

# KEY FACTORS IMPACTING SOUTH CAROLINA AND HIGHER EDUCATION

Presented to

Council of Presidents  
for the  
SC Commission on Higher Education

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# Background ...

## RFA Interactions with Higher Education

# Higher Education Events Utilizing RFA Data Integration

## General Presentations of the Integrated Data System:

- Classes at the University of South Carolina's Arnold School of Public Health
- The National Big Data Health Science Conference for the University of South Carolina
- Graduate students with Clemson's Department of Public Health Sciences
- USC's Big Data Health Science Fellowship Program participants
- Clemson University School of Health Research

## Presenters, Moderators, Data, and Review

- USC National Big Data Health Science Case Competition
- USC National Big Data Health Science Conference
- USC Big Data Health Science Center
- USC Upstate, Business Analytics Program Graduate Student Dashboard Project

# Higher Education Research Utilizing RFA Integrated Data

## Clemson University

- Lior Rennert, the Director for the Center for Public Health Modeling and Response. “A data-driven approach to identify and target high-risk rural communities via mobile health clinics.”
- Caitlin Koob, Graduate Research Assistant with the Department of Public Health Sciences. “CDC High Obesity Prevention (HOP) Project: Clemson University’s Food and Wellbeing Study”

## Medical University of South Carolina

- Angela Mooreland, Department of Psychiatry and Behavioral Sciences. “Maternal, infant, and early childhood outcomes of mothers with Opioid Use Disorder: Comparing outcomes of mothers engaged and non-engaged in medication assisted treatment utilizing Medicaid data”

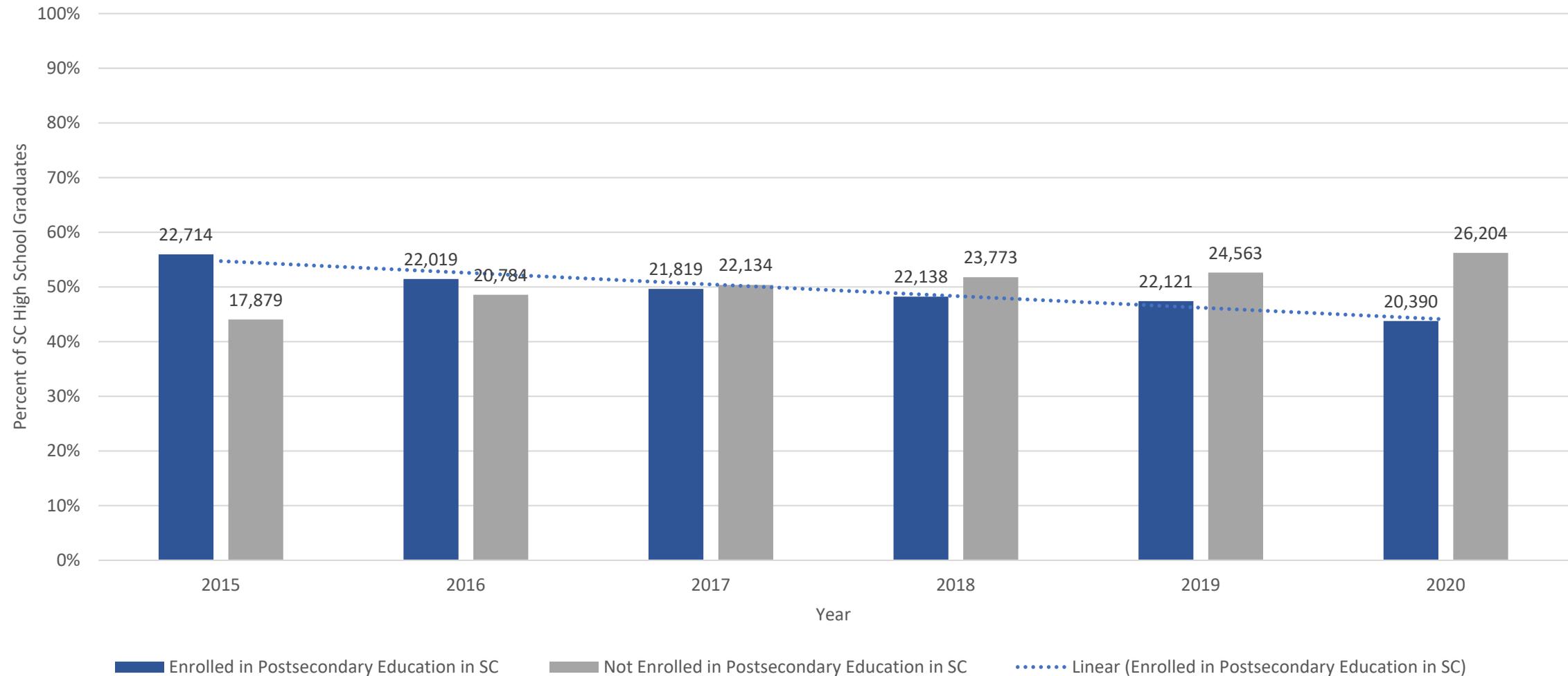
# Higher Education Research Utilizing RFA Integrated Data

## University of South Carolina

- Kevin Bennett Professor, the School of Medicine: “Effect of COVID-19 on Telehealth Utilization”
- Swann Adams, the College of Nursing: “A Geospatial Investigation of Breast Cancer Treatment”
- Orgul Ozturk, the Darla Moore School of Business: “Predictors and Short/Long Run Effects of Juvenile Crime”
- Karen Wickersham, the College of Nursing: “Disparities in Utilization of Oral Targeted Therapies for Treatment of Lung, Colorectal, and Breast Cancer among Adults Living in South Carolina”
- Bryan Love, the College of Pharmacy: “Medicaid Medication Use Reports”
- Peiyin Hung, the Arnold School of Public Health: “Outmigration of Maternity Care Services in South Carolina”
- Xiaoming Li and Bankole Olatosi, Arnold School of Public Health and the National Big Data Health Science Center: “Big Data Driven Clinical Informatics & Surveillance (BDDCIS) for COVID-19”

# RFA College and Career Readiness Report (§59-18-1950)

The percentage of SC high school graduates entering postsecondary education in SC within one year of graduating has decreased from 56% in 2015 to less than 44% in 2020



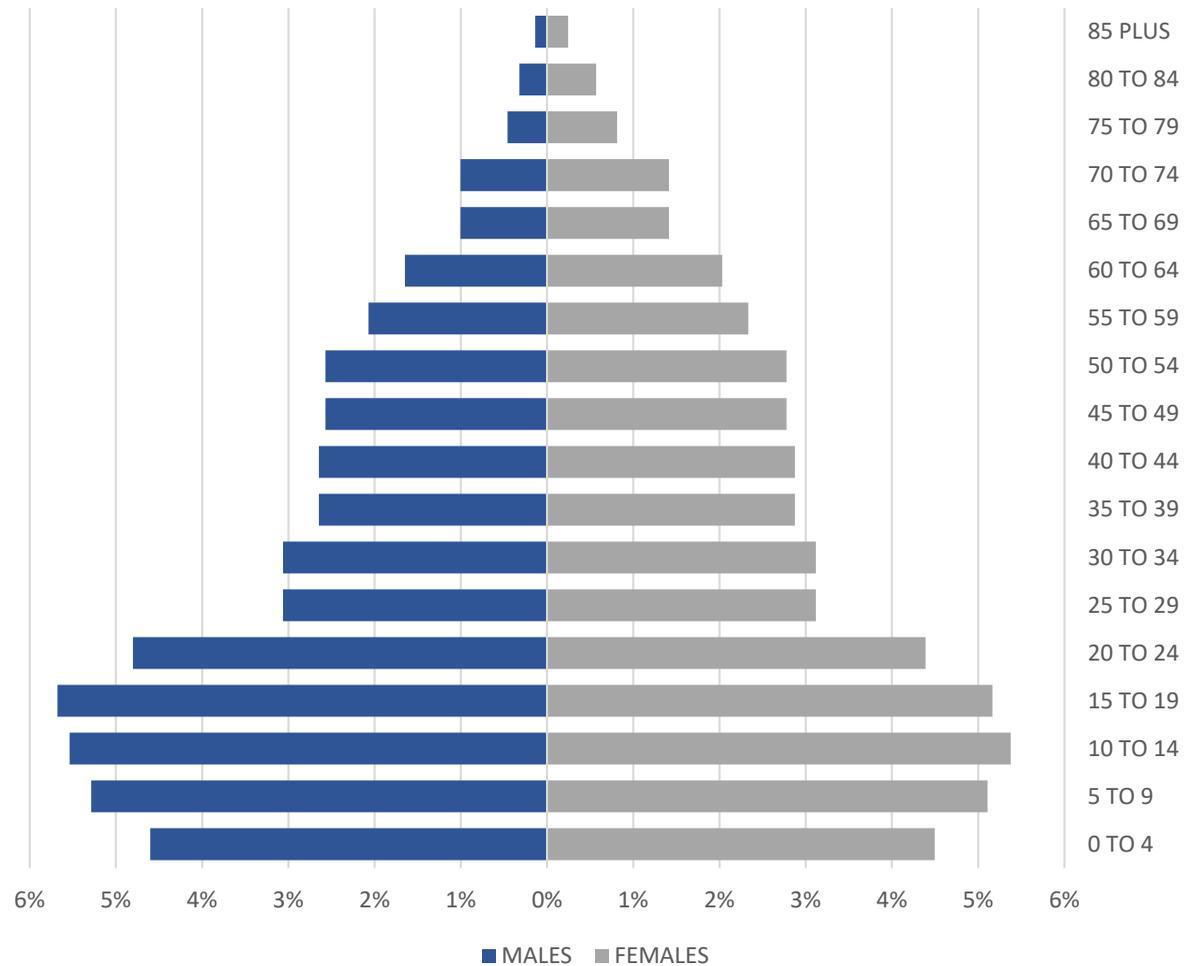
# Key Factors and Trends Impacting South Carolina



