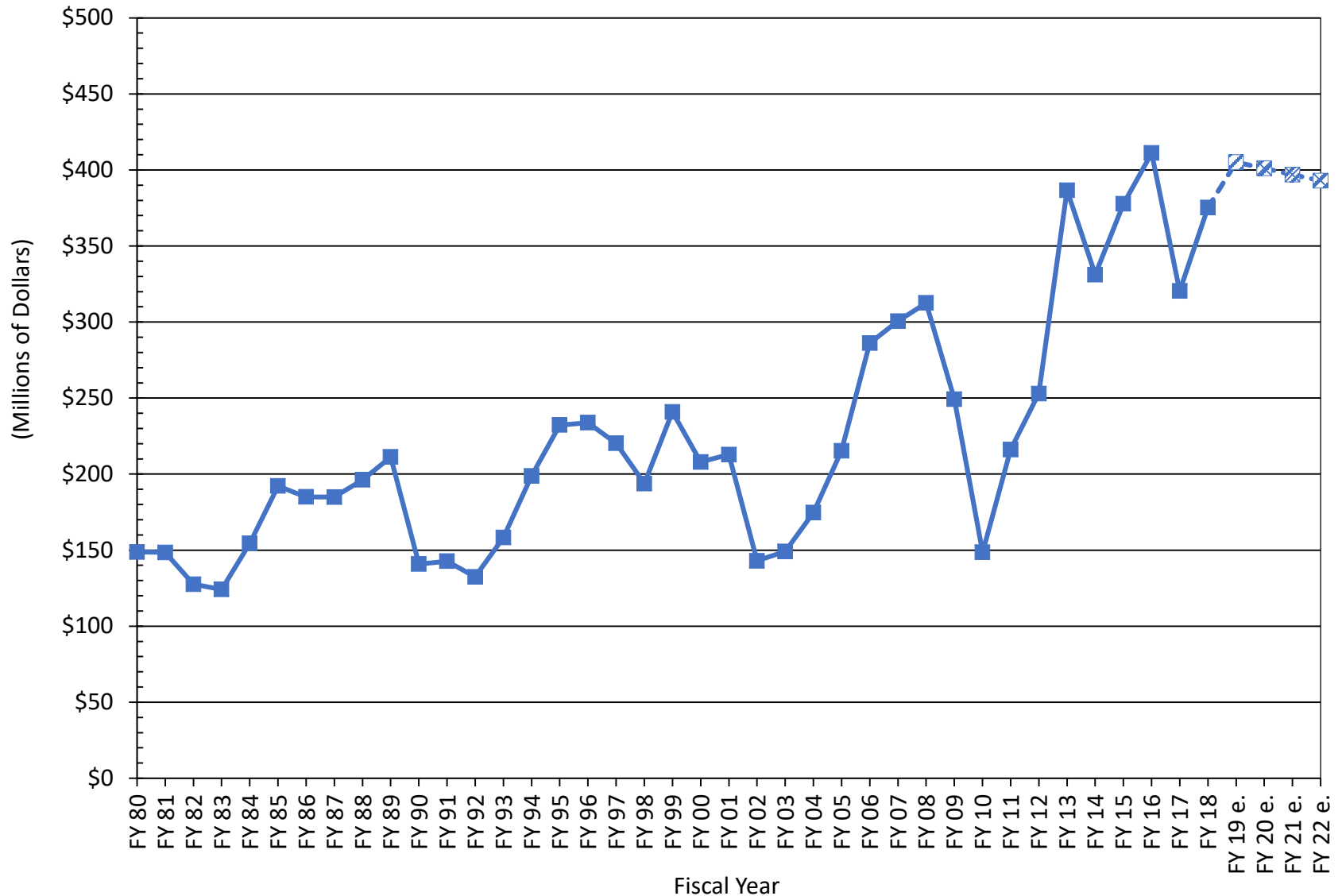


SOUTH CAROLINA STATE AND LOCAL SALES TAXES

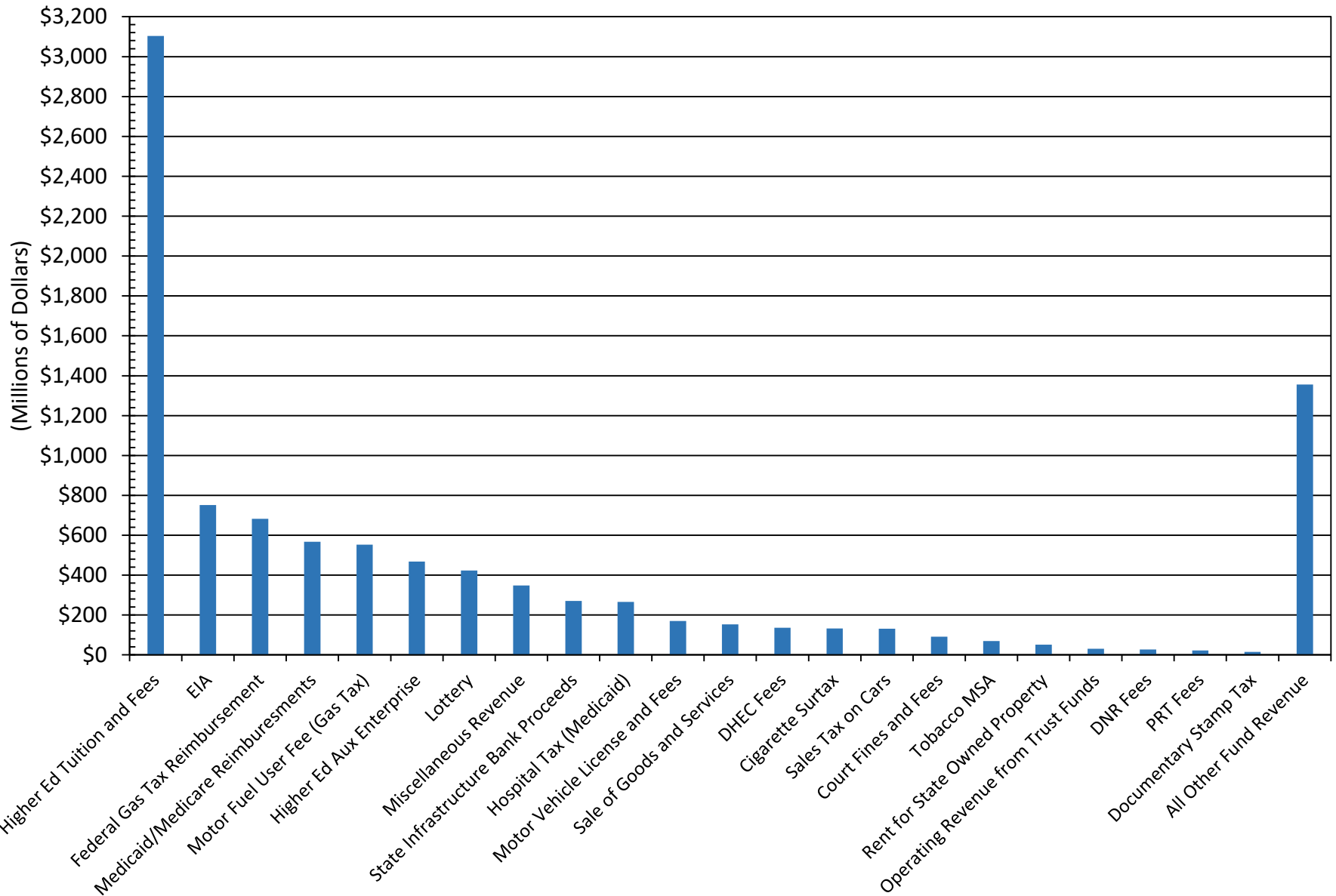


Source: Revenue and Fiscal Affairs BEA Monthly General Fund Revenue Reports and Local Government Finance Report 227-lhj/11/01/2018

