S.1239 OF 2018
GENERAL STATISTICS

PRESENTED TO

South Carolina Senate

Joint Education and Finance Study Committee

October 23, 2018

South Carolina Revenue and Fiscal Affairs Office
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S.1239 of 2018 – 15 Items

- Base Funding
- Additional Funding
- Infrastructure (Debt Service)

- Scholarship Eligibility
- SC Tuition Grants
- State Capital Improvement Bonds
- Inflation Adjustment
- CHE Construction Approval
- Student Loan Defaults

- Need-Based Grants
- STEM Scholarship Stipend
- JBRC
- Comprehensive Permanent Improvement Plan
- CHE Policy and Rules
- Financial Literacy
BASE FUNDING
PROPOSED GROWTH RATE FOR HIGHER EDUCATION APPROPRIATIONS

Source: Revenue and Fiscal Affairs Office 220A- EM/10/16/18
ADDITIONAL FUNDING
E-COMMERCE PERCENTAGE OF SALES IN KEY SECTORS OF THE U.S. ECONOMY

- **Manufacturing**: 64.8% (2016), 49.3% (2011)
- **Wholesale Trade**: 32.4% (2016), 27.4% (2011)
- **Retail Trade**: 8.0% (2016), 4.9% (2011)
- **Services Industries**: 4.2% (2016), 3.3% (2011)

Source: U.S. Census Bureau, 2016 Annual Surveys of Manufacturers, Wholesale Trade, Retail Trade, and Services/GOS/10-22-18
U.S. TRADITIONAL AND E-COMMERCE RETAIL SALES
Actuals and Estimates

(Millions of Dollars)


Data Source: U.S. Department of Commerce, Census Bureau SC Revenue and Fiscal Affairs/GOS/10-22-18
ESTIMATED E-COMMERCE SALES IN SOUTH CAROLINA
Taxable and Non-taxable

Source: Revenue and Fiscal Affairs Office/GOS/10-22-18
ESTIMATED E-COMMERCE SALES TAXES
Collected and Uncollected

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Collected</th>
<th>Uncollected</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014-15</td>
<td>$274.8</td>
<td></td>
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<tr>
<td>FY 2017-18</td>
<td>$346.2</td>
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<tr>
<td>FY 2018-19 Before Wayfair</td>
<td>$374.6</td>
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<tr>
<td>FY 2018-19 After Wayfair</td>
<td>$449.0</td>
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</table>

Source: Revenue and Fiscal Affairs Office/GOS/10-22-18
ESTIMATED ANNUAL INCREASE IN E-COMMERCE SALES AND USE TAX - $74.4 MILLION

- General Fund: $40.2 million
- Local Sales Tax: $14.0 million
- Education Improvement Act Fund: $10.1 million
- Homestead Exemption Fund: $10.1 million
- Uncollected Sales Tax with Small Seller Exemption: $29.5 million

Source: S.C. Revenue and Fiscal Affairs Office/GOS/10-22-18
INFRASTRUCTURE
PERCENT OF CAPITAL RESERVE FUND APPROPRIATED FOR HIGHER EDUCATION

FISCAL YEAR DURING WHICH FUNDS WERE APPROPRIATED

* In these years the entire Capital Reserve Fund was required to cover year-end operating deficits and no amount remained available for appropriation. Average includes only years in which funds were available to be appropriated.

Source: Revenue and Fiscal Affairs Office/AP/10/19/18
DEBT SERVICE
Debt Service
(General Obligation Bond Debt Subject to the Constitutional 5% Limitation)

Constitutional Debt Service Limit as of June 30, 2017
Source: Annual State Debt Report, January 31, 2018, page 16
$366,883,300

Debt Service as % of General Fund Revenue June 30, 2018
Source: Annual State Debt Report, January 31, 2018, page 16
0.63%

Required Debt Service FY 2018-19
$35,470,975
## Potential Bond Scenarios

(General Obligation Bond Debt Subject to the Constitutional 5% Limitation)

<table>
<thead>
<tr>
<th>Principal Issued</th>
<th>Maximum Additional Annual Debt Service</th>
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<tr>
<td>$100,000,000</td>
<td>$9,821,000</td>
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<td>$250,000,000</td>
<td>$24,548,750</td>
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<tr>
<td>$500,000,000</td>
<td>$49,094,000</td>
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QUESTIONS?