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.
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

Source: US Department of Commerce, Bureau of Economic Analysis  RFA-173 EM/10/10/18
SHARES OF PERSONAL INCOME COMPONENTS in South Carolina

Calendar Year

(Percent)


222/BEA/EMM/010/04/18
Total Nonfarm Employment in South Carolina

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

S.C. Board of Economic Advisors
Total Nonfarm Employment Growth in South Carolina

Source: U.S. Department of Labor, Bureau of Labor Statistics
Unemployment Rate in South Carolina (Unadjusted)

Source: U.S. Department of Labor, Bureau of Labor Statistics
REVENUES
GENERAL FUND REVENUE
Less Trust Fund and Homestead Exemption Shortfall

(Millions of Dollars)

Source: S.C. Revenue and Fiscal Affairs 213-lhj/01/03/2019
SOUTH CAROLINA GENERAL FUND REVENUE
as a Percentage of Total Personal Income

Percentage of Personal Income

Fiscal Year

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

Source: Revenue and Fiscal Affairs - 169A/EMM/12/12/18
FY 2019-20 ESTIMATED GENERAL FUND REVENUE BY TYPE
Categories in Excess of $25 Million

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue (Millions of Dollars)</th>
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<tbody>
<tr>
<td>Individual Income Tax</td>
<td>50.1%, $4,676</td>
</tr>
<tr>
<td>Sales and Use Tax</td>
<td>35.3%, $3,294</td>
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<tr>
<td>Corporation Income Tax</td>
<td>4.3%, $401</td>
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<tr>
<td>Insurance Taxes</td>
<td>2.9%, $266</td>
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<tr>
<td>Beer and Wine Tax</td>
<td>1.2%, $111</td>
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<tr>
<td>Corporation License Tax</td>
<td>1.1%, $105</td>
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<tr>
<td>Alcoholic Liquor Tax</td>
<td>0.9%, $86</td>
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<tr>
<td>Documentary Tax</td>
<td>0.9%, $85</td>
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<tr>
<td>Bank Tax</td>
<td>0.6%, $55</td>
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<tr>
<td>Earned on Investments</td>
<td>0.5%, $45</td>
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<tr>
<td>Admissions Tax</td>
<td>0.3%, $32</td>
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<tr>
<td>Security Dealer Fees</td>
<td>0.3%, $27</td>
</tr>
<tr>
<td>Tobacco Tax</td>
<td>0.2%, $23</td>
</tr>
</tbody>
</table>

Source: S.C. Revenue and Fiscal Affairs – 225B/EM/01/08/19
SOUTH CAROLINA INCOME TAX COLLECTIONS
as a Percentage of Total Personal Income

Indexation of tax brackets beginning in FY 91

Lowest bracket of 2.5% reduced to 0% for FY 08

Job development/retraining fee enacted for FY 96; Large scale use of credits beginning in FY 2001; Credits totaled $88.5 million in FY 09

Internal Revenue Code conformity effective FY 86

Phased-in reduction of maximum 7% tax rate on pass-through trade and business income to 5% beginning in FY 07 and fully implemented in FY 10
Beginning in FY 13 maximum rate is further reduced to 4.33% will be reduced to 3.67% in FY 14 and 3% in FY 15

Source: SC General Fund individual income tax collections and U.S. Department of Commerce, Bureau of Economic Analysis. RFA 34-EM/01/04/19
DISTRIBUTION OF TAX RETURNS AND LIABILITY
By Tax Liability, Tax Year 2016

Source: Dept. of Revenue Individual Income Tax Returns, TY 2016 SC Revenue and Fiscal Affairs LHJ/10/26/2018
**SOUTH CAROLINA TOTAL AND GENERAL FUND SALES TAX COLLECTIONS**
as a Percentage of Total Personal Income

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Sales Tax</th>
<th>General Fund Sales Tax</th>
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Source: S.C. sales tax collections and U.S. Department of Commerce, Bureau of Economic Analysis. RFA 32- EM/01/04/19
OTHER FUNDS REVENUE SOURCES