SOUTH CAROLINA TOTAL CORPORATE INCOME TAX COLLECTIONS



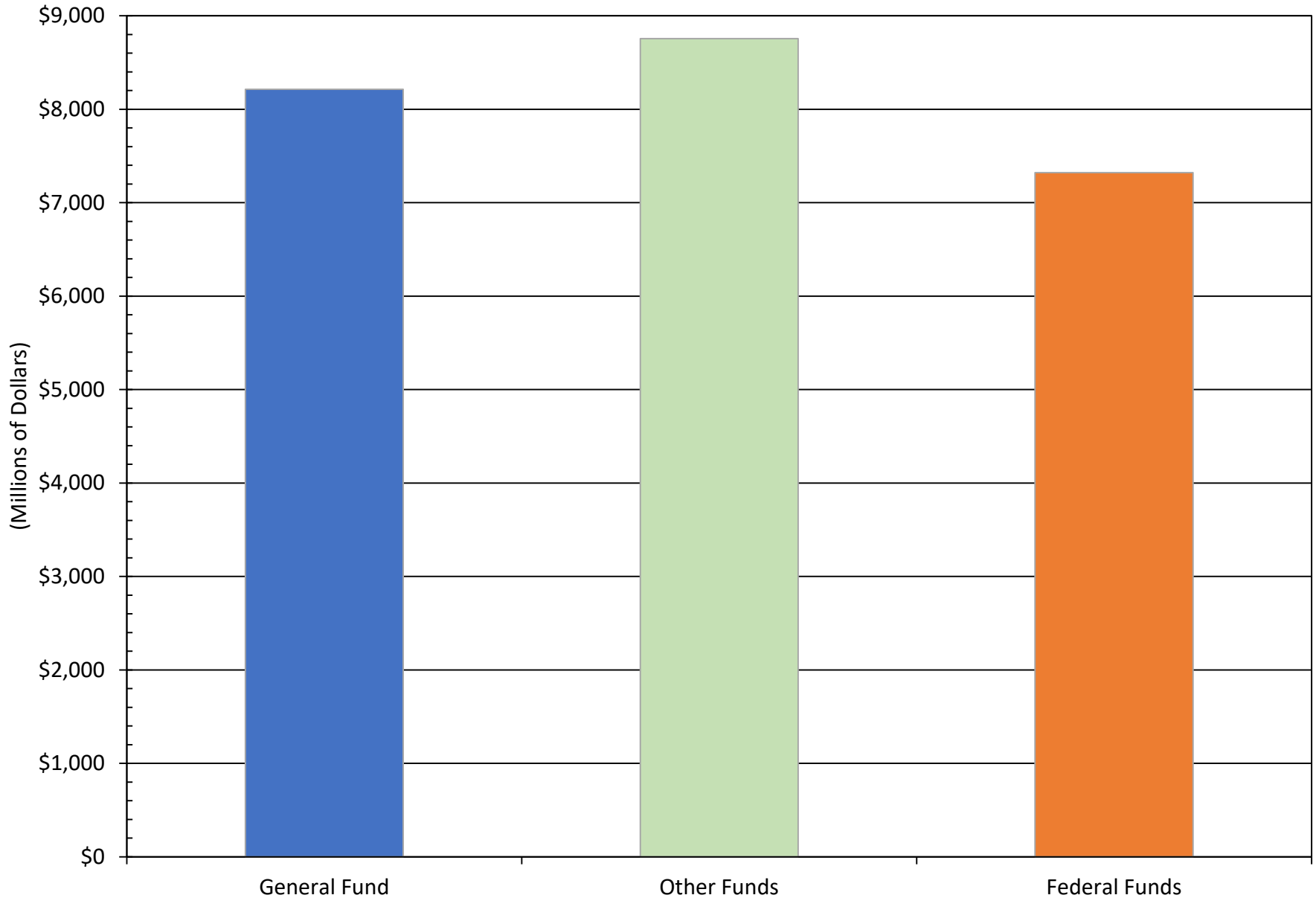
OTHER FUNDS REVENUE SOURCES



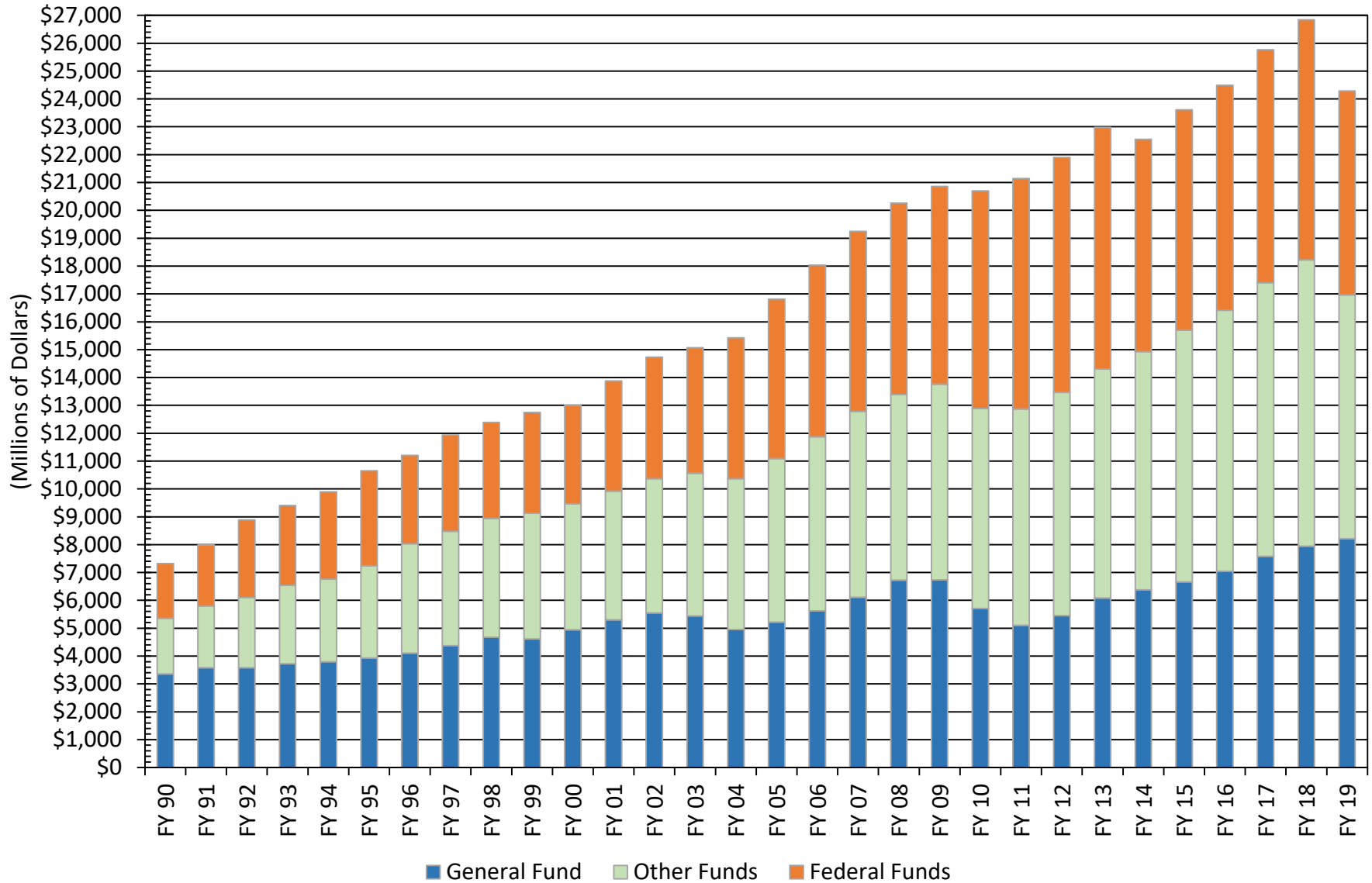
APPROPRIATIONS



