

# **SOUTH CAROLINA GENERAL FUND REVENUE**

## **Initial General Fund Revenue Forecast FY 2023-24 and FY 2024-25**

September 21, 2023



# FY 2022-23 Final Revenues

# FY 2022-23 Final Revenue



## REVENUES V. BEA MONTHLY ESTIMATES

### FINAL FY 2022-23

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate Full Yr. <sup>/1</sup>	Actual Full Yr. <sup>/2</sup>		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate Full Yr. <sup>/1</sup>	Actual Full Yr. <sup>/2</sup>
<b>Total General Fund Revenue</b>	<b>\$13,033.0</b>	<b>\$13,094.2</b>	<b>\$61.2</b>	<b>(4.6%)</b>	<b>(4.1%)</b>	Other Revenue Items, Sub-Total	\$988.0	\$1,047.4	\$59.5	(2.4%)	26.6%
Sales Tax	4,649.2	4,660.1	10.9	5.6%	5.9%	Admissions Tax	41.0	45.4	4.4	(10.4%)	(0.8%)
Individual Income Tax	5,796.5	5,758.2	(38.3)	(15.1%)	(15.7%)	Alcoholic Liquors Tax	114.7	118.1	3.3	2.0%	5.0%
Withholdings	6,848.5	6,903.1	54.6	(0.2%)	0.6%	Bank Tax	64.9	95.0	30.2	(10.3%)	31.3%
Non-withholdings	1,769.2	1,688.4	(80.8)	(13.8%)	(17.7%)	Beer and Wine Tax	116.0	113.4	(2.7)	(0.8%)	(3.1%)
Refunds	2,821.2	2,833.3	12.1	35.0%	35.6%	Corporate License Tax	168.0	170.1	2.1	3.0%	4.3%
Corporate Income Tax	1,236.3	1,262.2	26.0	9.5%	11.8%	Deed Rec. (Doc. Tax)	120.9	123.2	2.3	(22.9%)	(21.4%)
Insurance Tax	363.0	366.2	3.3	28.0%	29.2%	Earned on Investments	170.0	180.5	10.5	144.1%	159.2%
Other Revenue Items, Sub-Total	988.0	1,047.4	59.5	(2.4%)	26.6%	Residual Revenue	192.5	201.7	9.2	(30.0%)	(26.6%)

Based on BEA Forecast as of May 09, 2023

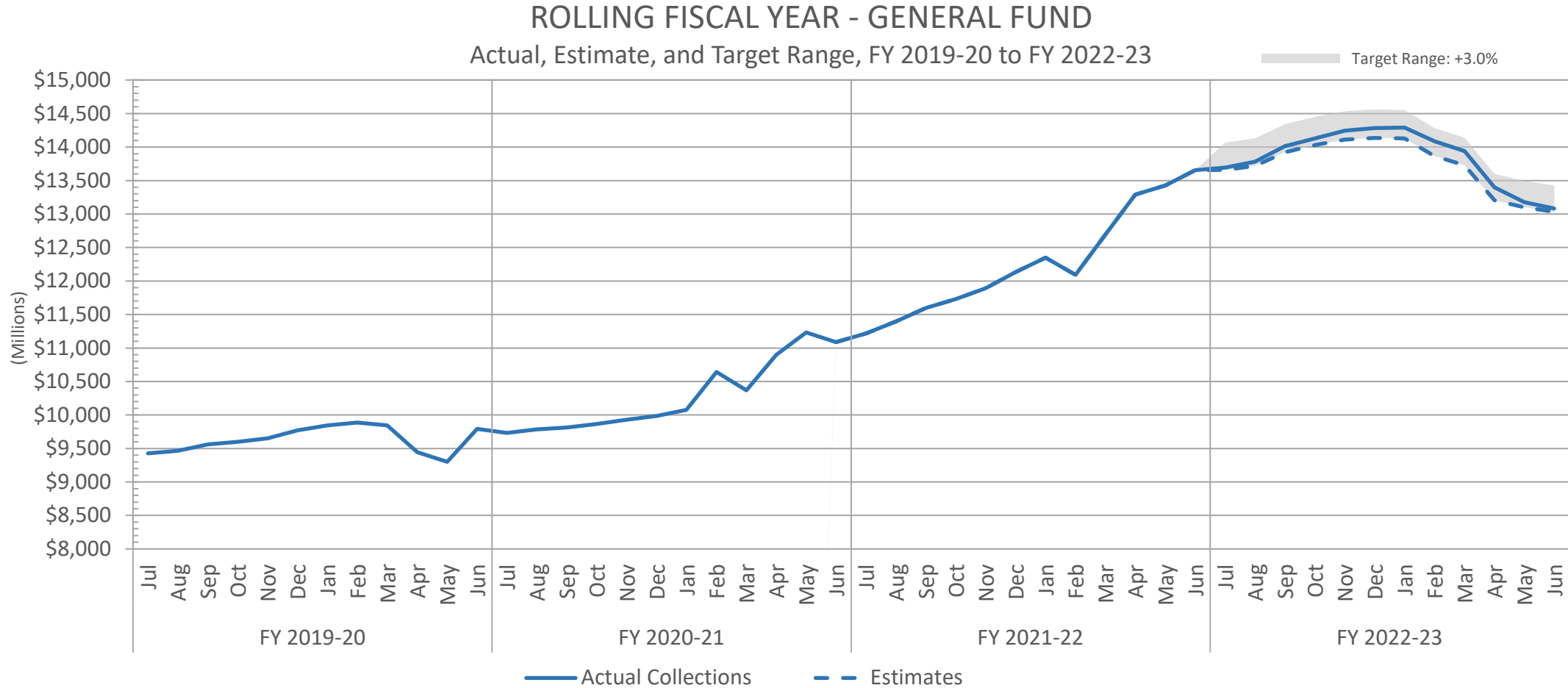
<sup>/1</sup> Estimate full year reflects projected growth for the full fiscal year over the prior year.