# SC Population Pyramid – 1970

## Median age of 24

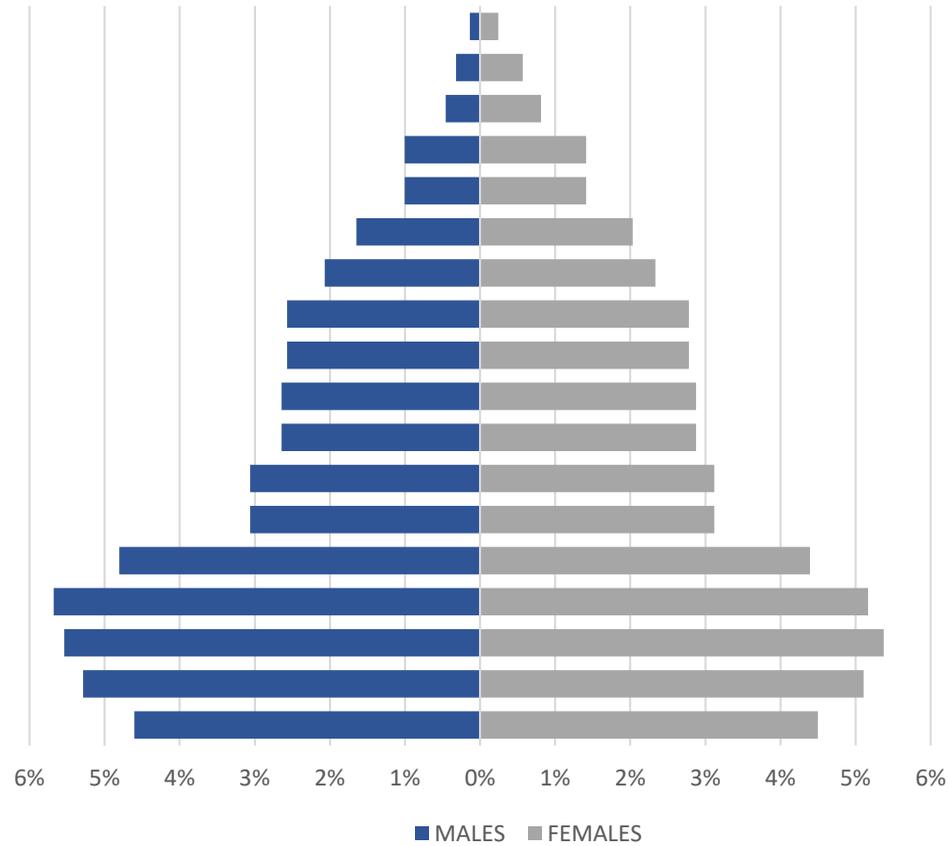
1970 POPULATION PYRAMID



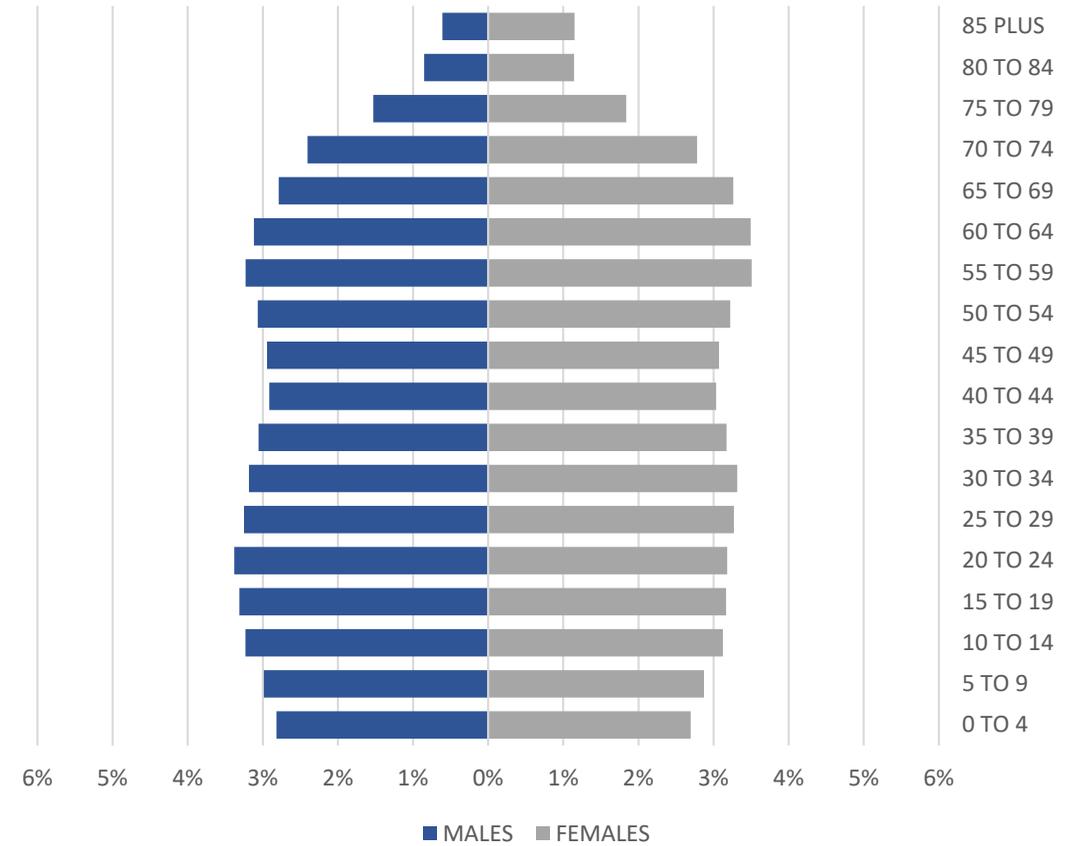
# SC Population Pyramids – 1970 and 2020

## Median age increased to 40 in 2020

1970 POPULATION PYRAMID



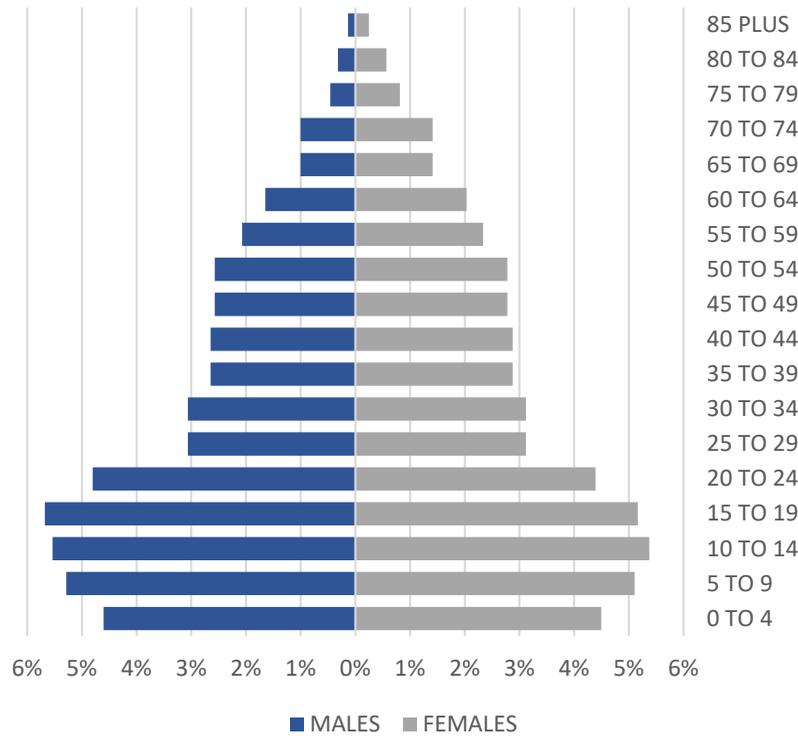
2020 POPULATION PYRAMID



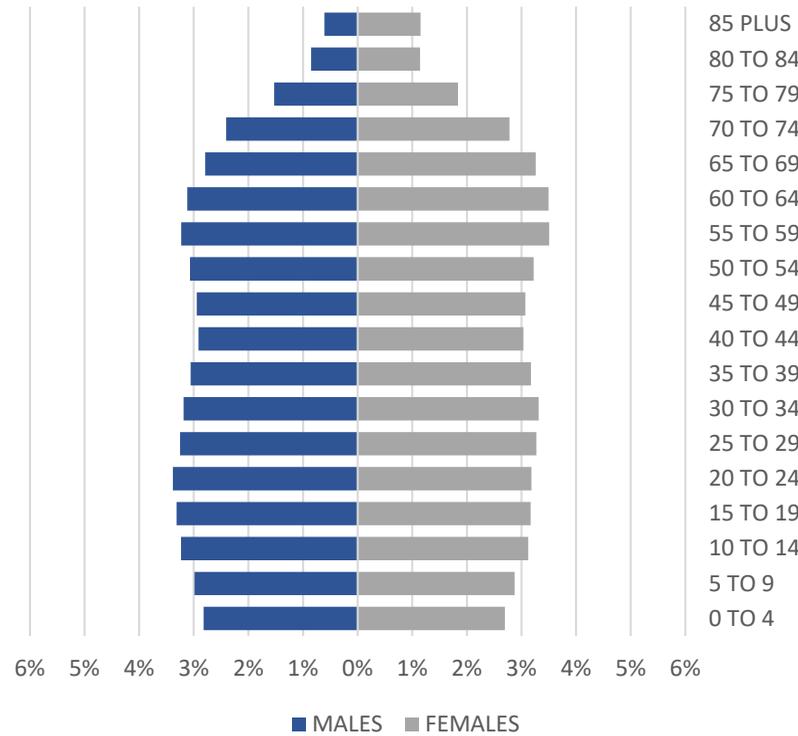
# SC Population Pyramids – 1970, 2020, and 2030

Aging baby-boomers and retiree migration will continue to push more of the population into the older age brackets