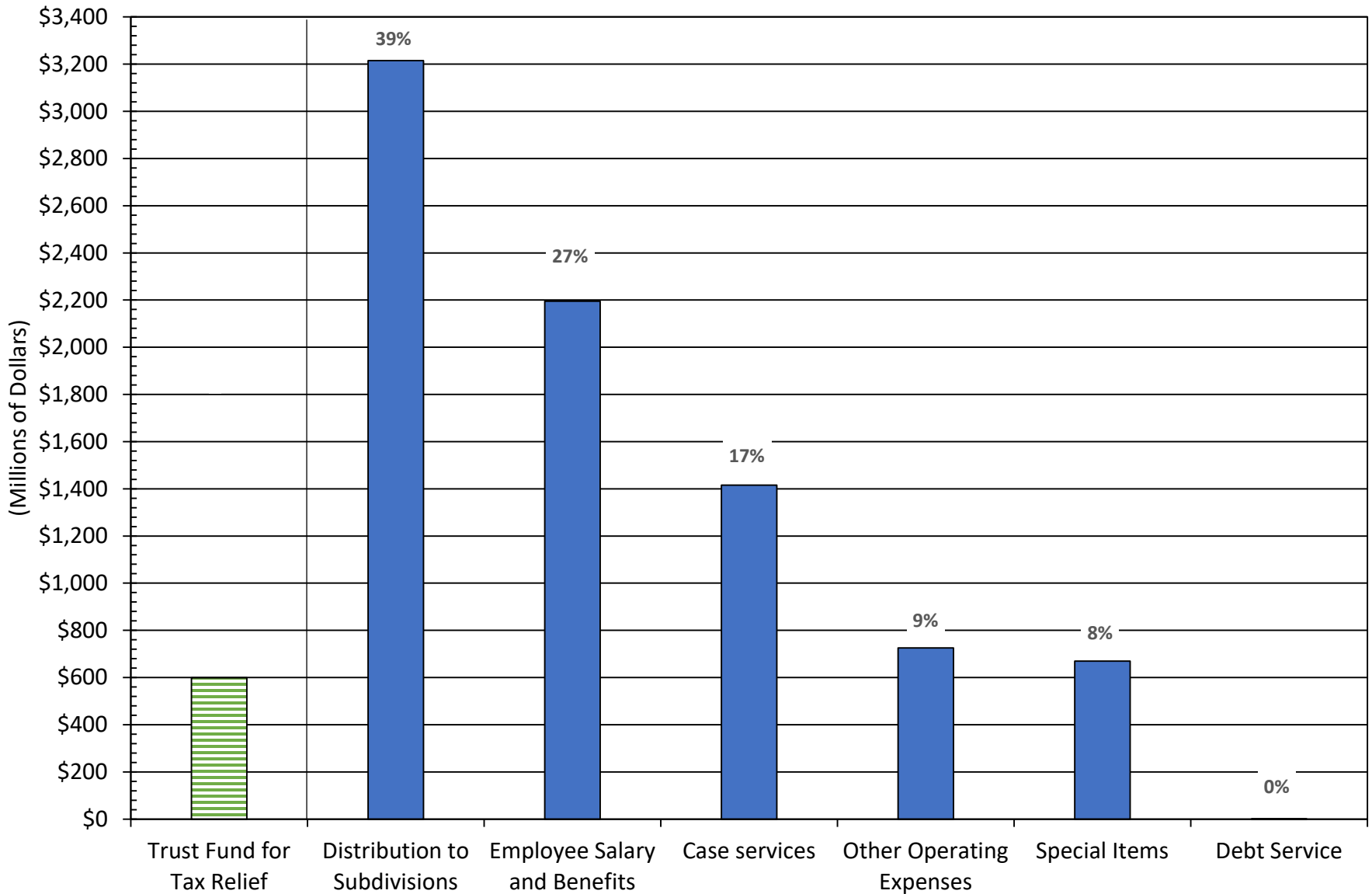
FY 2018-19 APPROPRIATIONS BY FUND



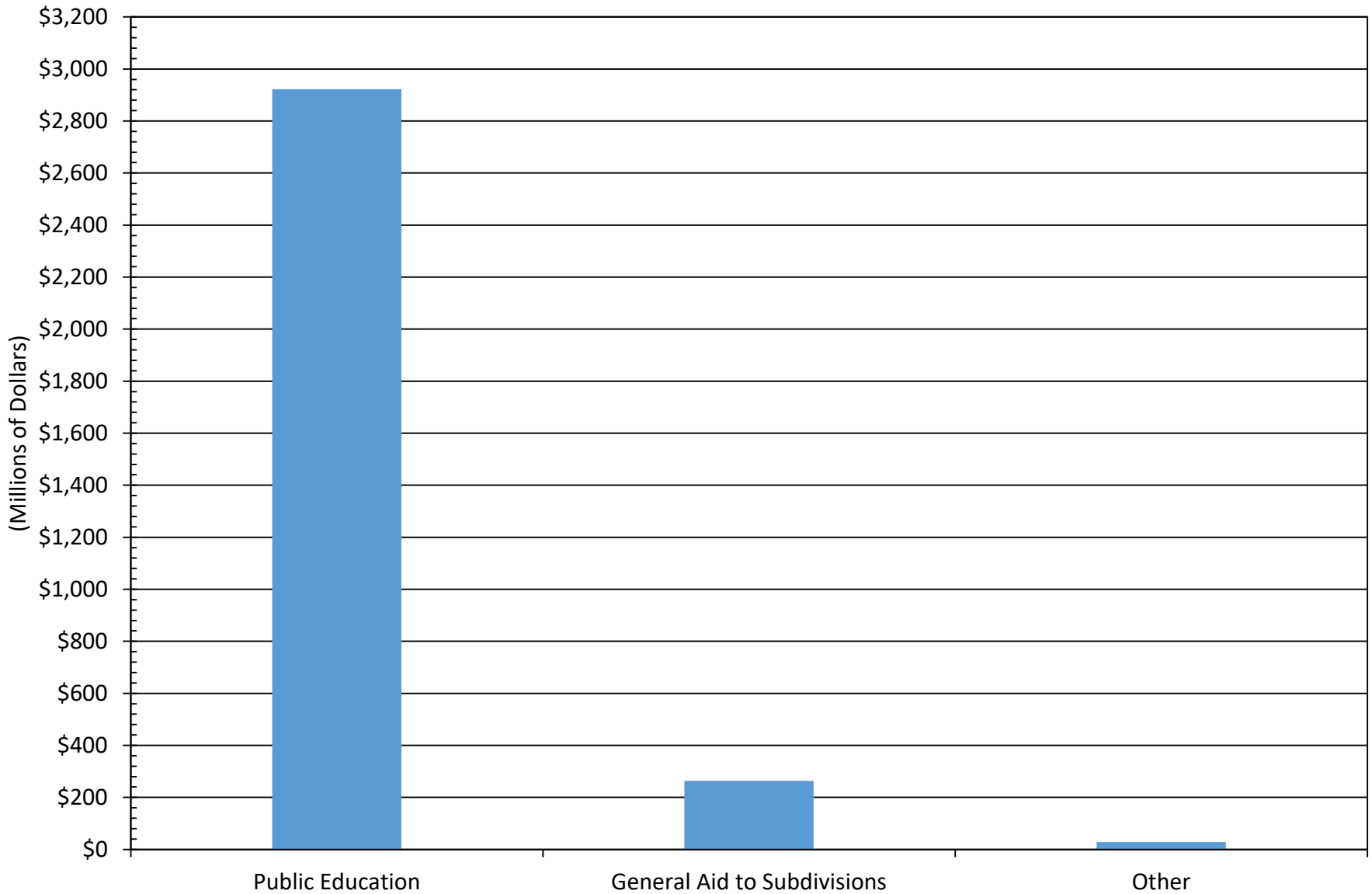
TOTAL APPROPRIATIONS BY FUND FY 1989-90 to FY 2018-19



