



**SOUTH CAROLINA
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LEGISLATIVE WORKSHOP FOR THE MEDIA

FY 2023-24 Revenue & Budget Outlook

Monday, January 9, 2023

by

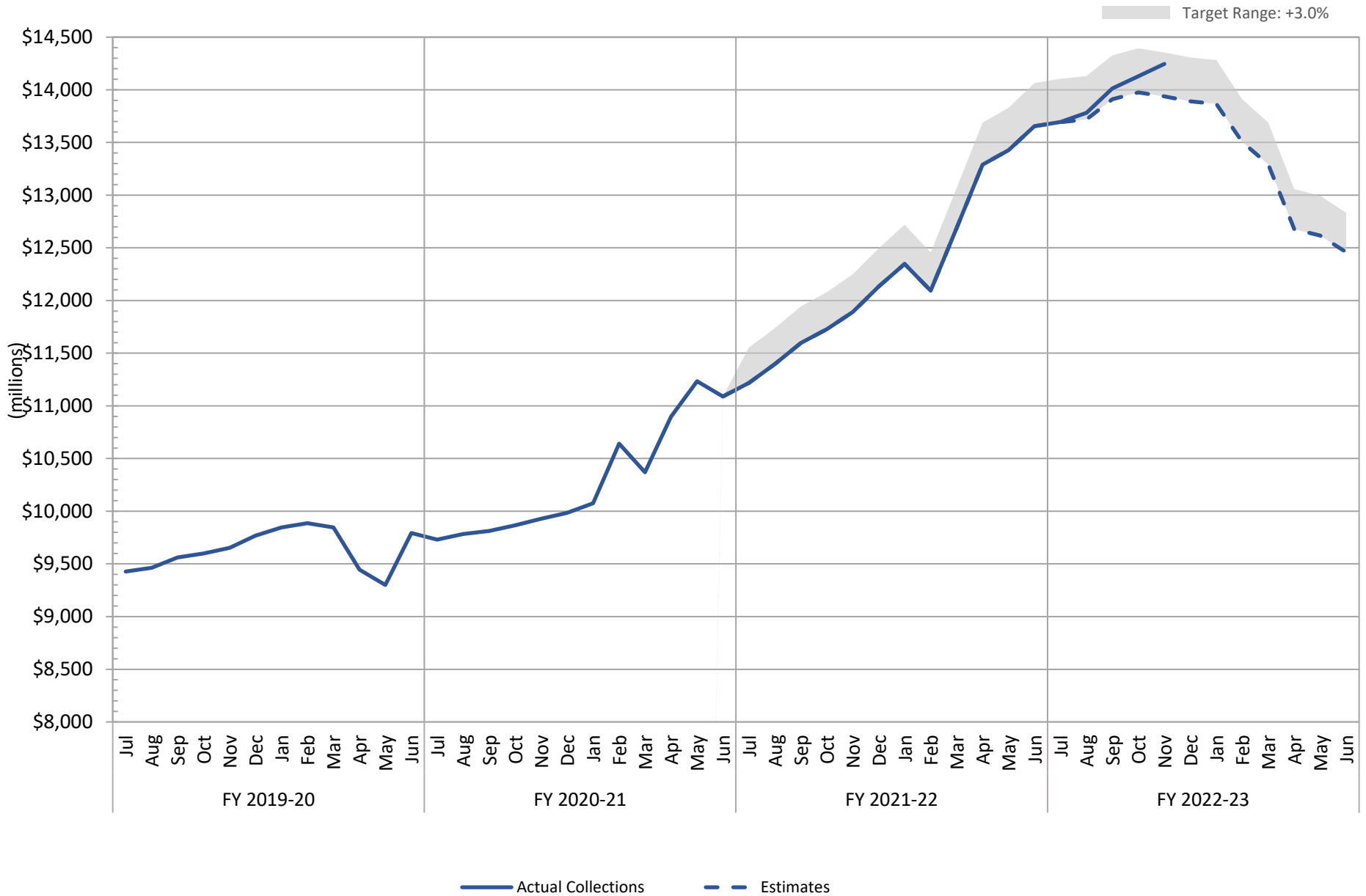
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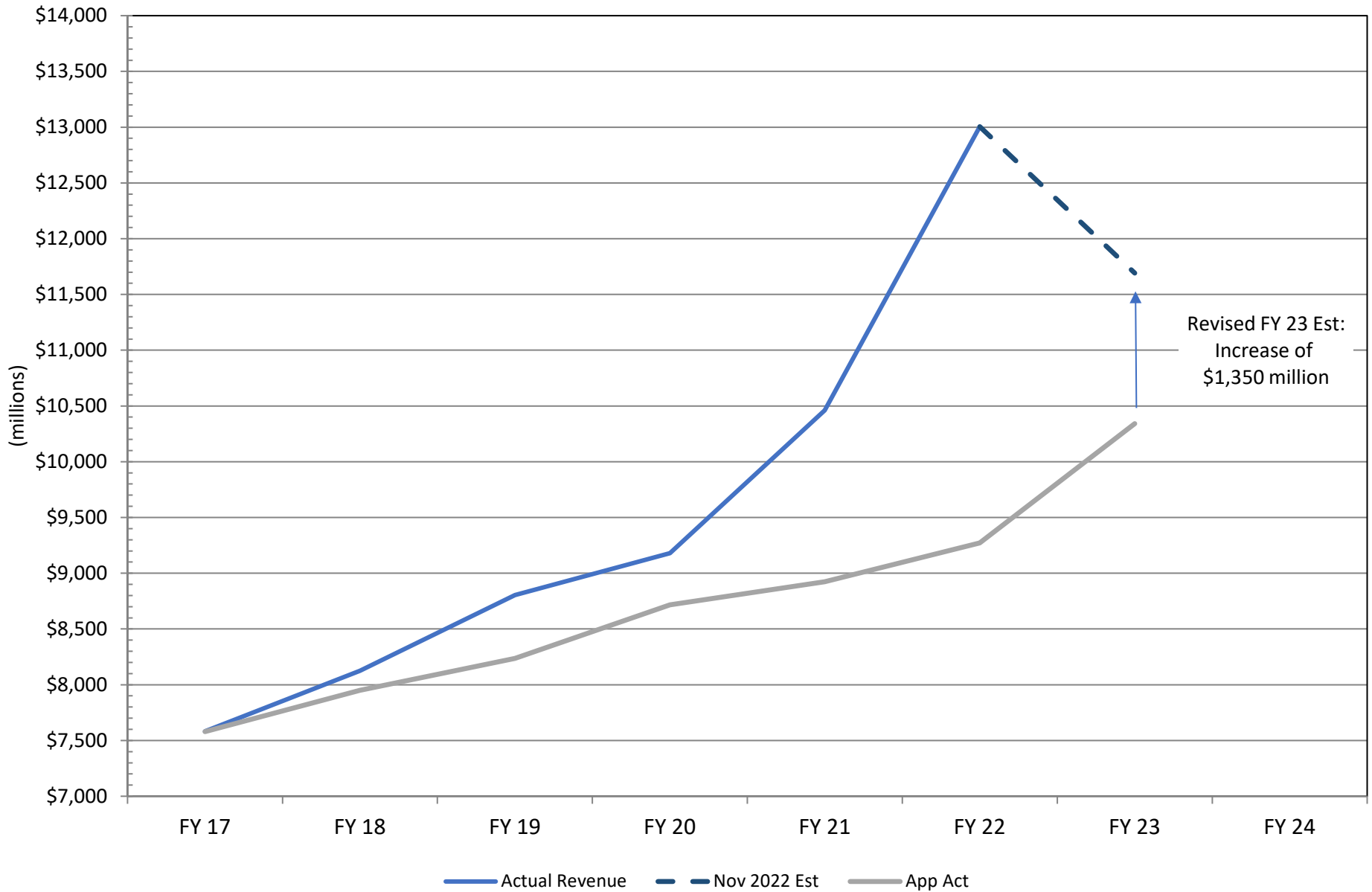
ROLLING FISCAL YEAR - GENERAL FUND

Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



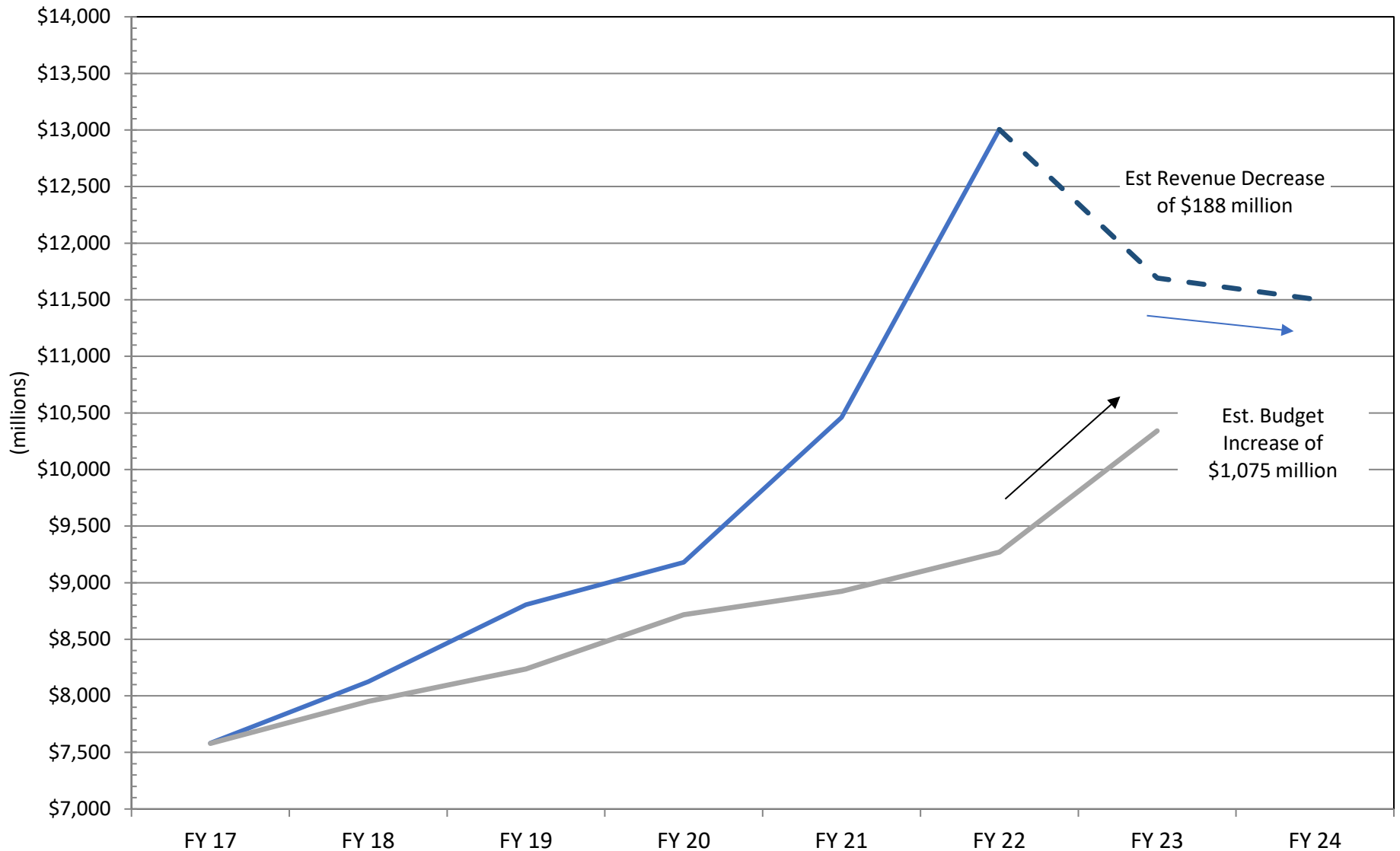
FY 2022-23 BUDGET CATCH-UP, NOVEMBER 2022

Actual and Estimated Revenue vs Appropriation Act Expenses



FY 2023-24 BUDGET OUTLOOK, NOVEMBER 2022

Actual and Estimated Revenue vs Appropriation Act Expenses



Note: Includes anticipated incremental income tax rate reduction for tax year 2023

— Actual Revenue - - - Nov 2022 Est — App Act

FY 2023-24 Budget/Revenue Outlook
(Dollars in Millions)