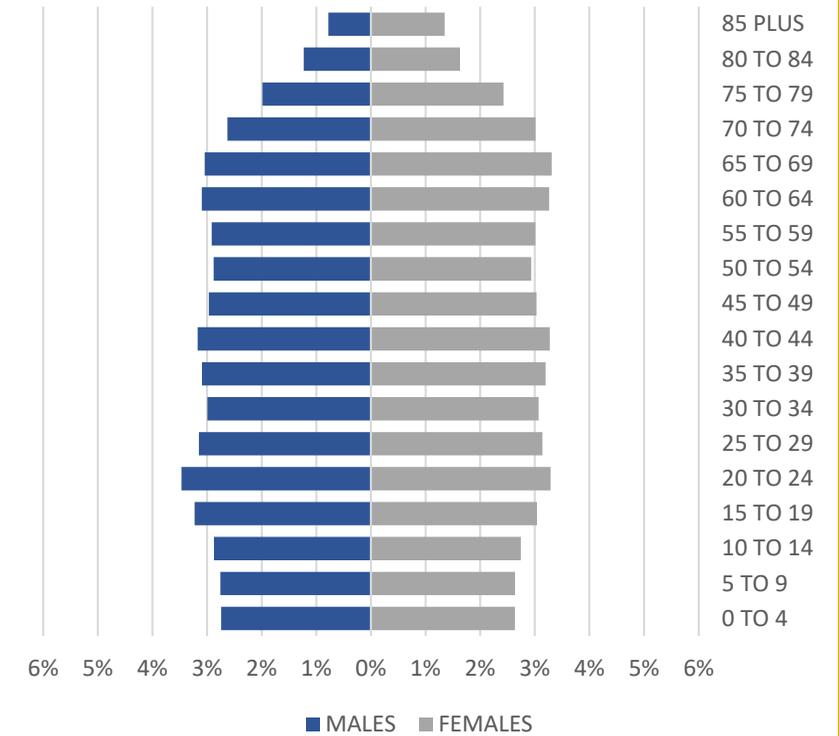
1970 POPULATION PYRAMID



2020 POPULATION PYRAMID



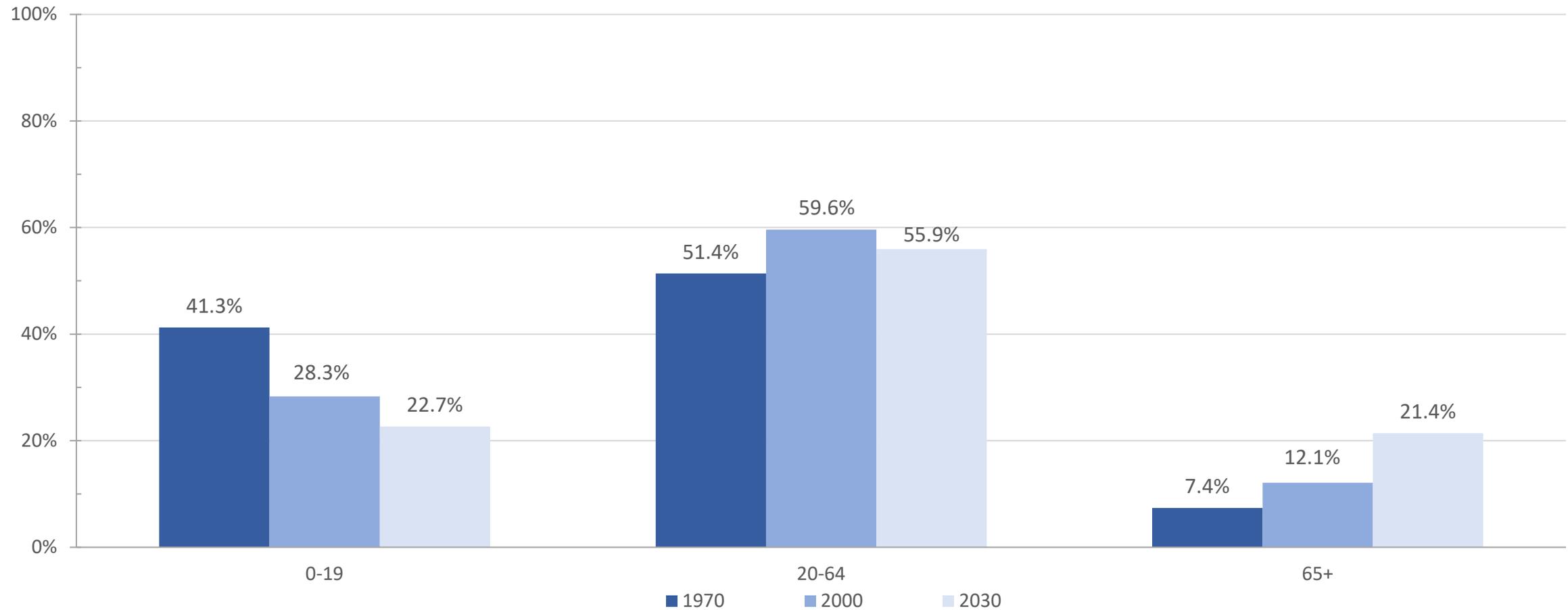
2030 POPULATION PYRAMID



# SC Population Projections

By 2030 there will be almost as many people over 65 as under 20; the percentage of people of workforce age is projected to decrease

SOUTH CAROLINA'S POPULATION



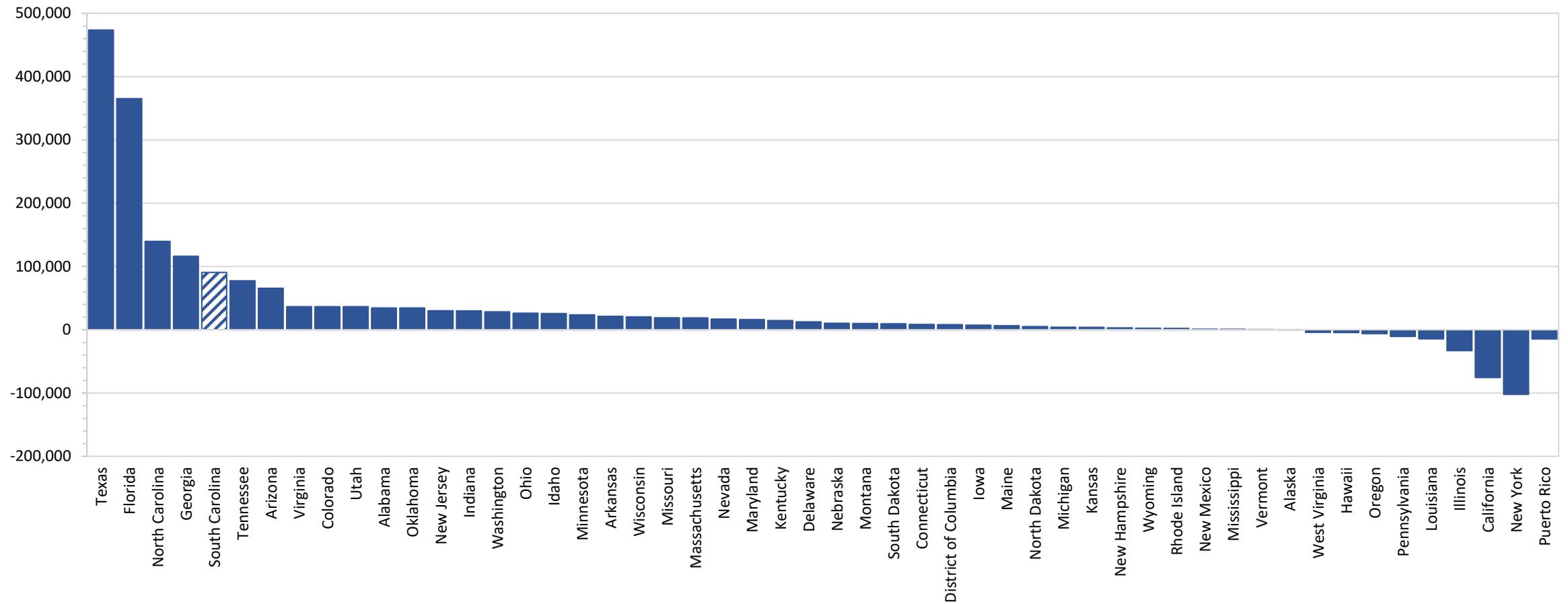
Source: United States Census Bureau population estimates; South Carolina Revenue and Fiscal Affairs population projections

# South Carolina had the 5<sup>th</sup> Largest Population Increase in the US

## Population increased by 90,600 (1.7%\*) from 2022 to 2023

\*Highest percent growth in the US

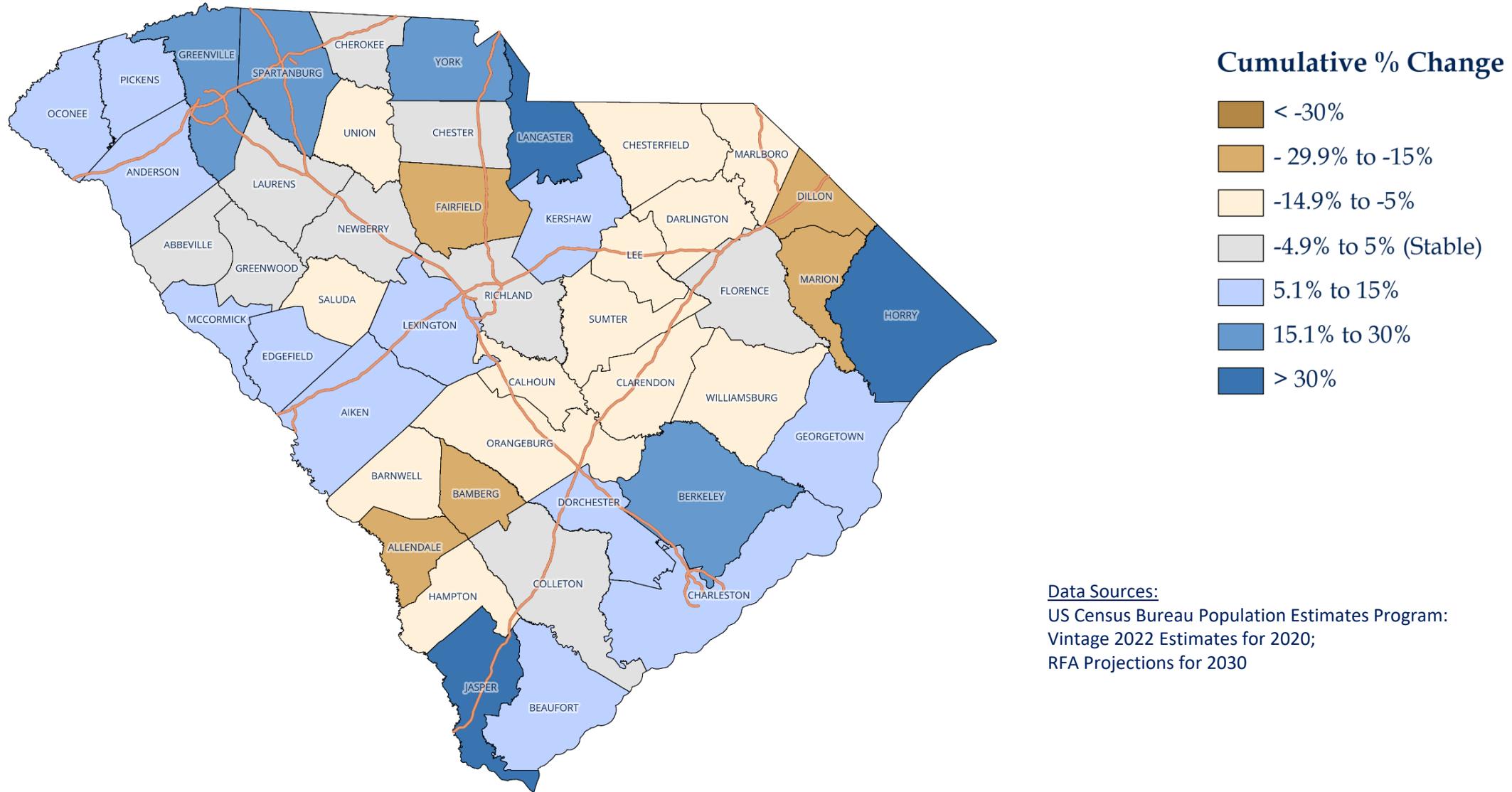
STATE RANKINGS BY TOTAL POPULATION CHANGE 2022 - 2023



Source: Population Estimates Program Vintage 2023 estimates. File Name: Annual Estimates of Resident Population Change for the United States, States, District of Columbia, Puerto Rico, and State Rankings: April 1, 2020 to July 1, 2023