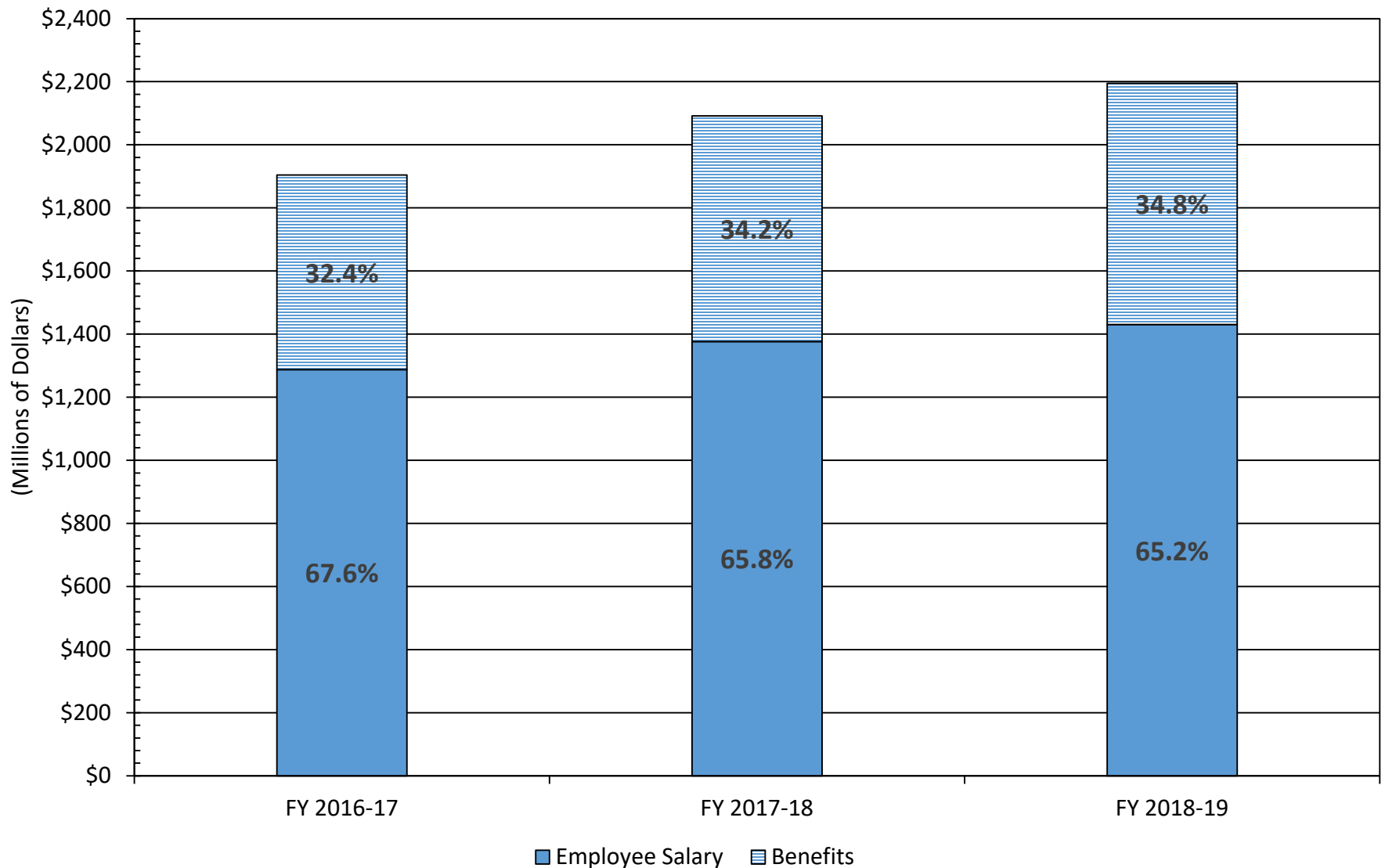
GENERAL FUND APPROPRIATIONS BY MAJOR BUDGET CATEGORY FY 2018-19



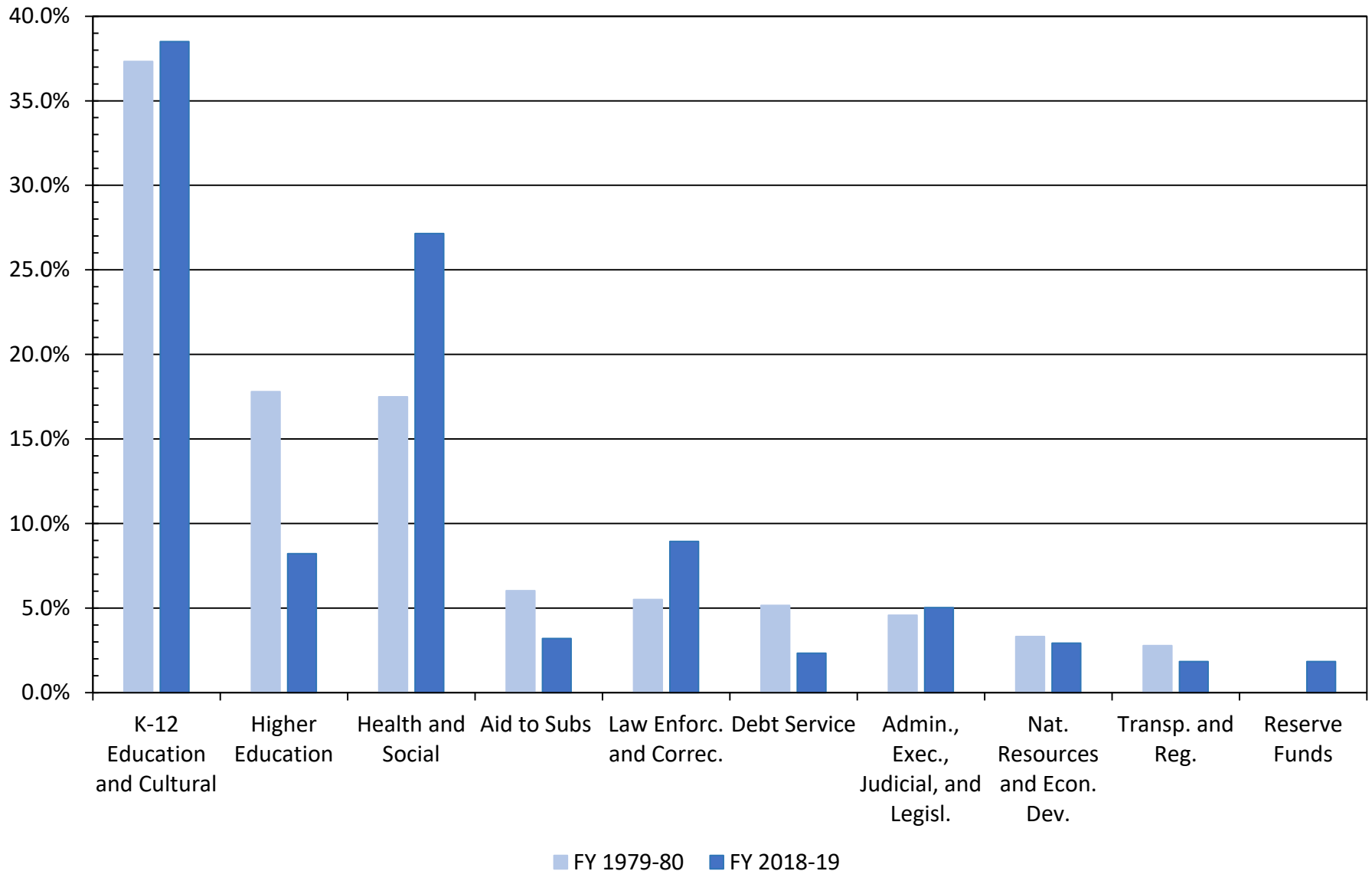
GENERAL FUND DISTRIBUTIONS TO SUBDIVISIONS FY 2018-19



