Budget Update Fiscal Year 2020-2021

Ways and Means Committee
September 11, 2020
Budget Status as of February 2020
ROLLING FISCAL YEAR - GENERAL FUND REVENUE
Actual, Estimates, and Base Budget Amount for FY 2019-20 and FY 2020-21 as of February 2020

SC UNEMPLOYMENT TRUST FUND STATUS

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

Source: S.C. Department of Employment and Workforce 271-RFA/far/03-2020
Changes in the Economy Since March 2020
TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA

Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/lhj/09/01/2020
First COVID-19 Case in S.C. March 6, 2020

Data Source: SC Dept. of Transportation, 8/31/2020

10.2% Decline over Same Week in 2019 as of August 30, 2020

48.4% Decline over Same Week in 2019 as of April 15, 2020
Uncertainty and Risks to the Forecast
Uncertainty and Risks to the Forecast

- Challenges for businesses include economic restrictions, consumer behavior, and school and day care availability
  - Even greater challenge for hospitality sector
- Increased rates for unemployment compensation for employers
- Potential for layoffs as federal payroll protection program expires on October 1st
- Additional stimulus actions at the federal level
- Income tax liability in April 2021 for tax year 2020 compared to tax year 2019
- Infection rates for COVID-19, particularly entering flu season
COVID-19 Infection Projections for South Carolina

• Institute for Health Metrics and Evaluation (IHME) at University of Washington

• Forecasts the estimated number of COVID-19 infections daily, (reported infections and estimates of those not tested)

• Gives three projections:
  • Current
  • Mandates easing
  • Universal masks
IHME Projections for South Carolina

Daily infections and testing

Estimated infections are the number of people we estimate are infected with COVID-19 each day, including those not tested.

Source: http://www.healthdata.org/ Institute for Health Metrics and Evaluation at University of Washington, as of August 31, 2020
Budget Status as of August 2020
ROLLING FISCAL YEAR - GENERAL FUND REVENUE
Actual, Estimates, and Base Budget Amount for FY 2019-20 and FY 2020-21

AVAILABLE FUNDS - FY 2020-21 BUDGET PROCESS
as of August 2020

FY 2019-20 Surplus + Cap. Res. Fund + Other Lapsed = $671.5 Million

Source: S.C. Revenue and Fiscal Affairs 8-31-2020