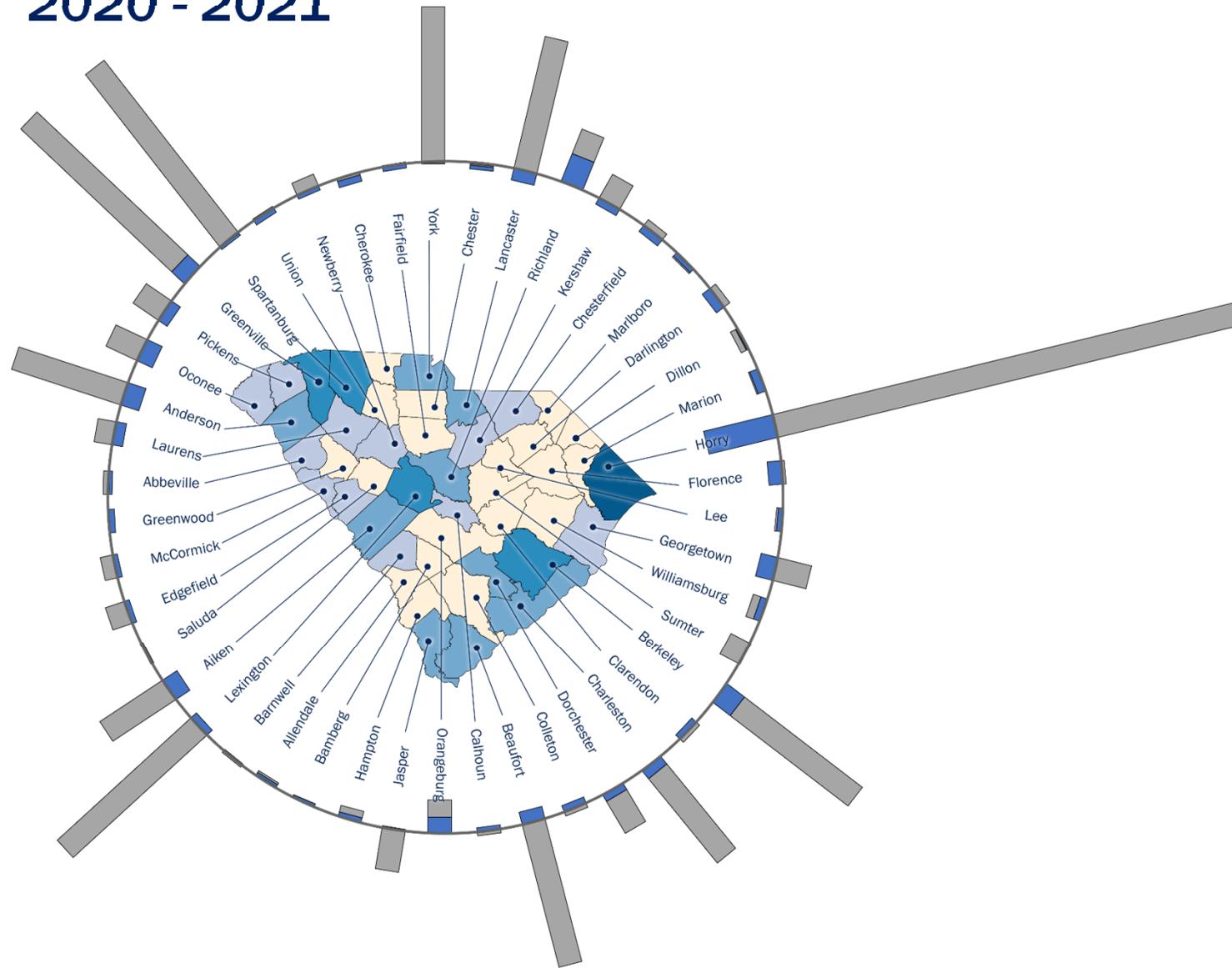
# Projected Total Population Change by County 2020 - 2030

## Wide range of change by county

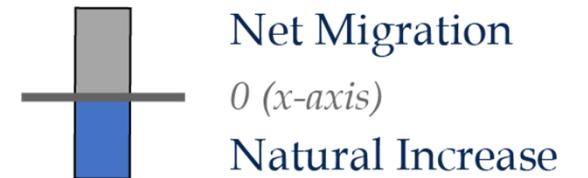


Data Sources:  
 US Census Bureau Population Estimates Program:  
 Vintage 2022 Estimates for 2020;  
 RFA Projections for 2030

# South Carolina's Components of Population Change by County 2020 - 2021



## Ring Key



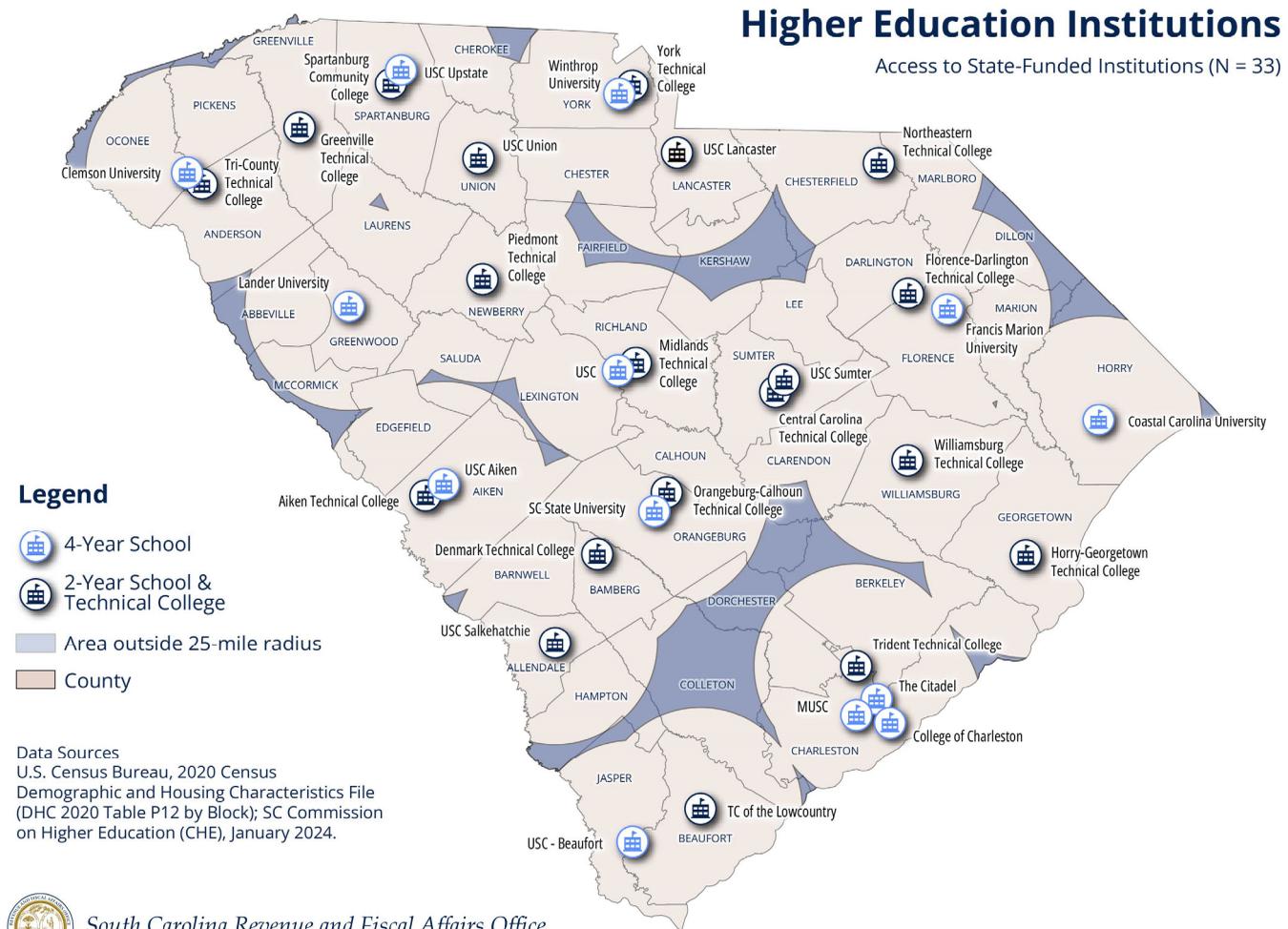
*Note: Net Migration and Natural Increase values can be negative and positive.*

### Data Sources:

US Census Bureau Population Estimates  
Program: Vintage 2021 Postcensal Estimates.  
File Name: Annual and Cumulative Estimates  
of the Components of Resident Population  
Change for Counties in the United States:  
April 1, 2020 to July 1, 2021 (CO-EST2021-  
COMP)

# Higher Education Proximity Analysis

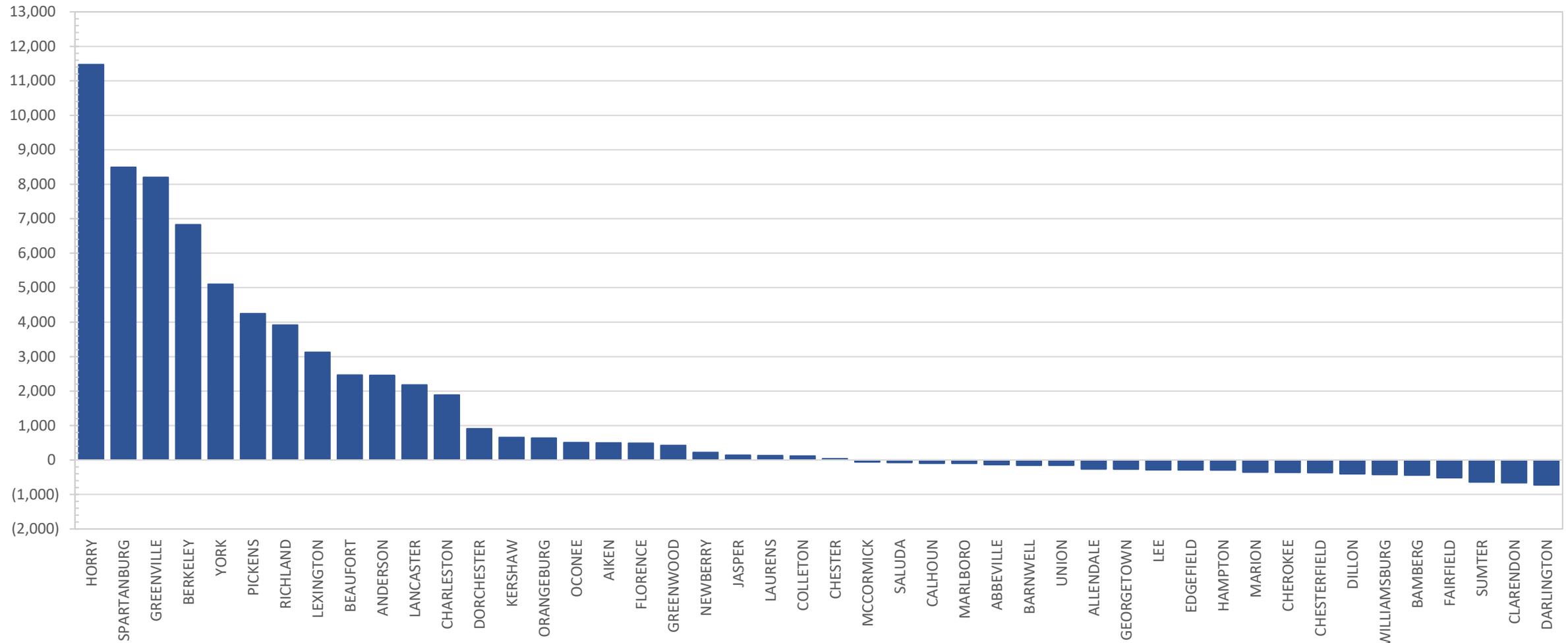
98% of SC's population is within a 25-mile radius of the 33 state-funded institutions (percentage calculated using the 2020 Census block population)



# SC Projected 18 to 24 Population Change, 2020 - 2030

Horry, Spartanburg, Greenville, and Berkeley are expected to experience the highest growth