GENERAL FUND EMPLOYEE SALARY AND BENEFITS FY 2016-17, FY 2017-18, & FY 2018-19

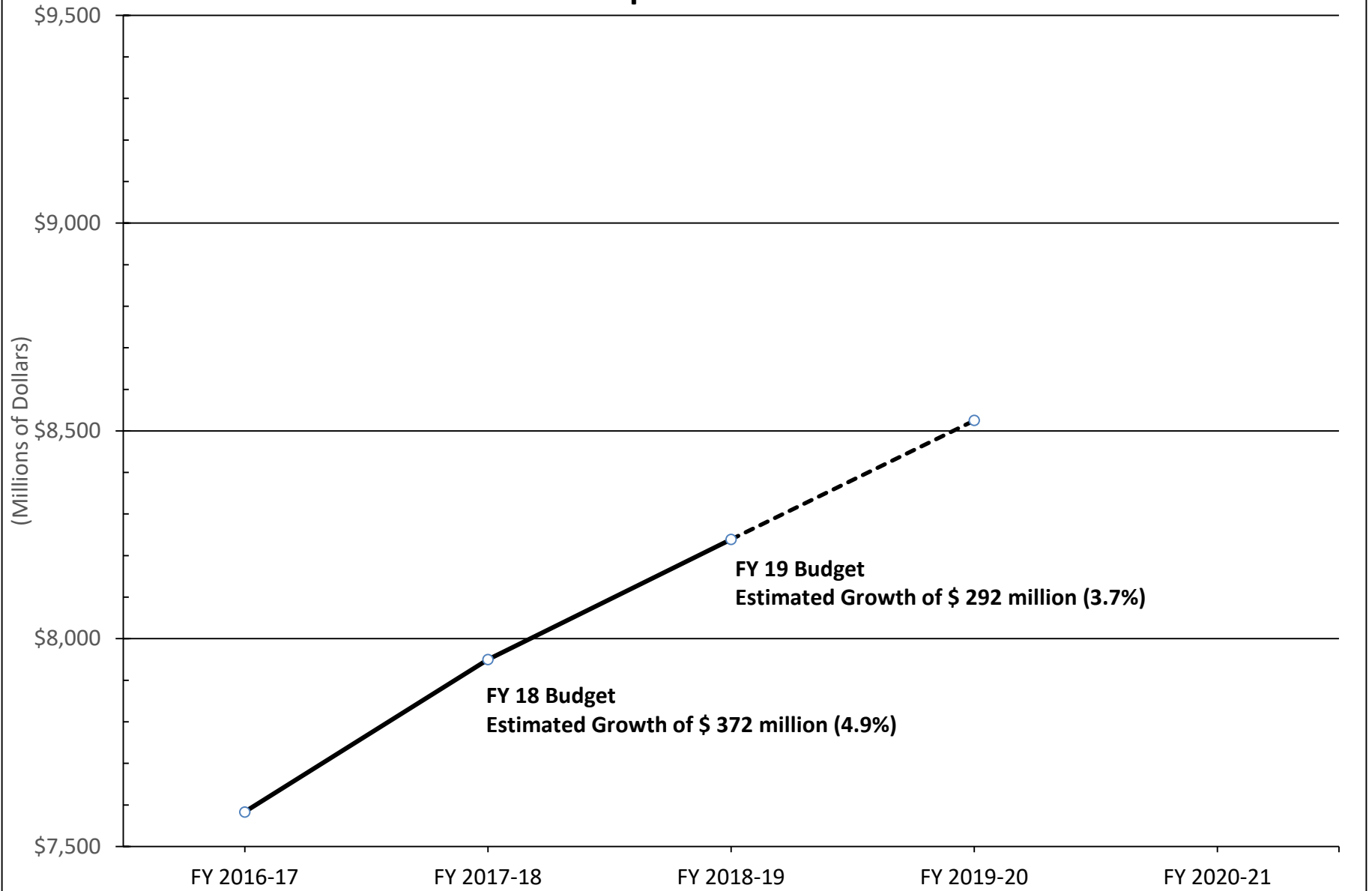


PERCENT OF GENERAL FUND APPROPRIATIONS