

MEMORANDUM FOR THE RECORD

DATE: February 15, 2018
Room 417, Dennis Building
2:00pm

SUBJECT: Minutes of Board of Economic Advisors Meeting

ATTENDEES: *Board Members* -Edward Grimball-Chairman, Howell Clyborne, Emerson Gower, Hartley Powell; *Executive Director*, Frank Rainwater; *Staff* - Robert Martin, Karen Rhinehart, Lisa Jolliff, Jake Scoggins, Les Boles, David Patterson, Allyn Powell, Sidra Nelson, Gordon Shuford, Amanda Martin, Ellen Mitchell, Paul Athey, Mary Katherine Gable. *Guests* - Brian Gaines, Kevin Ethridge (Executive Budget Office), Michael Moore, John Barfield (Comptroller General's Office), Jay Wolfe (Governor's Office), Tim Derrick (DOR), Katie Turner, Daniel Boan (WMC), Joe Boyle, Dolly Garfield (SC Education Lottery), Billy Routh (Copper Dome Strategies).

Press: Maayan Schechter - *The State*

1. Chairman Grimball welcomed everyone to the meeting at 2:01pm.
2. Chairman Grimball presented the meeting minutes of the meetings for October 19, 2017 (to include Regional Advisory Meeting), November 9, 2017, and January 25, 2018 which had previously been shared with the Members and asked if any Member had edits or questions. Hearing no amendments or objections, Chairman Grimball declared the minutes approved as presented. (*See attached*)
3. Frank Rainwater and Robert Martin presented an overview of the FY 2017-18 and FY 2018-19 Forecast. (See Attached)
~**Mr. Rainwater provided an overview of General Fund Revenues through January 2018. His major comments were:**
 - *General Fund Revenues through January have increased 6.0 percent and are above the estimated annual growth of 4.6 percent by \$58 million.
 - *Timing differences are affecting this revenue excess. The delay in IRS acceptance of tax reforms means fewer refunds were issued in January 2018 than one year ago.
 - *Revenue growth in the two major sources has improved since the November 2017 estimate and a \$36 million shortfall has now become a \$72 million surplus. There are no longer concerns of mid-year shortfall.

~Mr. Martin presented the current forecast as adopted in November. Based on the prior presentation, the staff recommendation was to reaffirm the November estimate and make no changes except for the Lottery.

The Board received a letter from the Lottery officials which recommended an increase in Lottery revenue from \$405 million to \$418 million for both FY 2017-18 and FY 2018-19. Staff stated they had met with and reviewed the Lottery letter and agreed with this recommendation. After consideration of the letter, Mr. Rainwater asked the Board to officially accept this increase in lottery revenue. Mr. Gower made a motion to accept and Mr. Clyborne seconded the motion. All Members voted aye to accept the Lottery change.

There were no other questions or comments from the Members or Working Group.

Mr. Clyborne motioned to adjourn the meeting and Mr. Gower seconded the motion. All voted aye and the meeting adjourned at 2:47pm.

The next scheduled meeting is Thursday, March 22, 2018 at 1:30pm.

Attachments: Agenda, Meeting Materials

Public Notice of this meeting was posted at <http://www.rfa.sc.gov/calendar>

These minutes were approved on 3/22/18.

Karen Rhinehart
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