PROJECTED POPULATION CHANGE BY COUNTY FROM 2020 TO 2030 – AGE 18 TO 24

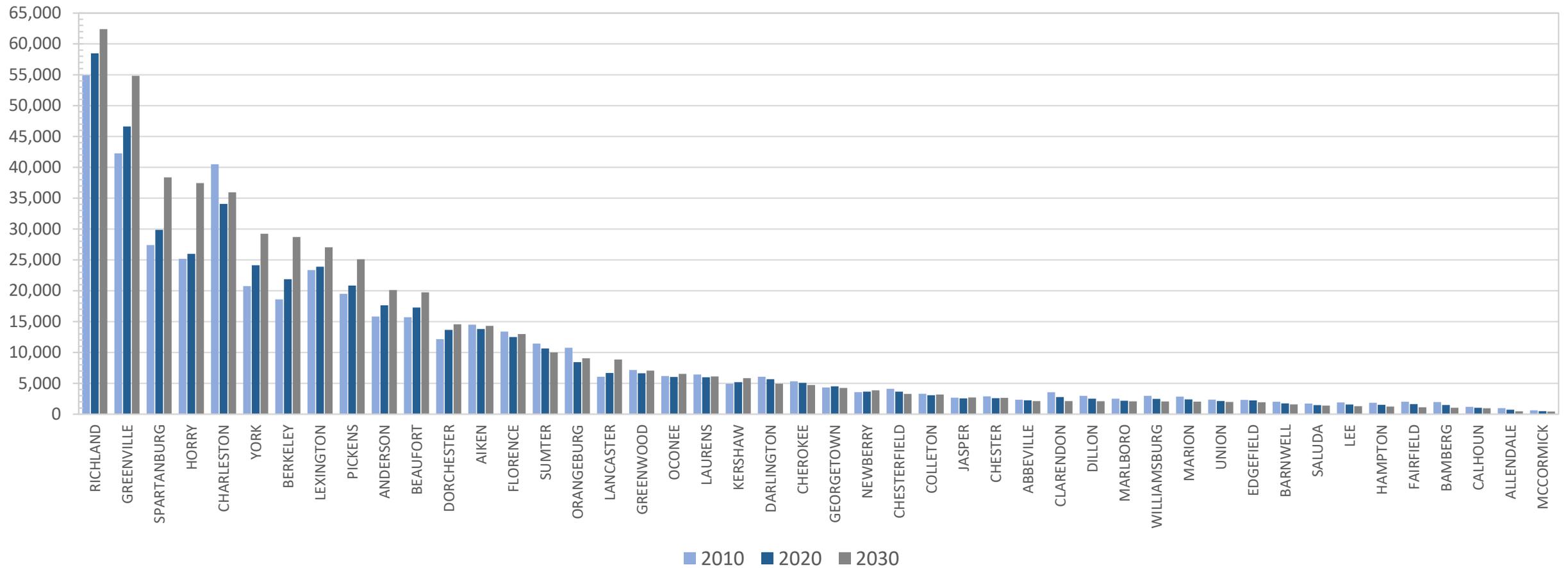


Source: S.C. Revenue and Fiscal Affairs (RFA) used a simple moving average smoothing method to combine the Vintage 2020 and Vintage 2022 estimates for 2020, and Population Projections for 2030 were calculated by RFA using the cohort-component model of demographic change

# South Carolina 18 to 24 Population, 2010 - 2030

SC's 18 to 24 population is expected to be close to 530,000 in 2030, up 13.8% from 2010; the state's total population grew 23.4% from 2010 to 2030

AGE 18 -24 SC POPULATION BY COUNTY, 2010 - 2030



Source: Population Estimates Program Vintage 2020 estimates for 2010, S.C. Revenue and Fiscal Affairs (RFA) used a simple moving average smoothing method to combine the Vintage 2020 and Vintage 2022 estimates for 2020, and Population Projections for 2030 were calculated by RFA using the cohort-component model of demographic change

# Unemployed Persons Per Job Opening

The labor market remains at historic levels of tightness as employers compete over a relatively small pool of potential workers

UNEMPLOYED PERSONS PER JOB OPENING

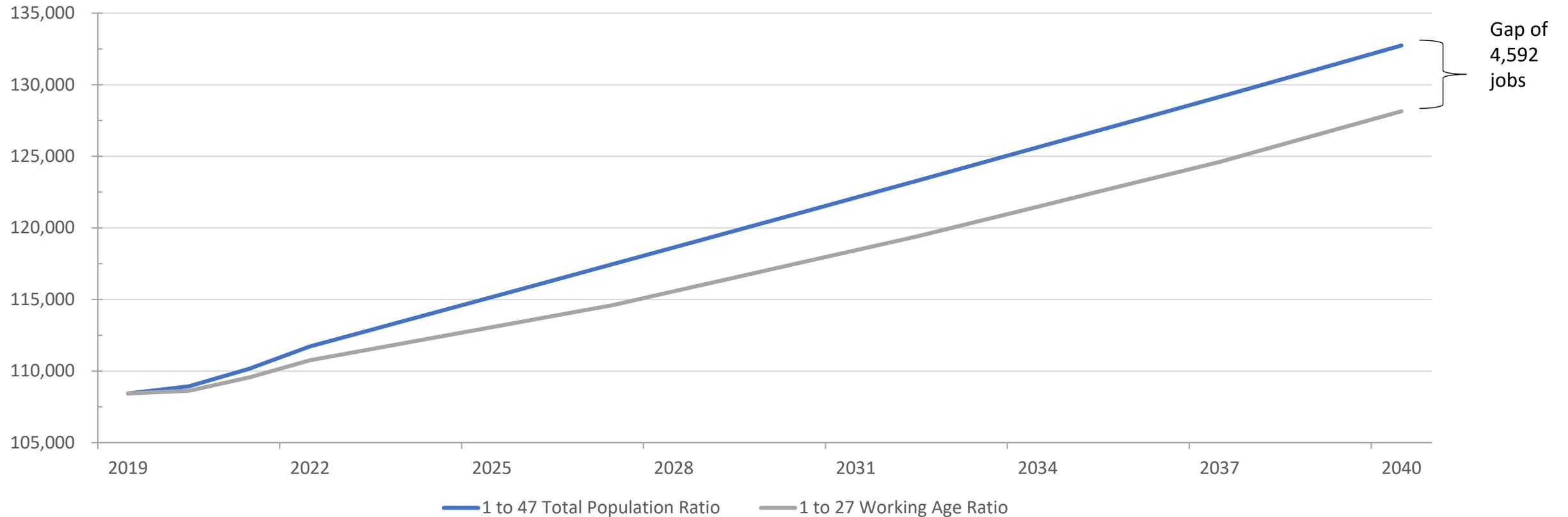


Source: U.S. Bureau of Labor Statistics, CPS and JOLTS; seasonally adjusted 259A2 - RFA/lhj/1/19/2024

# SC State Gov't Employment – Demand vs Supply Projections

Assuming State Government had enough workers in 2019 to meet the demands of the total population, the projected change in demographics will create a gap in maintaining this level of employment

TOTAL STATE EMPLOYEE PROJECTIONS



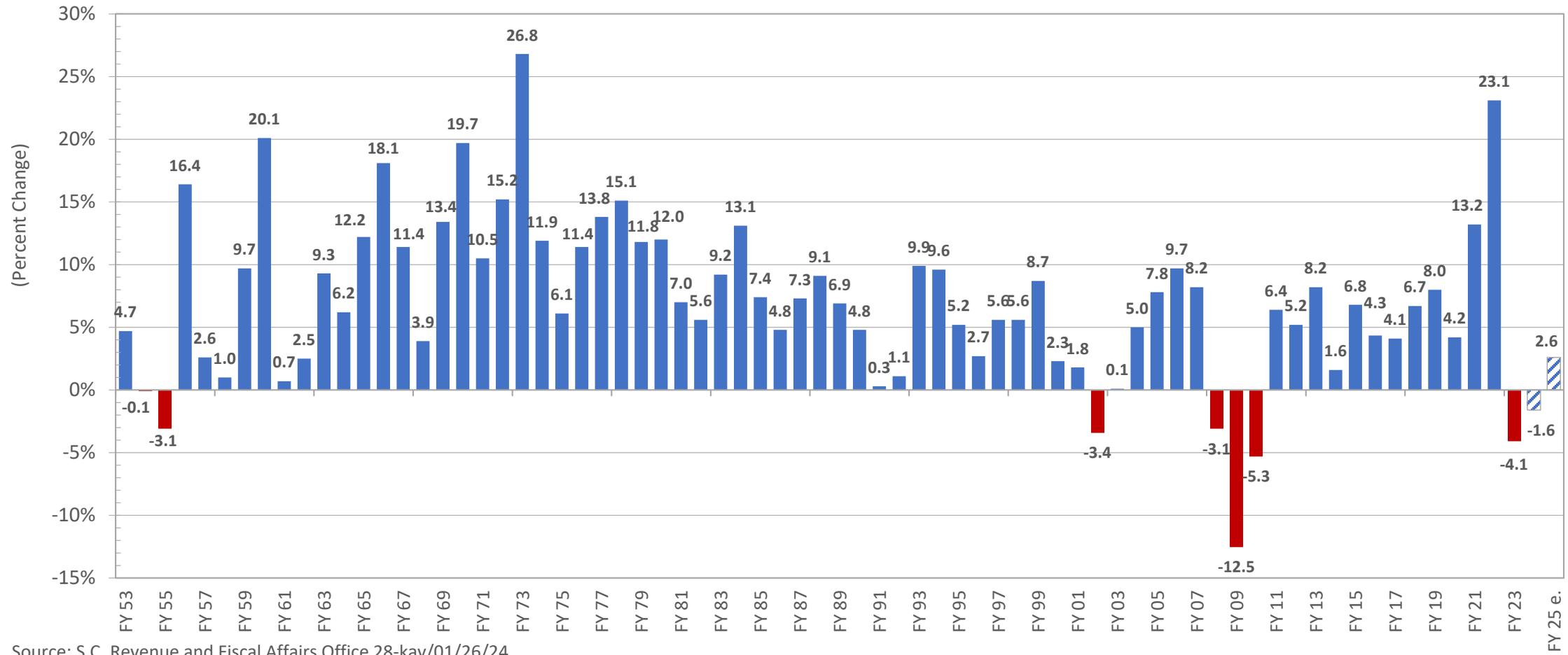
Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs population projections

# Revenue and Appropriations

# General Fund Revenue Growth History

Until the early 2000s, General Fund revenue consistently increased, year-over-year