<sup>/2</sup> Actual full year reflects actual growth for the full fiscal year over the prior year.



# General Fund – Actuals vs. Estimates

Revenues ended \$61.2 million above the estimate for FY 2022-23, declining 4.1% compared to 4.6% estimated decline



# FY 2023-24 General Fund Revenue



# FY 2023-24 General Fund Revenue through August



## REVENUES V. BEA MONTHLY ESTIMATES

JULY - AUGUST FY 2023-24

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD <sup>/1</sup>	Actual YTD <sup>/2</sup>	Estimate Full Yr. <sup>/3</sup>		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD <sup>/1</sup>	Actual YTD <sup>/2</sup>	Estimate Full Yr. <sup>/3</sup>
<b>Total General Fund Revenue</b>	<b>\$1,456.9</b>	<b>\$1,623.4</b>	<b>\$166.6</b>	<b>(14.7%)</b>	<b>(4.9%)</b>	<b>(4.9%)</b>	<b>Other Revenue Items, Sub-Total</b>	<b>\$81.1</b>	<b>\$98.7</b>	<b>\$17.6</b>	<b>(3.0%)</b>	<b>18.0%</b>	<b>(5.2%)</b>
Sales Tax	384.6	416.6	32.0	(3.5%)	4.5%	(3.3%)	Admissions Tax	(5.7)	(6.2)	(0.6)	N/A	N/A	(14.7%)
Individual Income Tax	949.0	1,046.6	97.6	(18.4%)	(10.0%)	1.2%	Alcoholic Liquors Tax	10.1	10.7	0.6	(4.9%)	0.5%	(6.7%)
Withholdings	984.1	1,066.8	82.7	(15.2%)	(8.1%)	(10.5%)	Bank Tax	(0.2)	2.1	2.3	(204.7%)	1300.2%	(33.5%)
Nonwithholdings	119.0	94.2	(24.8)	4.4%	(17.3%)	(0.2%)	Beer and Wine Tax	10.9	10.2	(0.7)	4.2%	(2.1%)	3.8%
Refunds	154.2	114.4	(39.7)	37.7%	2.3%	(28.1%)	Corporate License Tax	10.8	13.0	2.2	1.7%	22.9%	1.7%
Corporate Income Tax	32.3	53.4	21.1	(45.4%)	(9.7%)	(38.0%)	Deed Rec. (Doc. Tax)	10.9	9.7	(1.2)	0.8%	(10.3%)	(4.2%)
Insurance Tax	9.9	8.3	(1.7)	203.1%	152.5%	(3.8%)	Earned on Investments	28.8	37.2	8.4	11.8%	44.2%	(0.3%)
Other Revenue Items, Sub-Total	81.1	98.7	17.6	(3.0%)	18.0%	(5.2%)	Residual Revenue	15.4	22.0	6.5	(30.1%)	(0.5%)	(4.7%)

Based on BEA Forecast as of September 21, 2023

/1 Estimate year-to-date reflects expected growth in collections fiscal year-to-date over prior fiscal year-to-date based on anticipated monthly collection patterns.