BY FUNCTIONAL GROUP FY 1979-80 AND FY 2018-19

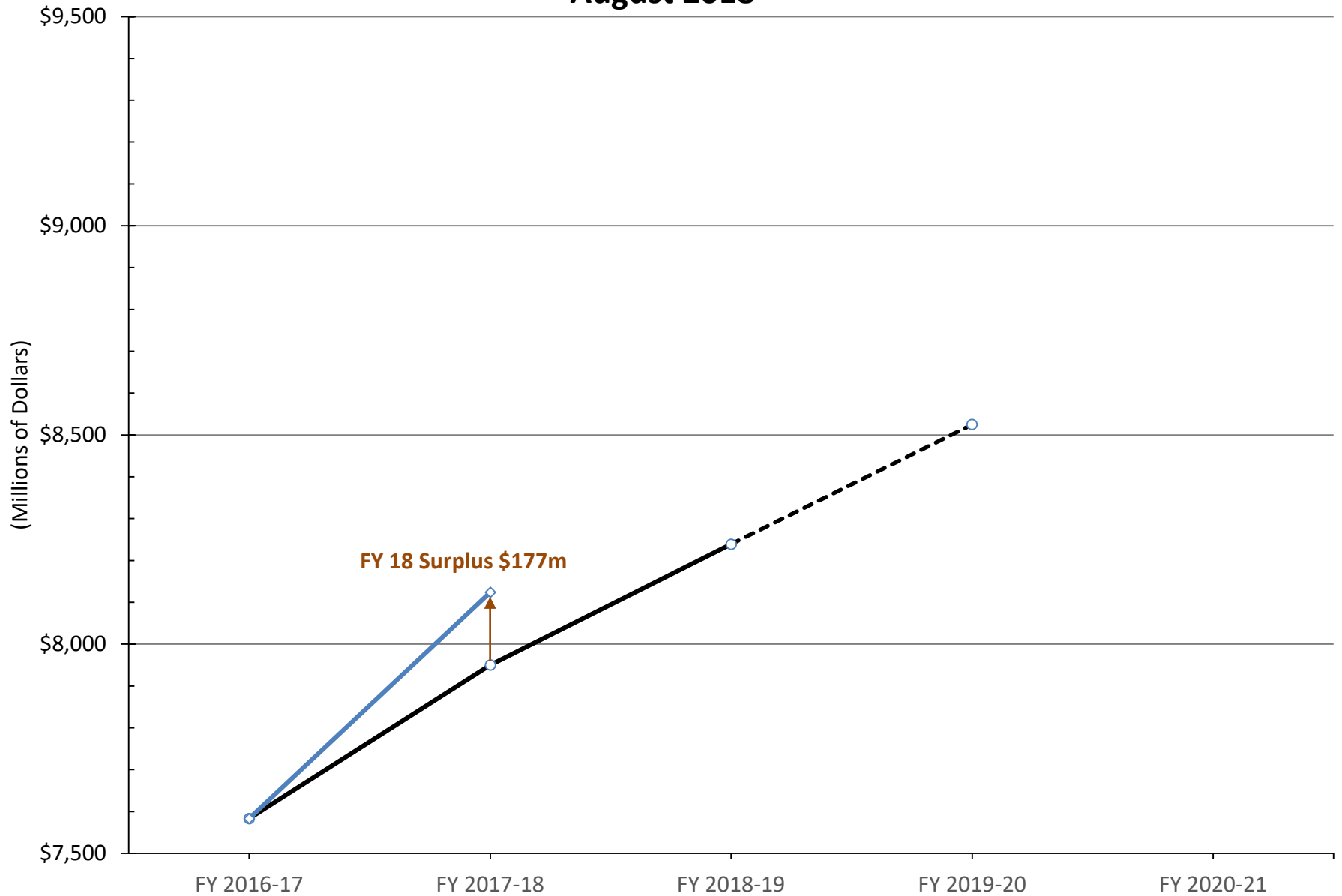


FY 2019-20 AND BEYOND GENERAL FUNDS

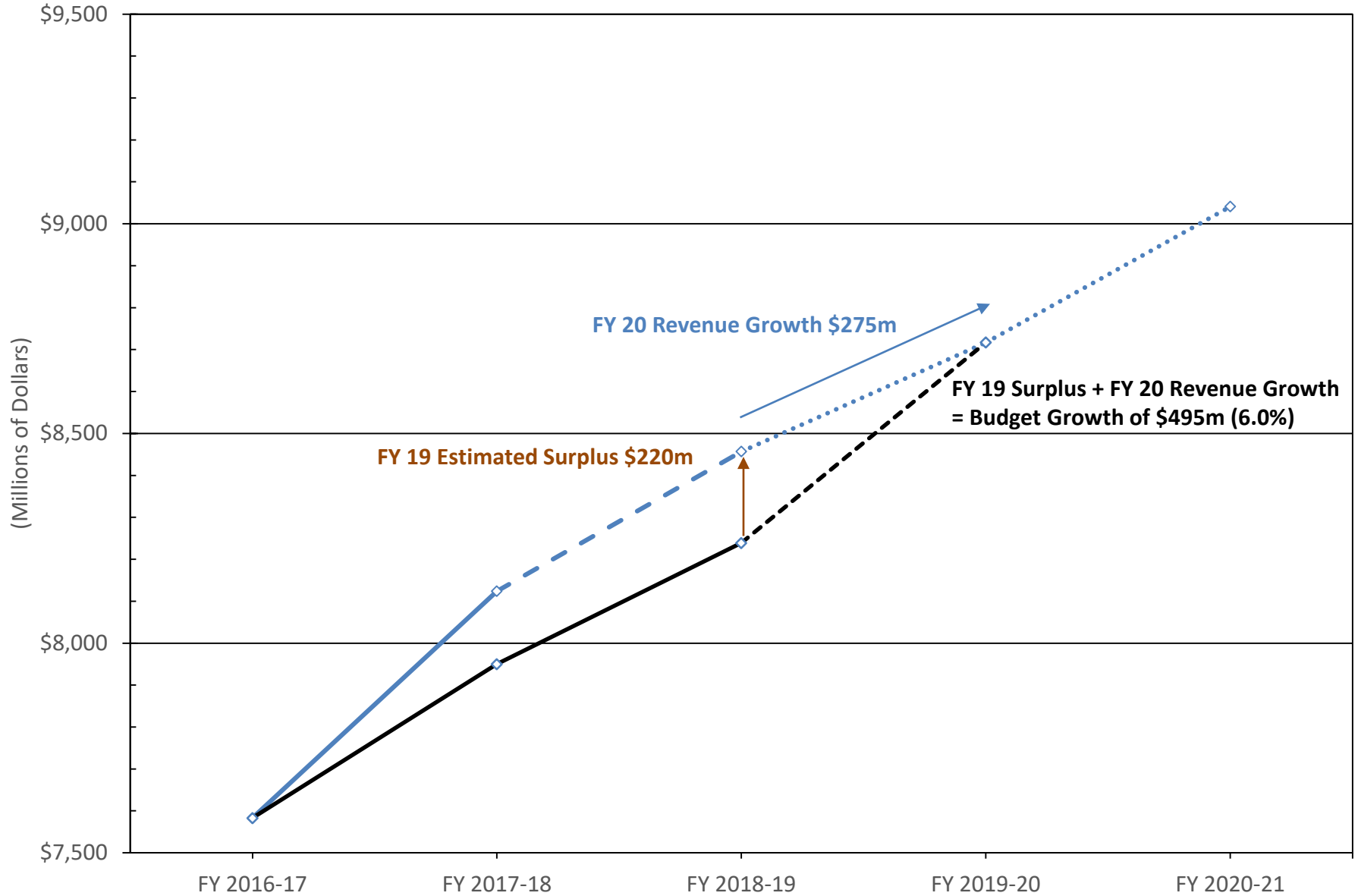