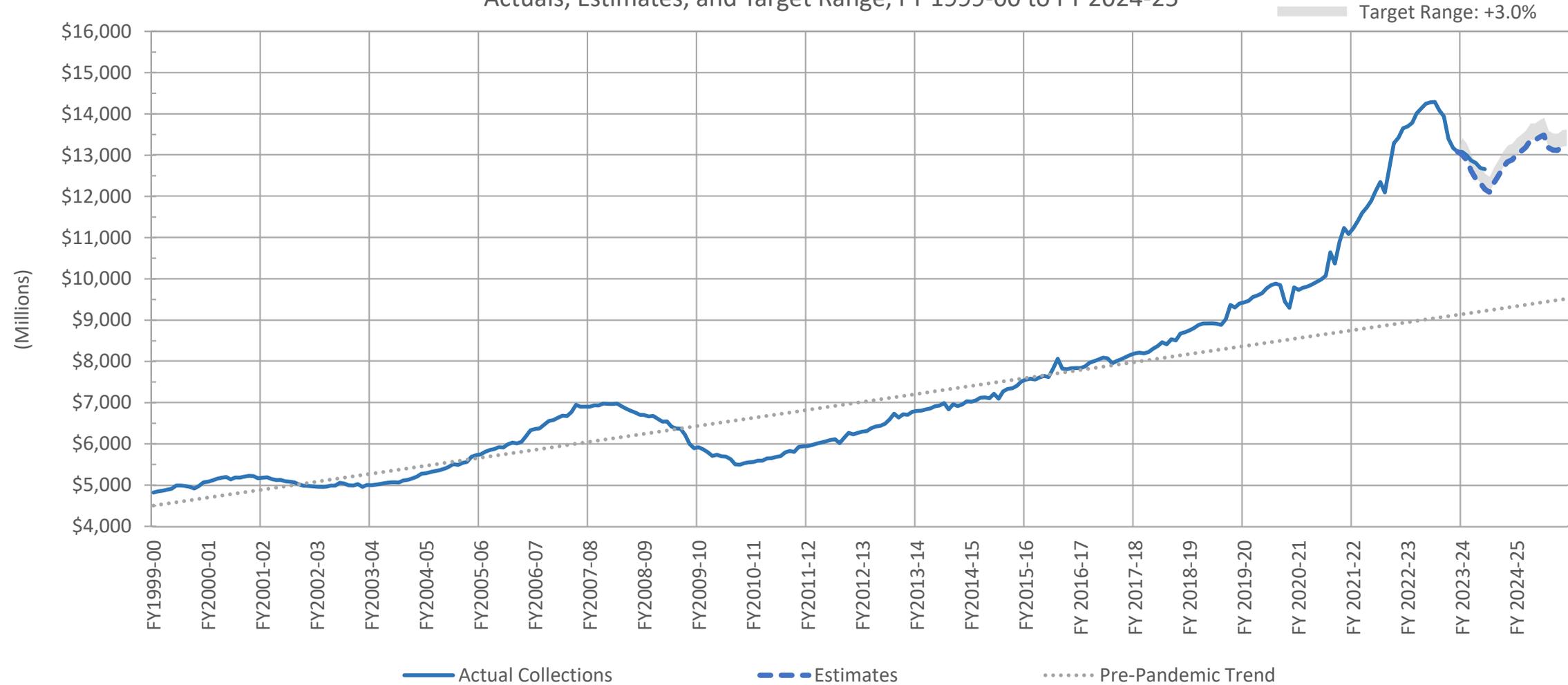
GENERAL FUND REVENUE GROWTH



Source: S.C. Revenue and Fiscal Affairs Office 28-kav/01/26/24

# General Fund Revenue Long-term Trend

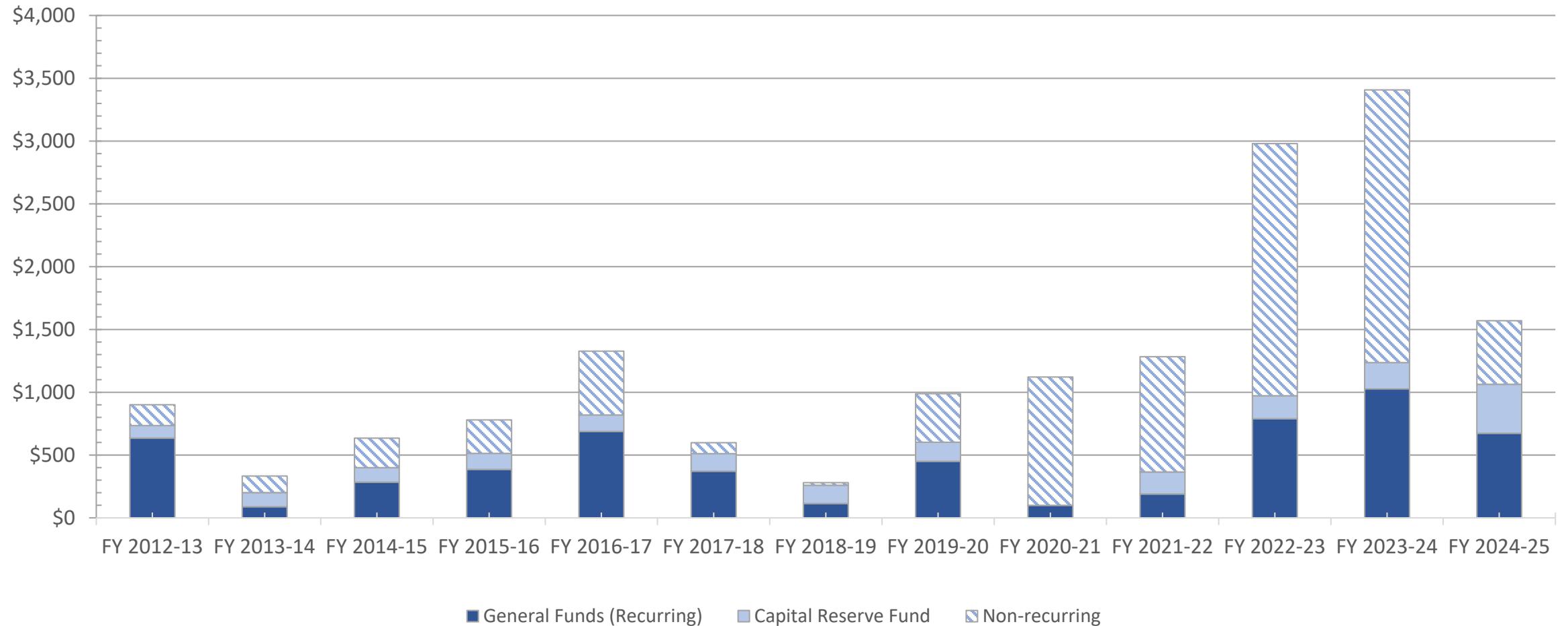
ROLLING FISCAL YEAR - GENERAL FUND  
 Actuals, Estimates, and Target Range, FY 1999-00 to FY 2024-25



# “New” Appropriations by Fiscal Year by Type

FY 23 & FY 24 were exceptions

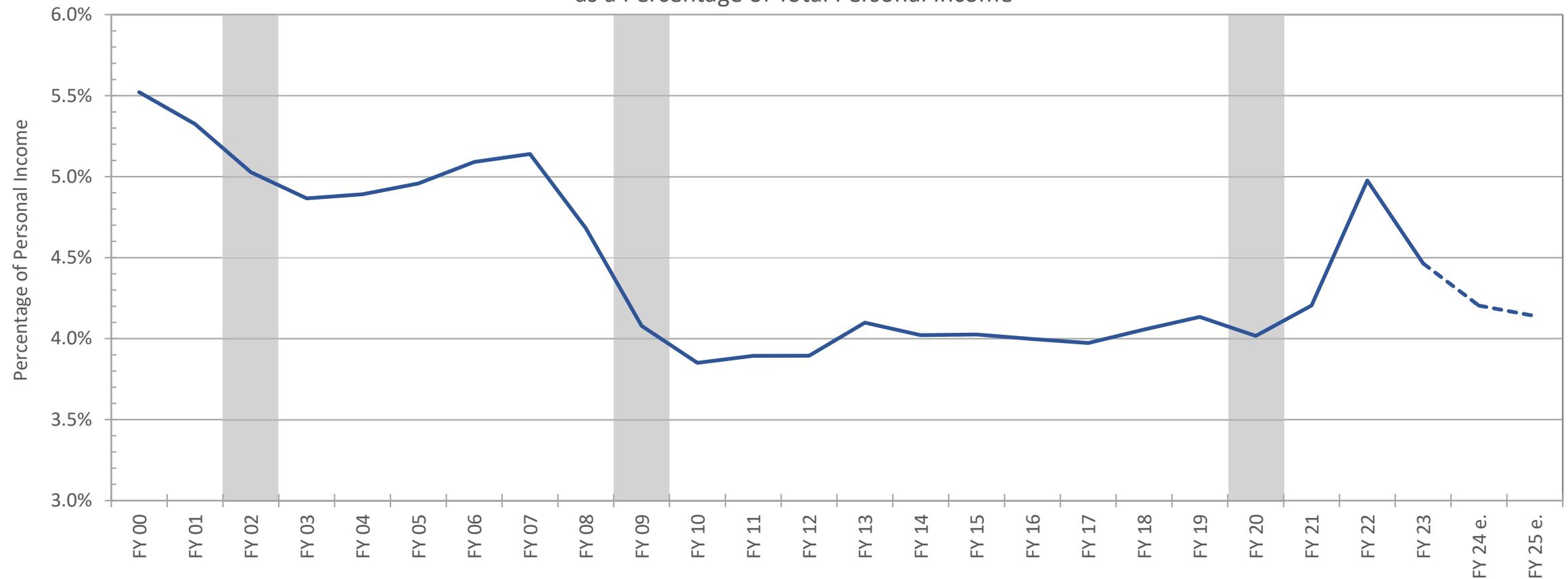
AVAILABLE "NEW" FUNDS BY BUDGET YEAR



# General Fund Revenue as a Percentage of Personal Income

The percentage of personal income that is collected as General Fund revenue has been declining; the pandemic created a temporary spike

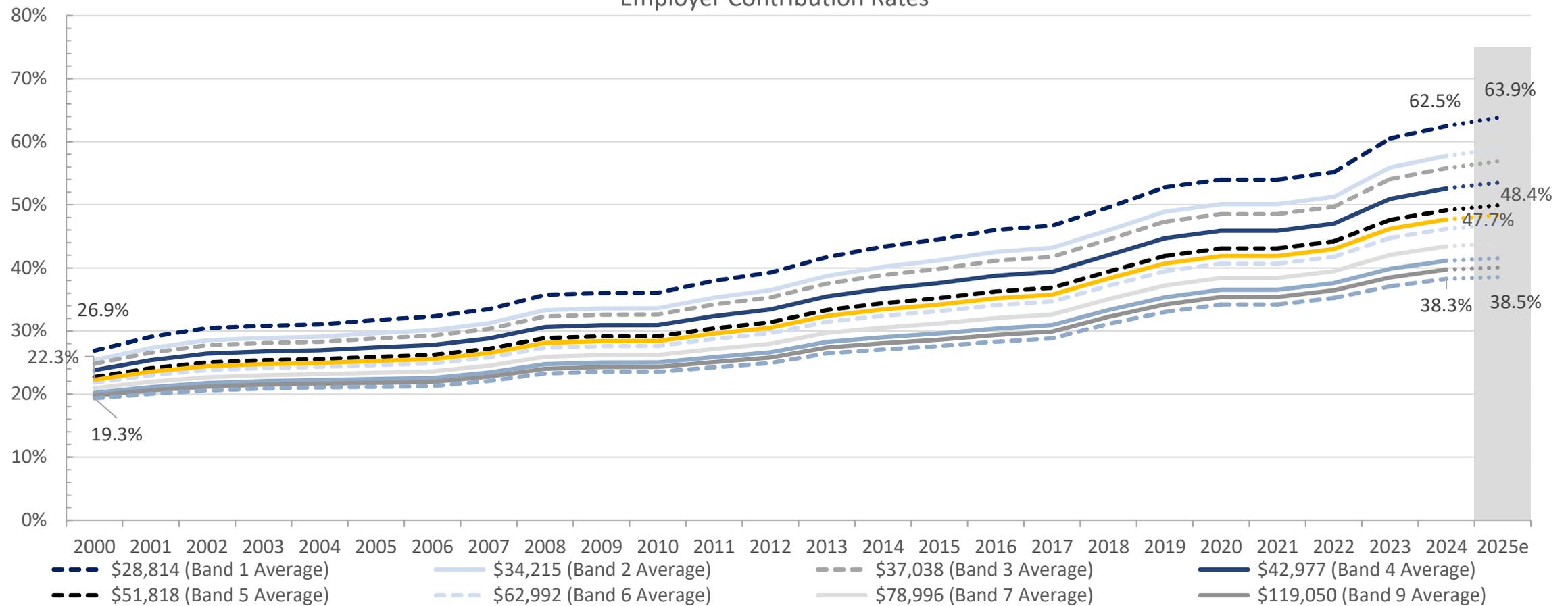
SOUTH CAROLINA GENERAL FUND REVENUE  
as a Percentage of Total Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 34F-kav/01/26/2024