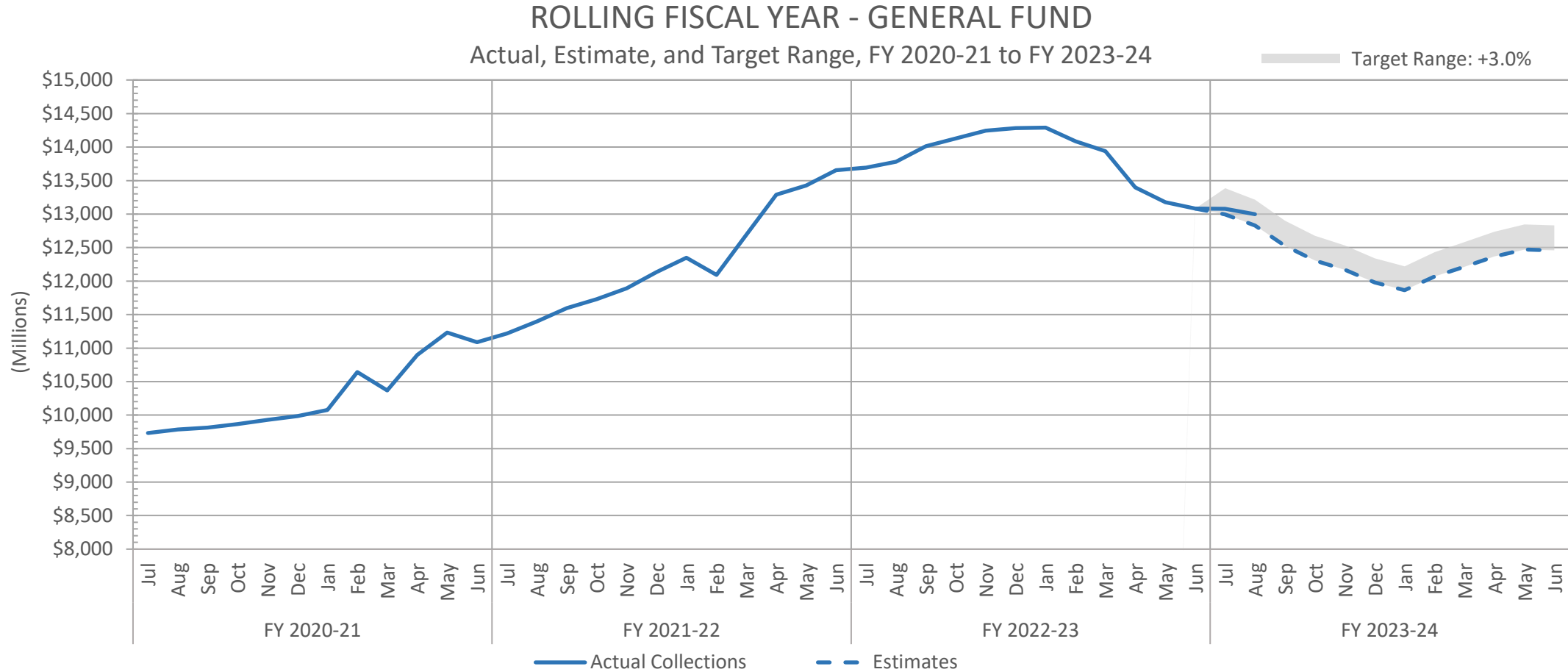
/2 Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

/3 Estimate full year reflects projected growth for the full fiscal year over the prior year.