Source: S.C. Revenue and Fiscal Affairs Office – JCS 9/1/16
APPROPRIATIONS
TOTAL APPROPRIATIONS BY FUND
FY 1989-90 to FY 2018-19

Source: S.C. Revenue and Fiscal Affairs – 235 /AM/01/02/19
GENERAL FUND APPROPRIATIONS BY MAJOR BUDGET CATEGORY
FY 2018-19

Source: S.C. Revenue and Fiscal Affairs – 195/LJ/01/02/19
GENERAL FUND DISTRIBUTIONS TO SUBDIVISIONS
FY 2018-19

Source: S.C. Revenue and Fiscal Affairs – 195 /LI/01/02/19
GENERAL FUND EMPLOYEE SALARY AND BENEFITS
FY 2016-17, FY 2017-18, & FY 2018-19

FY 2016-17
- Employee Salary: 67.6%
- Benefits: 32.4%

FY 2017-18
- Employee Salary: 65.8%
- Benefits: 34.2%

FY 2018-19
- Employee Salary: 65.2%
- Benefits: 34.8%

Source: S.C. Revenue and Fiscal Affairs – 195/LJ/01/02/19
PERCENT OF GENERAL FUND APPROPRIATIONS BY FUNCTIONAL GROUP
FY 1979-80 AND FY 2018-19

Source: S.C. Revenue and Fiscal Affairs – 206 /AM/01/02/19
FY 2019-20 AND BEYOND GENERAL FUNDS
FY 2018-19 BUDGET ESTIMATES AND BEYOND  
April 2018

FY 19 Budget  
Estimated Growth of $292 million (3.7%)

FY 18 Budget  
Estimated Growth of $372 million (4.9%)

Source: SC. Revenue and Fiscal Affairs Office 233 FAR/01/02/19
FY 2018-19 BUDGET and FY 2017-18 SURPLUS
August 2018

Source: SC. Revenue and Fiscal Affairs Office 233 FAR/01/02/19
FY 2019-20 BUDGET ESTIMATES AND BEYOND
December 2018

FY 19 Estimated Surplus $220m

FY 20 Revenue Growth $275m

FY 19 Surplus + FY 20 Revenue Growth = Budget Growth of $495m (6.0%)

Source: SC. Revenue and Fiscal Affairs Office 233 FAR/01/02/19
ANNUAL GENERAL FUND REVENUE GROWTH
With Tax Adjustments

(Millions of Dollars)

FY 19 (e) FY 20 (e) FY 21 (e) FY 22 (e)

General Fund Growth
$350.2 $345.7 $423.4 $385.3

Tax Adjustments (Total)
$60.8 $71.2 $84.1 $68.2

Source: S.C. Revenue and Fiscal Affairs Office 169C EMM/12/21/18
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

- $70.0\ M$

1/9/2019
## FY 2019-20 Statewide Funding Issues

<table>
<thead>
<tr>
<th>Amount ($ in Millions)</th>
<th>Recurring Revenue Remaining ($ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>498</td>
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</tbody>
</table>

### Required Funding
- General Reserve Fund (5%) - Accounted for in Budget/Revenue Outlook: $27
- Capital Reserve Fund (2%): $11
- Total Required Funding: $38

### 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
- Total Commitments: $81

### 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
- Total Maintenance of Effort: $235

### 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
- Total Full Formula Funding/ Base Pay Increase: $704
FY 2019-20 GENERAL FUND BUDGET REQUESTS BY FUNCTIONAL AREA

- **K-12 Education, Special Schools & Cultural Total**: $200 million
- **Higher Education & Technical Schools Total**: $1,000 million
- **Health & Social Services Total**: $400 million
- **Judicial, Law Enforcement & Criminal Justice Total**: $600 million
- **Natural Resources, Economic Development, Transportation & Regulatory Total**: $800 million
- **Executive, Legislative & Local Government Total**: $600 million
- **Statewide Issues**: $200 million

**Total Recurring Requests**: $865 million
**Total Non-Recurring Requests**: $1.7 billion

Source: S.C. Revenue and Fiscal Affairs, 238 AHP/01/07/19
Any Questions?