# Employer Contribution Costs Are An Increasing and Significant Share of Salary (38.5% to 63.9%)

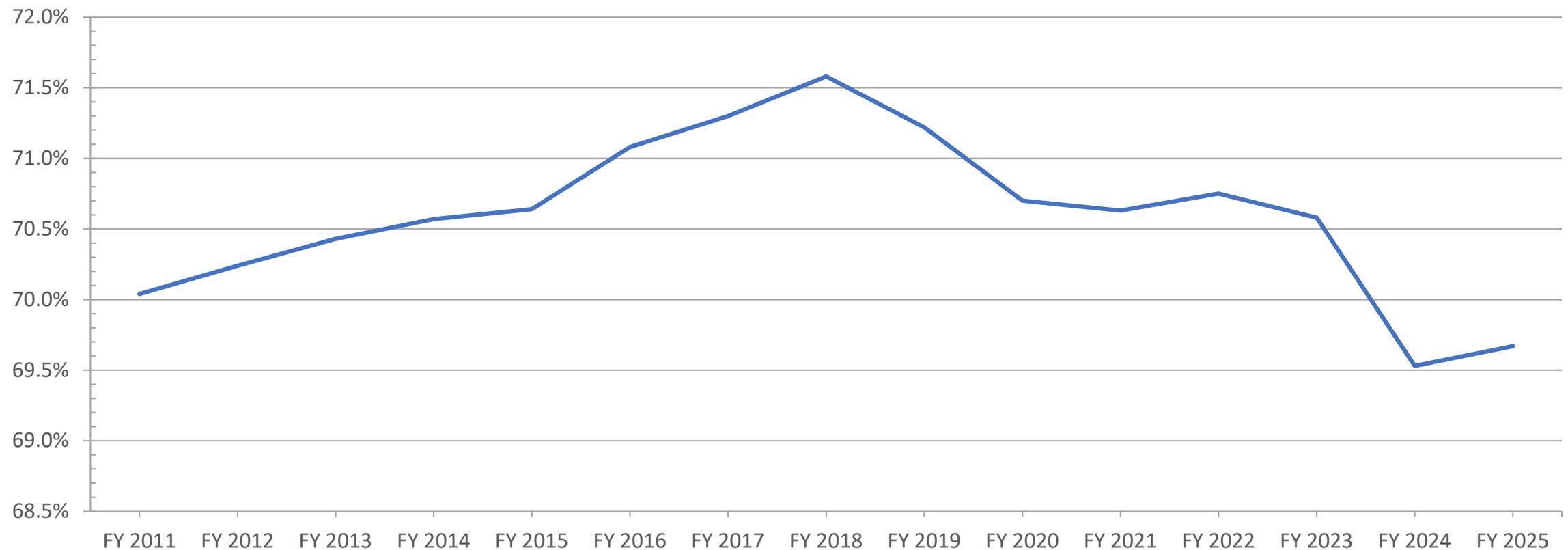
HEALTH AND DENTAL, RETIREMENT AND SOCIAL SECURITY  
Employer Contribution Rates



# Federal Medical Assistance Percentage

Better than average economic growth results in a decrease in the state's Medicaid match rate, increasing the state share of costs

FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) HISTORY



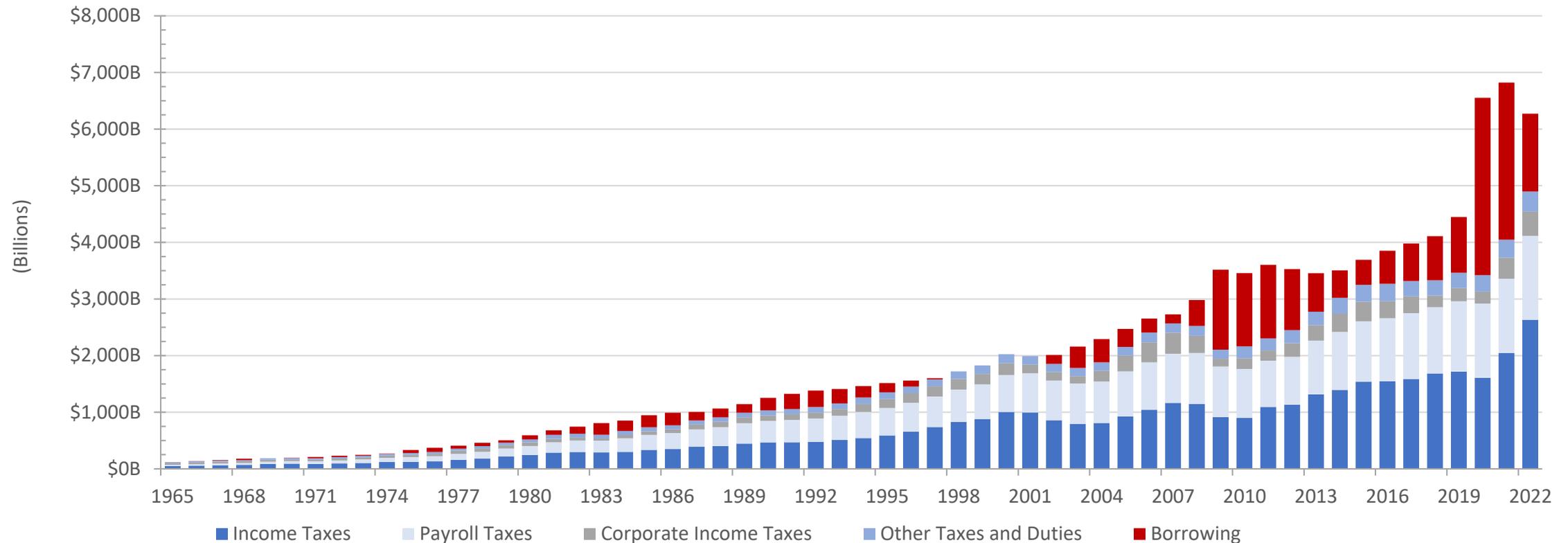
Note: Enhanced FMAP as a result of the Families First Coronavirus Response Act of 2020 and the Consolidated Appropriations Act of 2023 are not included.



# Federal Revenues

## Revenue isn't enough; borrowing continues to grow at an extraordinary pace

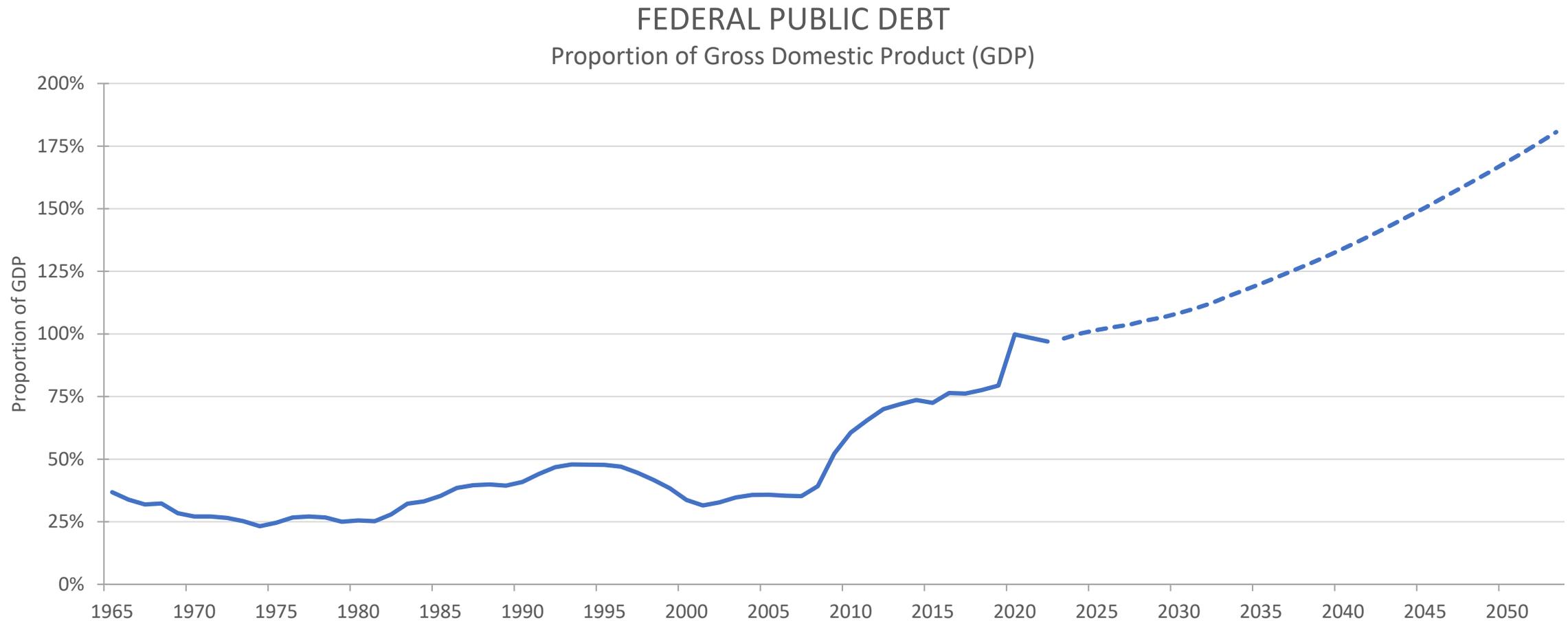
HOW DOES THE FEDERAL GOVERNMENT MEET ITS NEEDS?