# Total General Fund – FY 24 through August

## Collections are exceeding the working estimates by \$166.6 million



# Economic Indicators

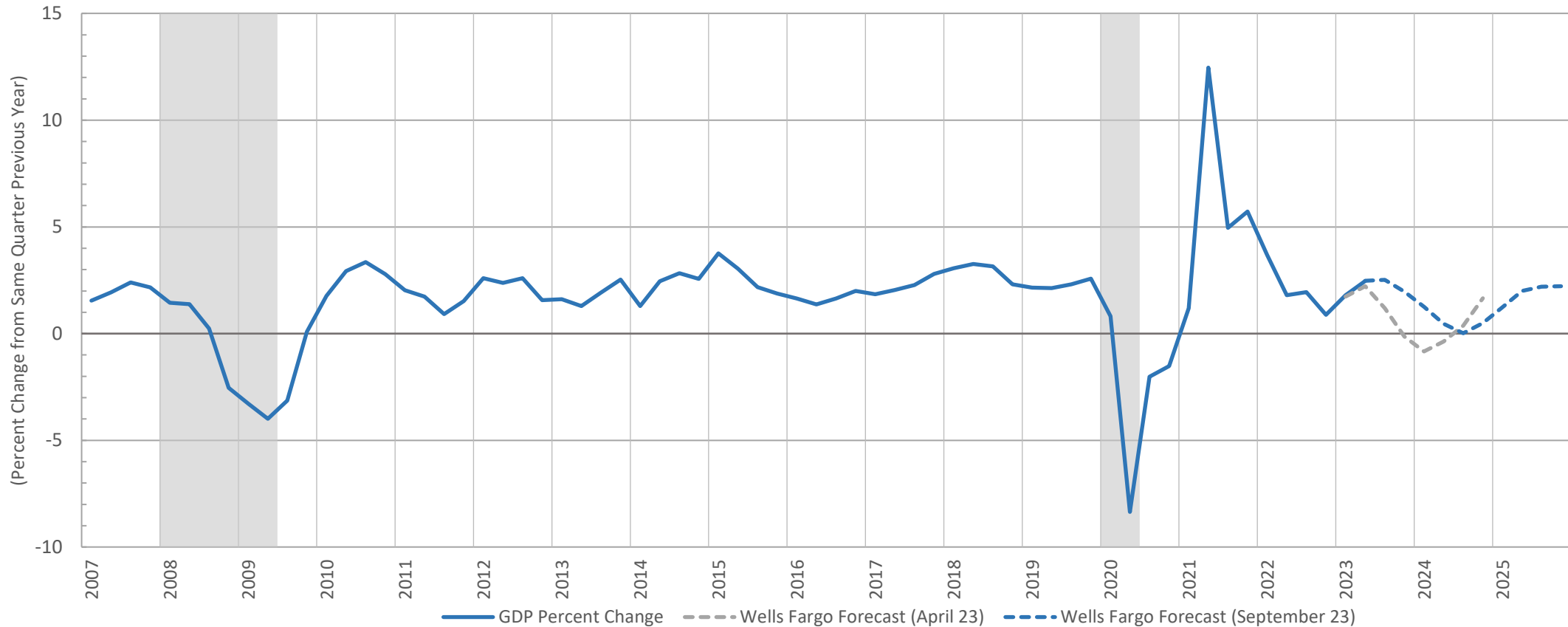




# Real GDP Growth

Updated US GDP growth expectations have pushed the potential downturn farther out than previously observed in the spring

