



**SOUTH CAROLINA
REVENUE AND FISCAL AFFAIRS OFFICE**

EDWARD B. GRIMBALL, Chairman
ALAN CLEMMONS
EMERSON F. GOWER, JR.

FRANK A. RAINWATER
Executive Director

April 15, 2021

The Honorable Hugh K. Leatherman, Sr.
Chairman, Senate Finance Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

The Honorable G. Murrell Smith, Jr.
Chairman, Ways & Means Committee
South Carolina House of Representatives
525 Blatt Building
Columbia, SC 29201

Dear Chairman Leatherman and Chairman Smith:

This letter is to inform you that we found a typographical error in the Education Improvement Act (EIA) forecast for FY 2020-21 adopted by the Board of Economic Advisors (BEA) on April 8, 2021.

The EIA forecast for FY 2020-21 was inadvertently issued at \$993,620,024. The correct figure is \$953,620,024. To confirm, the EIA forecast for FY 2021-22 of \$894,700,000 is correct as adopted.

Attached are updated preliminary tables reflecting this correction. The BEA will formally adopt the EIA forecast adjustment for FY 2020-21 at the next meeting on May 20, 2021. However, we wanted to advise you of this issue for budgeting and planning purposes now. We apologize for any inconvenience as a result of this error but hope that this quick notification will limit any issues.

If we may be of further assistance, please advise.

Sincerely,

A handwritten signature in blue ink that reads "Frank A. Rainwater".

Frank A. Rainwater
Executive Director

The Honorable Hugh K. Leatherman, Sr.

The Honorable G. Murrell Smith, Jr.

April 15, 2021

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Enclosure

cc: The Honorable Henry McMaster, Governor
The Honorable Molly Spearman, State Superintendent of Education
Mr. Daniel Boan, Chief of Staff, House Ways and Means Committee
Mr. Brian Gaines, Director, Executive Budget Office
Mr. Mike Shealy, Budget Director, Senate Finance Committee
Ms. Nancy Williams, Chief Financial Officer, State Department of Education



General Fund Revenue Forecast
Fiscal Years 2018-19 to 2021-22
(Dollars)

Personal Income Growth
FY21: 4.36%; FY22: 0.40%

Correction to FY 2020-21 EIA Forecast (Pending Forecast Adoption)

Revenue Category	Final FY 2018-19	Final FY 2019-20	4/8/2021 Estimate FY 2020-21	4/8/2021 Estimate FY 2021-22	Percent Change FY 2018-19	Percent Change FY 2019-20	4/8/2021 Percent Change FY 2020-21	4/8/2021 Percent Change FY 2021-22
Gross General Fund Revenue	\$9,402,126,809	\$9,793,277,494	\$10,060,765,000	\$9,925,428,000	8.0	4.2	2.7	(1.3)
Appropriation Act Revenue	8,836,042,000	9,330,662,000	9,500,103,000	9,925,428,000	3.5	5.6	1.8	4.5
Less: Tax Relief Trust Fund	(599,876,083)	(614,053,000)	(629,405,136)	(762,846,221)	(3.1)	(2.4)	(2.5)	(21.2)
Appropriation Act Excluding Trust Fund	8,236,165,917	8,716,609,000	8,870,697,864	9,162,581,779	3.6	5.8	1.8	3.3
Revenue Excess/(Shortfall) From Act	566,084,809	462,615,494	560,662,000	0				
Capital Reserve Fund (2%) - Beg. Bal.	151,649,393	162,485,305	176,095,044	183,584,490	4.3	7.1	8.4	4.3
General Reserve Fund (5%) - Beg. Bal.	379,123,483	406,213,261	440,237,611	458,961,225	4.3	7.1	8.4	4.3
Total Reserve Funds	530,772,876	568,698,566	616,332,655	642,545,715	4.3	7.1	8.4	4.3
Education Improvement Act (EIA)	840,103,875	863,037,030	953,620,024	894,700,000	6.1	2.7	10.5	(6.2)
EIA Fund	837,529,968	861,357,054	953,430,024	894,490,000	5.9	2.8	10.7	(6.2)
EIA Interest	2,573,907	1,679,976	190,000	210,000	77.1	(34.7)	(88.7)	10.5
S.C. Education Lottery Fund	490,656,044	496,599,922	588,000,000	523,300,000	12.4	1.2	18.4	(11.0)
Homestead Exemption Fund (HEX)	756,112,889	784,804,568	869,440,000	828,970,000	5.4	3.8	10.8	(4.7)
HEX Revenue	753,887,010	782,037,516	866,940,000	826,110,000	5.3	3.7	10.9	(4.7)
HEX Interest	2,225,879	2,767,052	2,500,000	2,860,000	50.0	24.3	(9.7)	14.4
Expenditure Estimate	773,434,415	798,756,235	819,351,320	836,036,029	3.1	3.3	2.6	2.0
HEX Fund Excess/(Shortfall)	(17,321,527)	(13,951,667)	50,088,680	(7,066,029)	46.8	19.5	459.0	(114.1)

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred for Property Tax Relief Trust Fund pursuant to §11-11-150.

Tax Relief Trust Fund for FY 2021-22 includes estimated additional reimbursements for utilities receiving the manufacturing exemption

Source: South Carolina Board of Economic Advisors/BEA/04/15/2021 - PRELIMINARY CORRECTION TO FY 2020-21 EIA FORECAST TO BE ADOPTED AT NEXT MEETING