Source: "The Budget and Economic Outlook" Congressional Budget Office, February 15, 2023

# Federal Debt as a Share of GDP

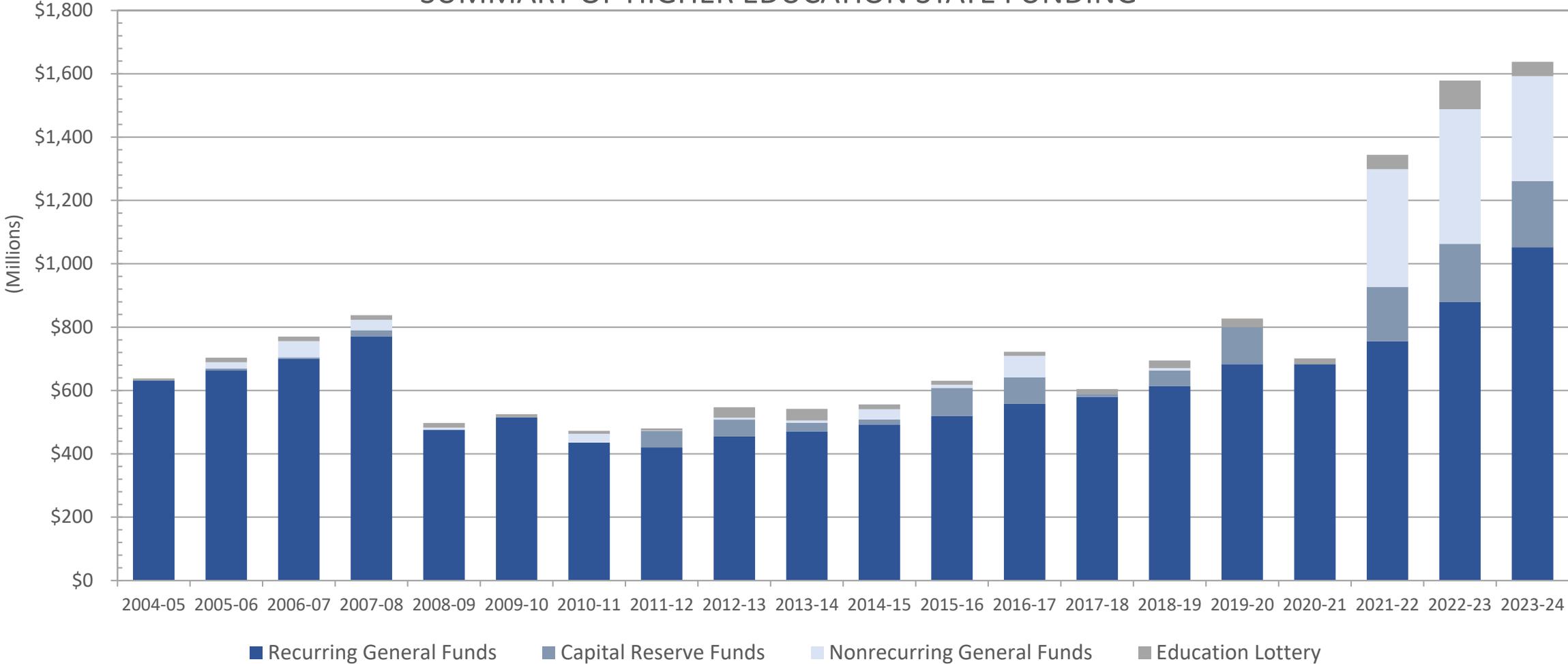
CBO projections show debt as a share of GDP growing to 180.6% of GDP in 2053; projection is based on current law and does not factor in potential extensions of tax cuts or the scheduled cut to Social Security when the trust funds run out



Source: "The Budget and Economic Outlook" February 15, 2023; "The 2023 Long-Term Budget Outlook" June 28, 2023; Congressional Budget Office (CBO)

# Total Appropriations for Higher Education by Source

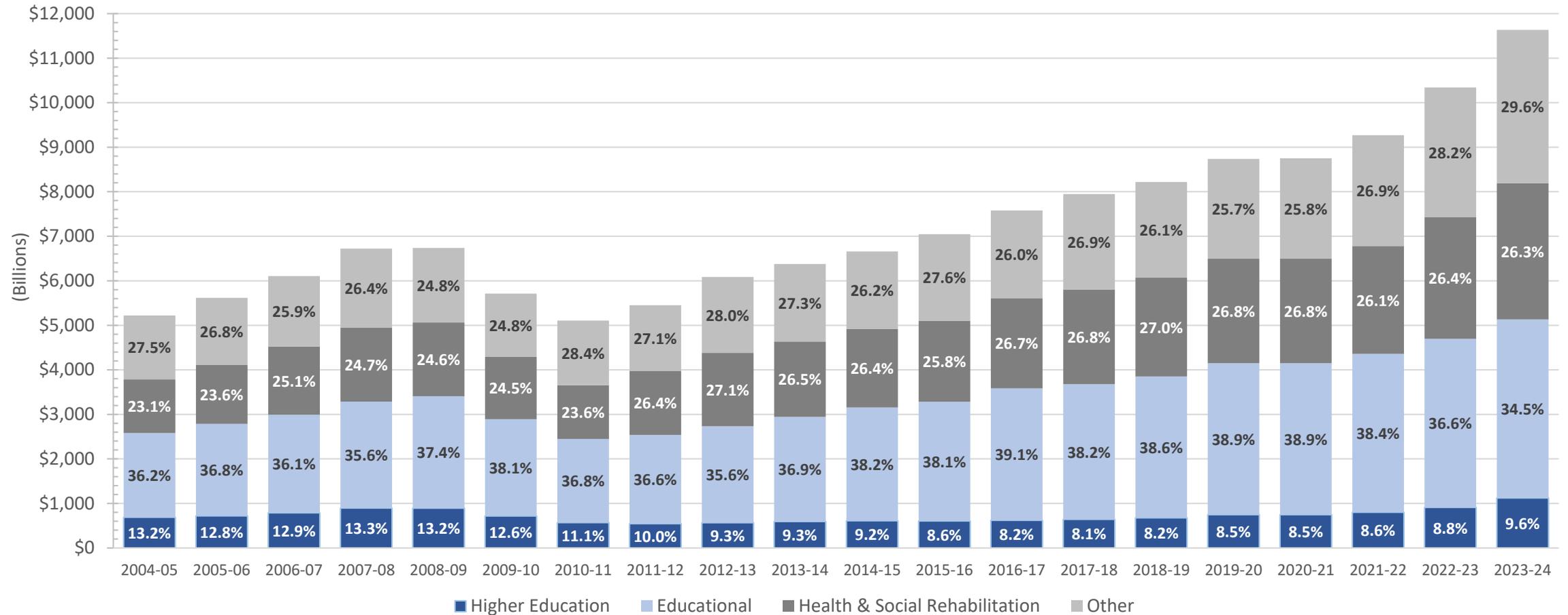
SUMMARY OF HIGHER EDUCATION STATE FUNDING



# General Fund Appropriations by Major Group

## The Great Recession impacted Higher Education

RECURRING GENERAL FUND APPROPRIATIONS BY FUNCTIONAL GROUP



# Formulas in the State Budget

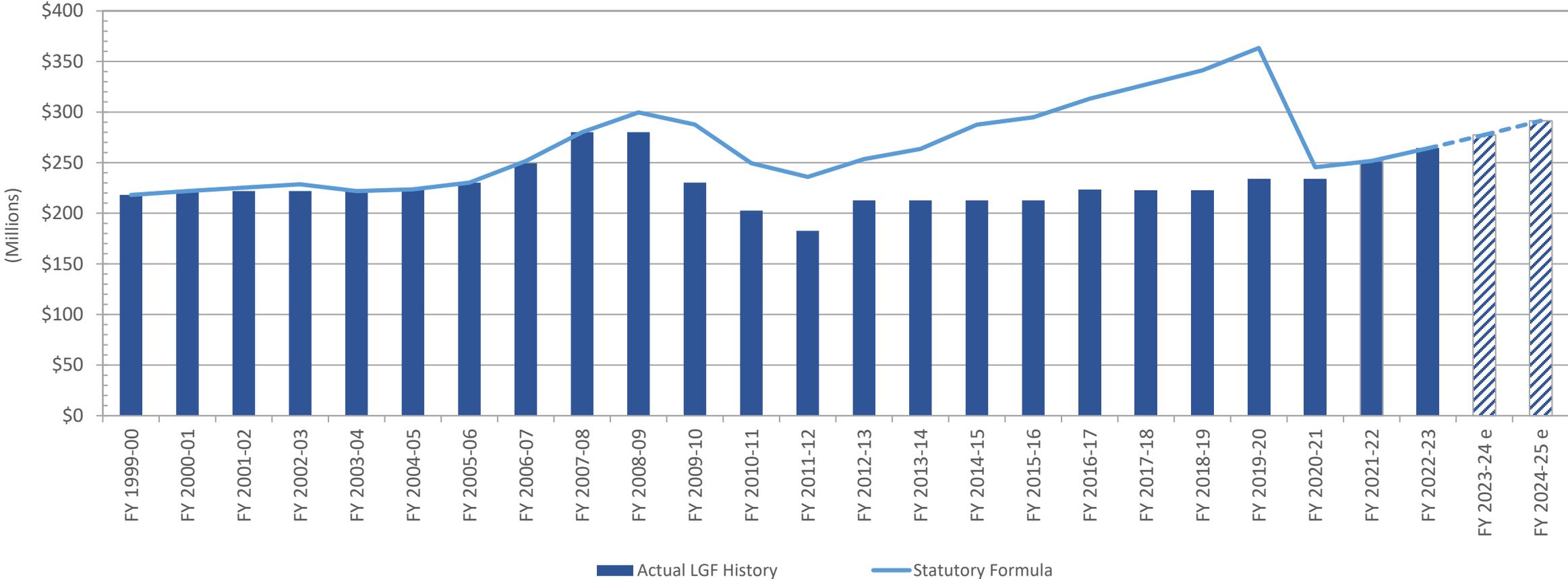
## Local Government Fund

- For FY 24, the State Budget allocates \$277 million for aid to local governments
- The current formula specifies the Fund will increase by the same percentage growth in the state's general fund, up to 5%
- The current formula replaced the formula established for FY 92
  - The FY 92 formula allocated 4.5% of General Fund revenue to the Local Government Fund
  - Budget cuts during the Great Recession reduced the funding, and the fund never returned the level required by formula
- The FY 92 formula replaced a previous formula as budget pressures resulted in the previous formula not being “fully funded”

# Local Government Fund

Under the statutory formula, the Local Government Fund is set to increase 5%

LOCAL GOVERNMENT FUND  
Comparison of Actual Funding to Statutory Formula



Note: FY 2020-21 was funded at the FY 2019-20 level due to the continuing resolution adopted by the General Assembly. Actual funding will depend upon appropriations by the General Assembly.  
Source: S.C. Revenue and Fiscal Affairs Office - 193/lpw/11/16/2023

## Homestead Exemption (Property Tax Relief)

- \$100,000 Homestead Exemption on School Operating taxes
  - In 1994, the General Assembly provided a \$100,000 homestead exemption for school operating taxes and reimbursed school districts for 100% of the cost of the exemption
  - The cost of the exemption grew from \$208 million in FY 96 to \$251 million in FY 00
  - Subsequently, the General Assembly capped the reimbursement, which has stayed at \$249 million since FY 02
- Homestead Exemption over \$100,000 on School Operating

# Funding for Public Education

## Education Finance Act – EFA 1977

- The basic public education model, EFA, funded school districts based on a Base Student Cost (BSC) multiplied by the number of students.
- The BSC was increased for inflation annually.
- Revenue shortfalls, however, limited or reduced the BSC over time, which remained below the prescribed formula.

## Aid to Classrooms

- In 2022, the General Assembly changed the basic model from the BSC inflationary formula to the cost to fund a set student-teacher ratio and at prescribed salary and fringe cost.
- Allocations are made to districts based on their relative property tax wealth, and ratio of local students to the state.

# Questions / Comments

For Additional Information - [www.rfa.sc.gov](http://www.rfa.sc.gov)