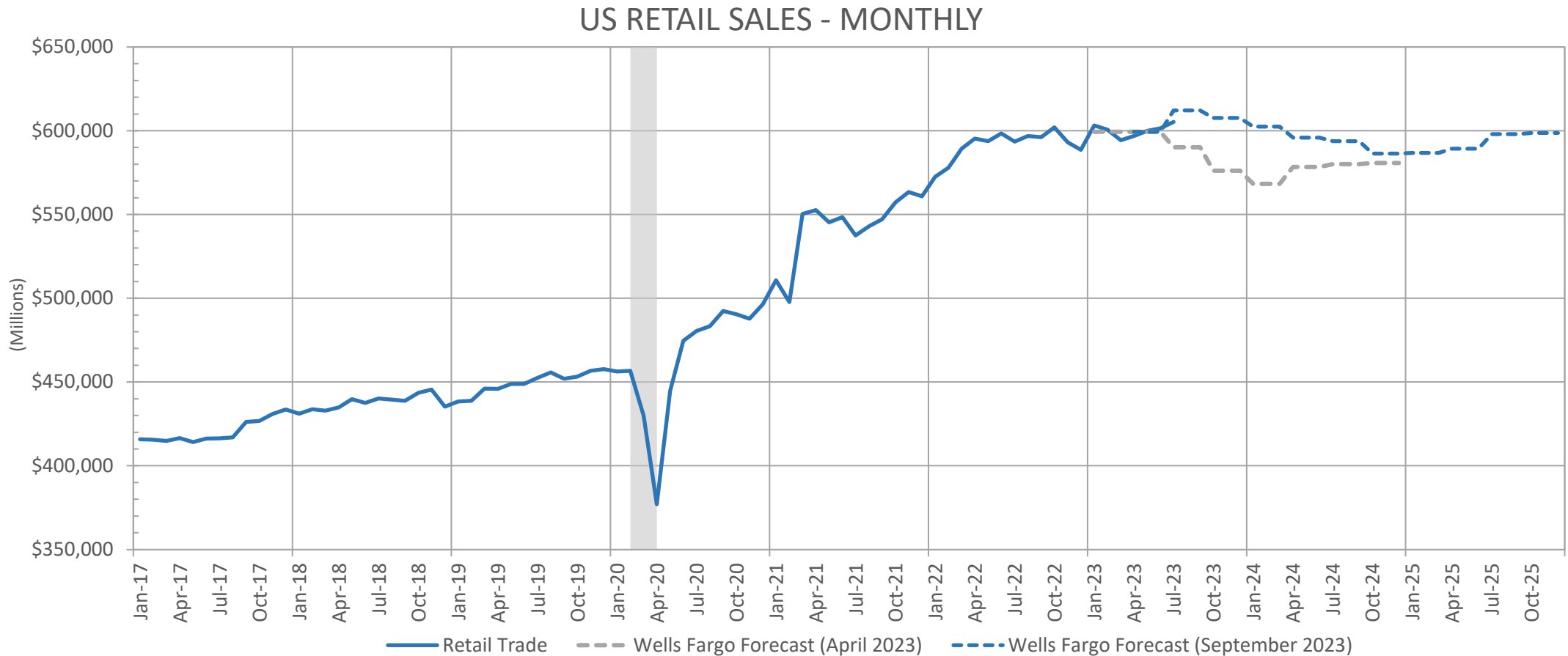
US REAL GROSS DOMESTIC PRODUCT GROWTH



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis; Wells Fargo US Economic Outlook, April 13 & Sep. 7, 2023 RFA/266/kav/09/12/2023

# US Retail Sales

Retail sales expectations have improved since the May forecast; Wells Fargo is now anticipating less of a decline



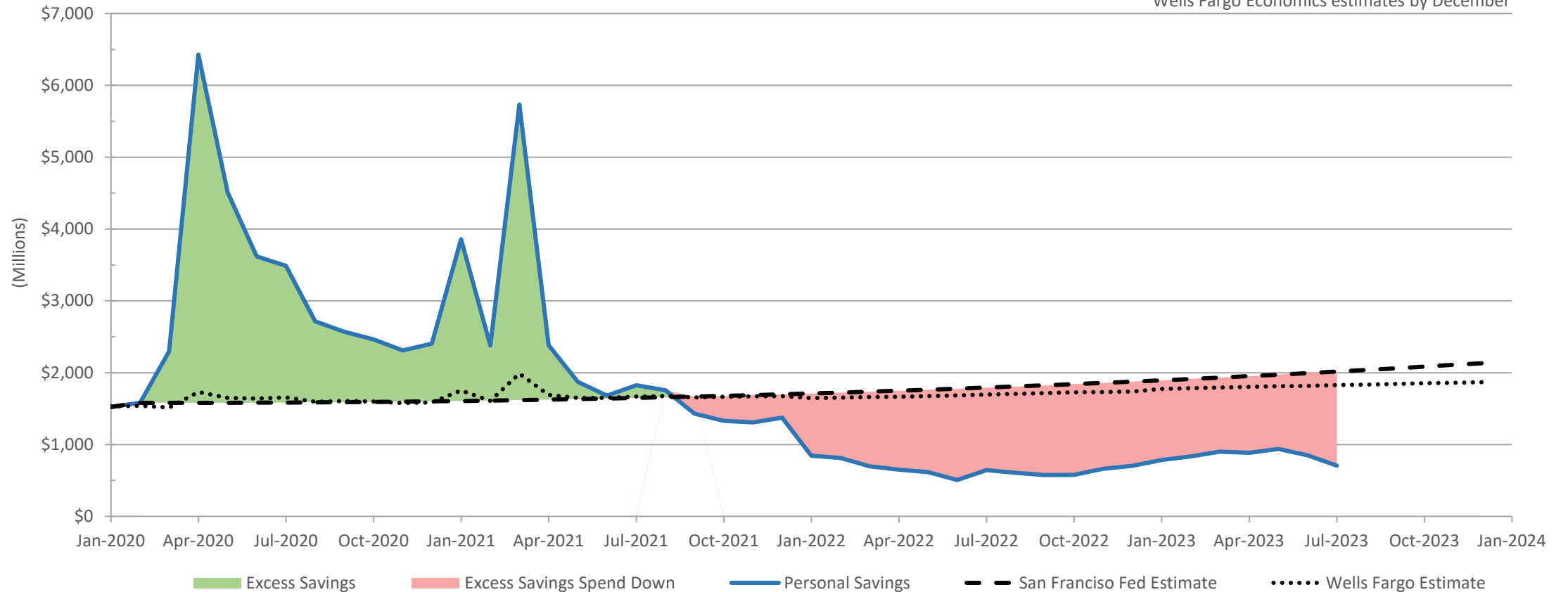
Source: U.S. Census Bureau, Advance Retail Sales: Retail Trade [RSXFS], retrieved from FRED, Federal Reserve Bank of St. Louis; Wells Fargo US Economic Outlook, April 13 & Sep. 7, 2023; 323-RFA/kav/09/12/2023

# Personal Savings

## Consumers have spent down excess savings from stimulus; expected to be depleted by 2024

COVID-era Excess Savings Depletion Forecast:  
San Francisco Fed estimates by September or October  
Wells Fargo Economics estimates by December