	Recurring Funds	Non-Recurring Funds
<u>Surplus Revenues</u>		
1 FY 2021-22 Surplus		\$ 1,204.8
2 FY 2022-23 Capital Reserve Fund		\$ 209.2
3 FY 2022-23 Projected Surplus as of November 16, 2022		\$ 1,350.2
4		
<u>Other Sources of Non-Recurring Funds</u>		
6		
7 Litigation Recovery		\$ 72.8
8 COVID-19 Response Reserve Fund, remaining balance (Act 135 of 2020)		\$ 72.6
9		
10 Projected Total Non-Recurring Revenue		\$ 2,909.8
11		
<u>FY 2023-24 General Fund Revenue</u>		
12		
13		
14 BEA Revenue Estimate as of November 16, 2022	\$ 11,503.9	
15 (Net of Tax Relief Trust Fund Transfer)		
16 - FY 2022-23 General Fund Appropriations	\$ (10,341.3)	
17 - Incremental Income Tax Rate Reduction (6.5% to 6.4%)	\$ (87.5)	
18		
19 Projected FY "New" Revenue	\$ 1,075.0	
20 - General Reserve Fund Contribution (5.5% of revenues)	\$ (140.0)	
21 - Capital Reserve Fund Contribution (3.0% of revenues)	\$ (180.9)	
22		
23 Projected FY 2023-24 "New" Revenue Available for Appropriation	\$ 754.1	
24		
<u>FY 2023-24 EIA</u>		
25		
26		
27 BEA Estimate as of November 16, 2022 (earnings plus interest)	\$ 1,153.4	
28 - FY 2022-23 Recurring EIA Base	\$ (1,004.6)	
29		
30 Projected "New" EIA Revenue	\$ 148.8	
31		
<u>FY 2022-23 EIA Surplus</u>		
32		
33		
34 BEA Estimate as of November 16, 2022 (earnings plus interest)		\$ 1,170.3
35 - FY 2022-23 Recurring EIA Base		\$ (1,004.6)
36		
37 Projected FY 2022-23 EIA Surplus		\$ 165.7
38		
<u>FY 2023-24 Lottery</u>		
39		
40		
41 Net Transfers		\$ 507.2
42 Unclaimed Prizes		\$ 20.0
43 Interest		\$ 5.3
44 Total		\$ 532.5
45		
46 FY 2021-22 Surplus		\$ 26.1
47 FY 2022-23 Projected Surplus		\$ 19.8
48		
49 Total Lottery Revenue		\$ 578.4