FY 2018-19 BUDGET ESTIMATES AND BEYOND April 2018



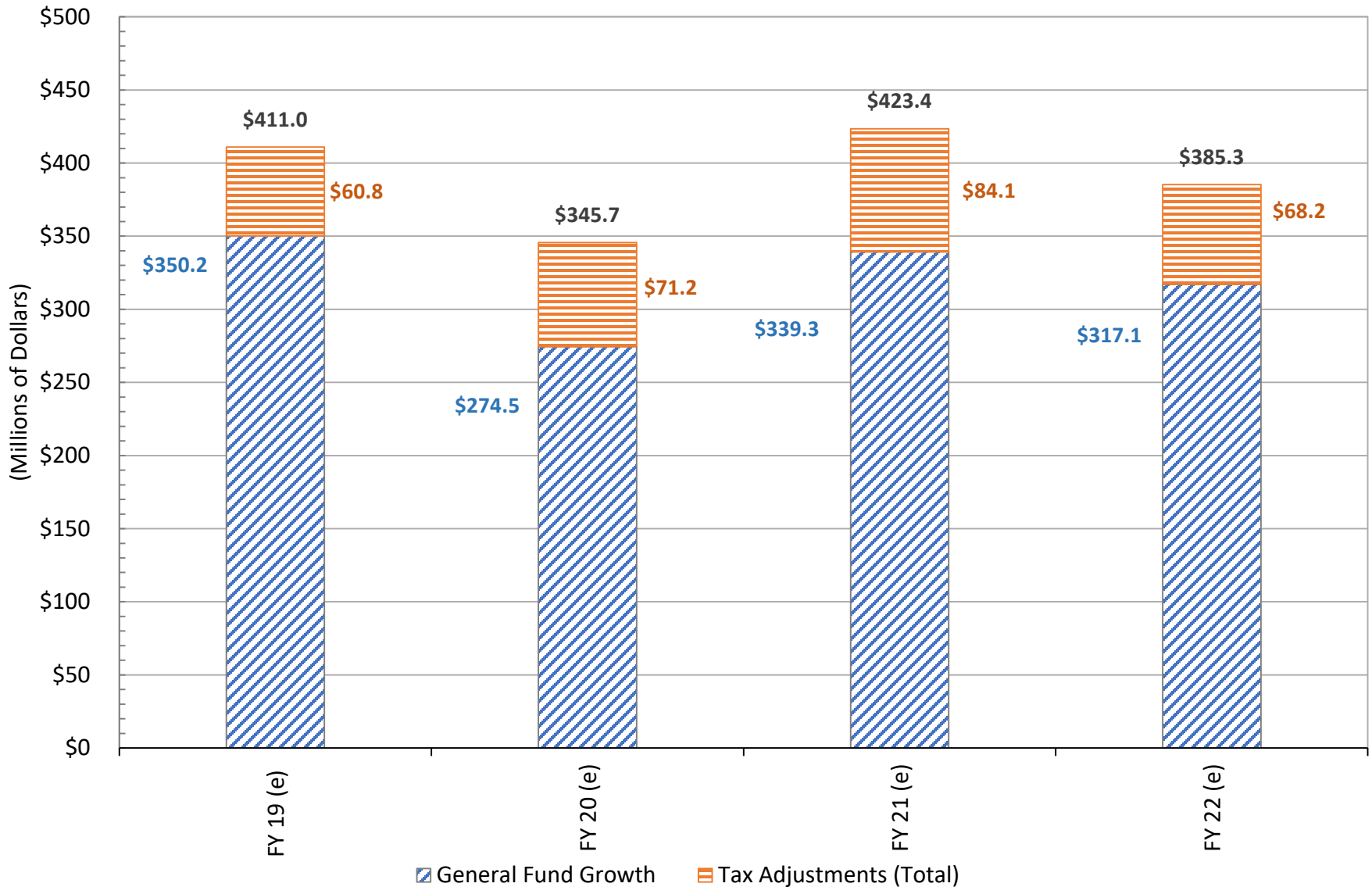
FY 2018-19 BUDGET and FY 2017-18 SURPLUS August 2018