### PERSONAL SAVINGS

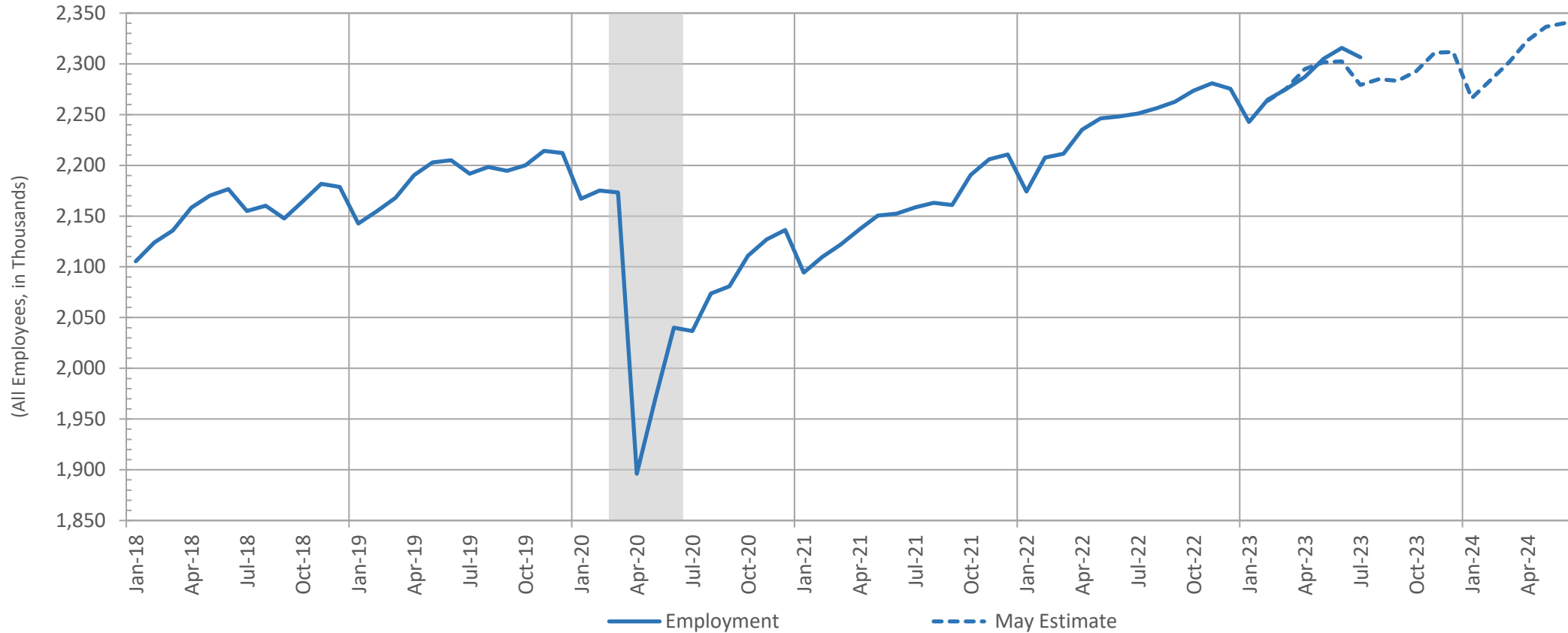


Source: U.S. Bureau of Economic Analysis, Seasonally Adjusted Annualized Level; Federal Reserve Bank of San Francisco, Wells Fargo Economics; 331-RFA/kav/9/1/2023

# South Carolina Employment

Nonfarm employment has exceeded the estimate in recent months, settling 27,300 jobs above the May estimate in July

TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/lhj/8/30/23

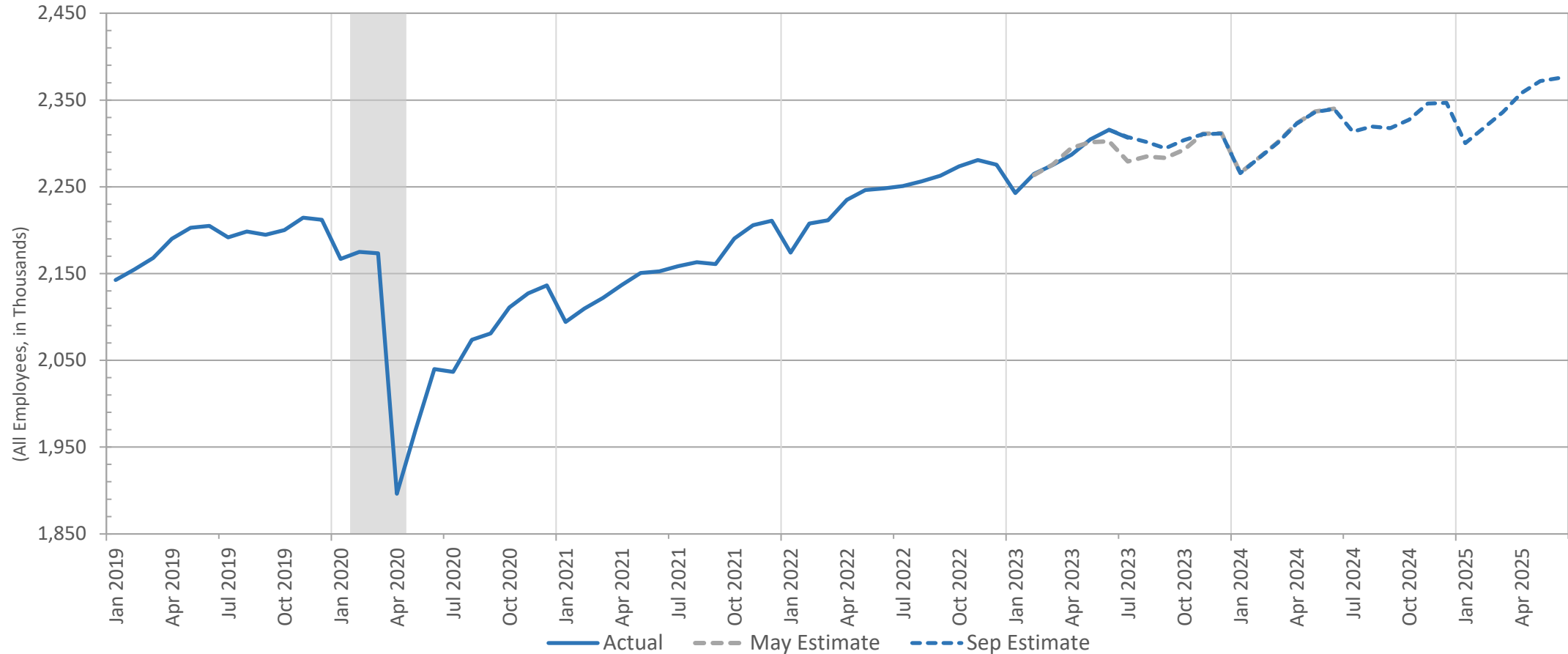


# Proposed Working Estimates – Employment

Working estimates incorporate growth observed through mid-2023

FY 24: 1.4% (up from 1.2% in May); FY 25: 1.3%

### TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA

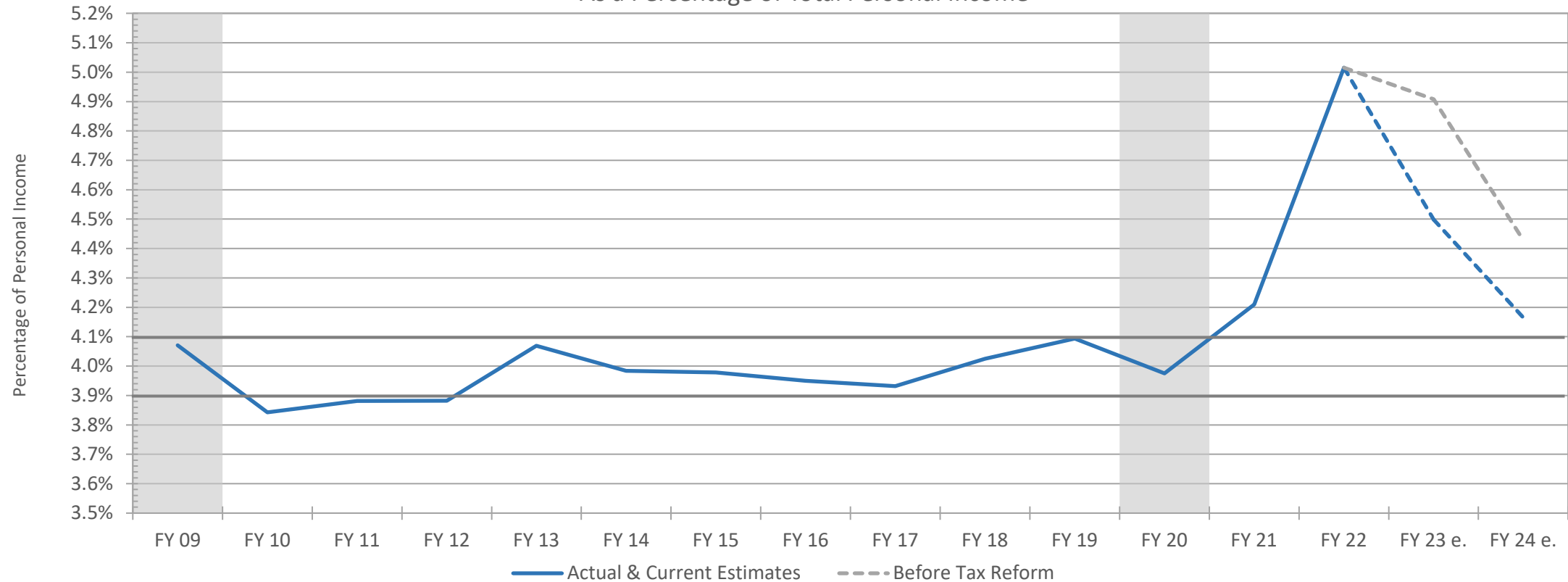


Source: U.S. Department of Labor. Bureau of Labor Statistics 60-RFA/lhi/9/11/23