Update 1/5/2023 - Figures Subject to Revision

**FY 2023-24 Statewide Funding Issues
(Dollars in Millions)**

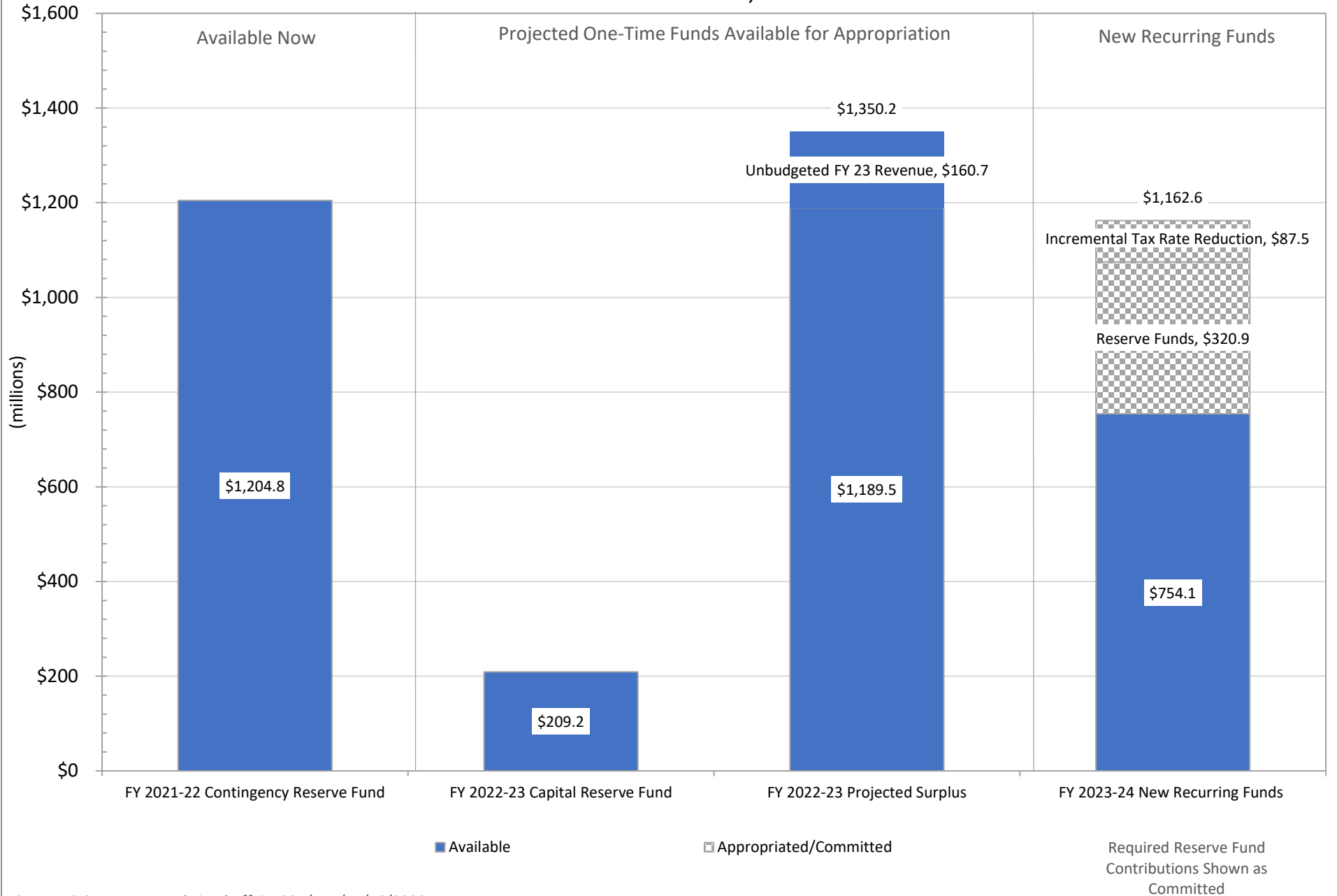
	<u>FY 2023-24</u>	
Statewide Funding Issues		
1 Local Government Fund Increase (capped at 5%)	13.2	1
2 Palmetto Fellows, LIFE, & HOPE Scholarship Adjustment (net of carryforward)	(37.1)	2
3 Retirement Systems Employer Contribution Increase of 1% (Act 13 of 2017)	40.2	3
4 Medicaid		4
5 Maintenance of Effort Annualization	42.1	5
6 Decrease in federal match funds (FMAP change)	67.9	6
7 Medicare premium increases for Medicaid recipients	<u>37.0</u>	7
8		8
9 Total Statewide Items	163.3	9
10		10
11 Additional Considerations		11
12 FY 2023-24 Employee Health Insurance Program (includes annualization)	117.0	12
13 State Employee Base Salary & Fringe Increase (1%)	<u>26.7</u>	13
14		14
15 Total Additional Funding Considerations	143.7	15

Updated 1/5/2023 - Figures Subject to Revision

FY 2023-24 AGENCY BUDGET REQUESTS				
Row Labels	General Funds			Total
	Recurring	Non-recurring	Capital	
Natural Resources & Economic Development	95,589,208	214,490,341	1,449,074,929	1,759,154,478
Health & Social	353,975,777	30,404,099		384,379,876
K-12 Education, Special Schools & Cultural	187,872,028	164,235,714	393,600	352,501,342
Regulatory & Transportation	31,051,408	210,482,182	34,877,950	276,411,540
Law Enforcement & Corrections	50,837,048	25,361,183	158,907,950	235,106,181
Higher Education	165,596,187	49,078,302	15,000,000	229,674,489
Legislative, Judicial, Executive & Administrative	237,059,941	65,911,977	18,852,000	321,823,918
Aid to Subdivisions	17,109,884		300,000	17,409,884
Grand Total	1,139,091,481	759,963,798	1,677,406,429	3,576,461,708

(Excludes Debt Service, Tax Relief Trust Fund transfer, and Reserve Funds.)

AVAILABLE FUNDS - FY 2023-24 BUDGET PROCESS as of November 16, 2022



Source: S.C. Revenue and Fiscal Affairs 297/RFA/11/16/2022