FY 2019-20 BUDGET ESTIMATES AND BEYOND December 2018



ANNUAL GENERAL FUND REVENUE GROWTH With Tax Adjustments



FY 2019-20 Revenue

Recurring Revenue	\$ 497.8 M
--------------------------	-------------------

Non-recurring Revenue	\$ 548.9 M
------------------------------	-------------------

FY 2018-19 Capital Reserve Fund	\$ 151.6 M
---------------------------------	------------

FY 2017-18 Surplus (Contingency Reserve Fund)	\$ 177.1 M
---	------------

FY 2018-19 Projected General Fund Surplus	\$ 220.2 M
---	------------

Litigation Recovery Account	\$ 8.0 M
------------------------------------	-----------------

FY 2019-20 Other Funds

EIA Fund

Projected FY 2018-19 EIA Shortfall	(\$ 8.4 M)
------------------------------------	------------

FY 2019-20 “New” EIA Revenue	\$ 24.4 M
------------------------------	-----------

FY 2019-20 Lottery Revenue

BEA Estimate 11/8/2018	\$ 415.8 M
------------------------	------------

Unclaimed Prizes	\$ 19.0 M
------------------	-----------

Lottery Interest	\$ 1.5 M
------------------	----------

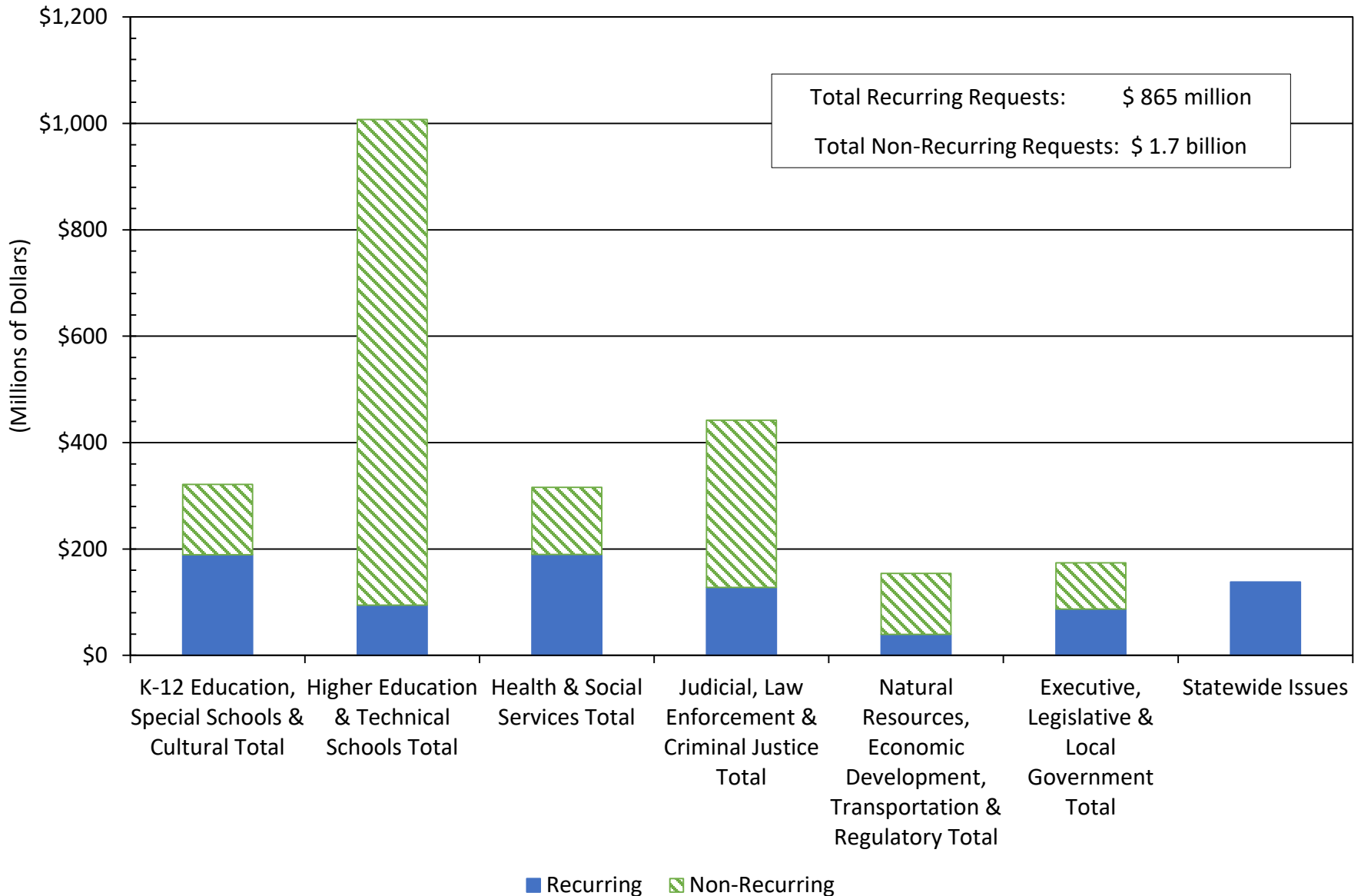
Total	\$ 436.3 M
-------	------------

FY 2019-20 Tobacco MSA Revenue	\$ 70.0 M
--------------------------------	-----------

FY 2019-20 Statewide Funding Issues

	Amount (\$ in Millions)	Recurring Revenue Remaining (\$ in Millions)
Required Funding		\$ 498
General Reserve Fund (5%) - Accounted for in Budget/Revenue Outlook	\$ 27	
Capital Reserve Fund (2%)	\$ 11	
	\$ 38	\$ 460
Commitments		
DSS- Child Support Enforcement System- Continued Development & Michelle H	\$ 29	
DSS- Michelle H Consent Order (Preliminary - Subject to Change)	\$ 45	
DMV- REAL ID & Roads Bill Implementation	\$ 5	
Homestead Exemption Fund	\$ 2	
	\$ 81	\$ 378
Maintenance of Effort		
EFA Base Student Cost/Fringe with 2.0% Inflation and WPU growth	\$ 70	
Medicaid-Maintenance of Effort (Inflation and Enrollment Growth) and FMAP	\$ 68	
Palmetto Fellows, LIFE, HOPE Scholarship - Growth	\$ 15	
Retirement Systems Employer Contribution Increase -Act 13 of 2017	\$ 32	
FY 18-19 Employee Health Insurance program (includes FY 18-19 annualization)	\$ 50	
	\$ 235	\$ 143
Full Formula Funding/ Base Pay Increase		
Local Government Fund - Additional needed to fully fund at 4.5%	\$ 143	
EFA - Additional needed above maintenance of effort to fully fund BSC at \$3,095	\$ 520	
Base Pay Increase (1% equals \$21 million) @ 2 percent	\$ 41	
	\$ 704	\$ (561)

FY 2019-20 GENERAL FUND BUDGET REQUESTS BY FUNCTIONAL AREA



ANY
QUESTIONS
?