# General Fund as a Percentage of Personal Income

Post-pandemic relationship jumped 1.1% in FY 22, adding approximately \$2.9 billion; FY 23 results moved half-way back to historical range (tax reform)

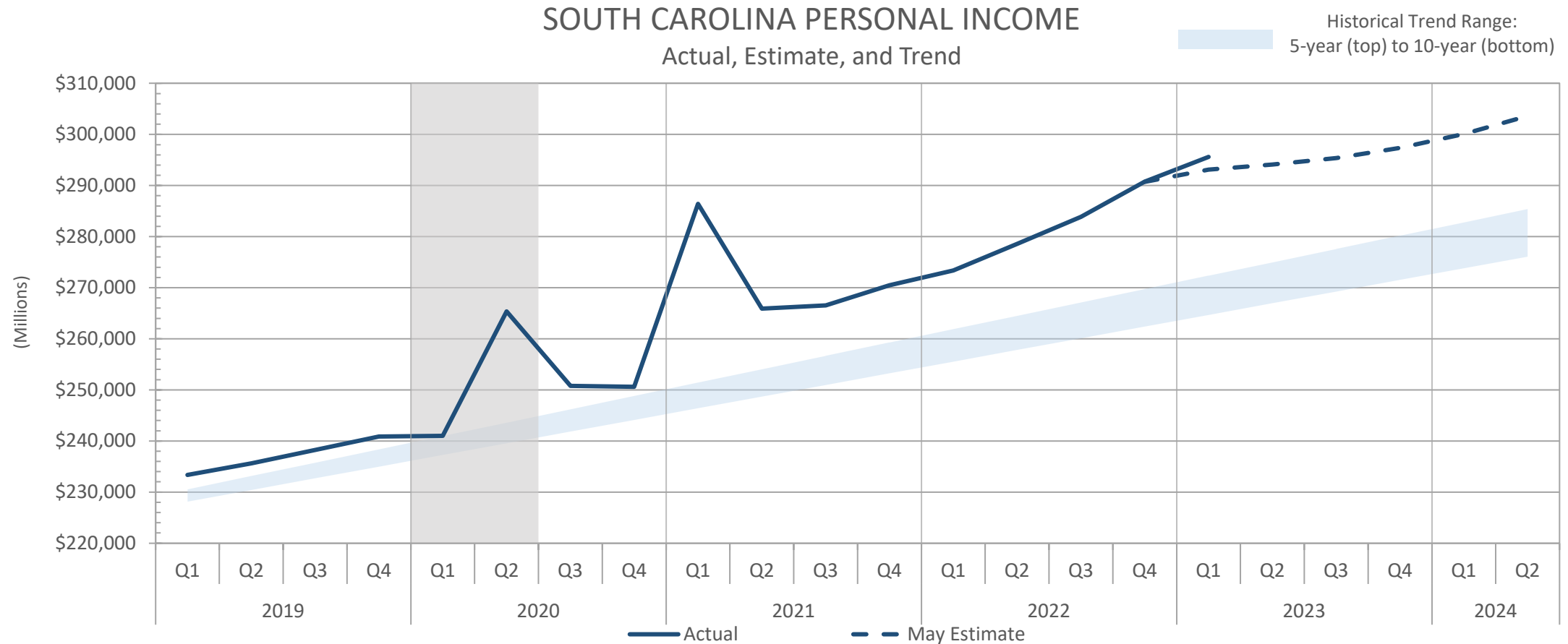
SOUTH CAROLINA GENERAL FUND REVENUE  
As a Percentage of Total Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 34F-kav/09/12/2023

# SC Personal Income

Personal income growth has continued longer than anticipated in May 2023; expected slow down has pushed further out

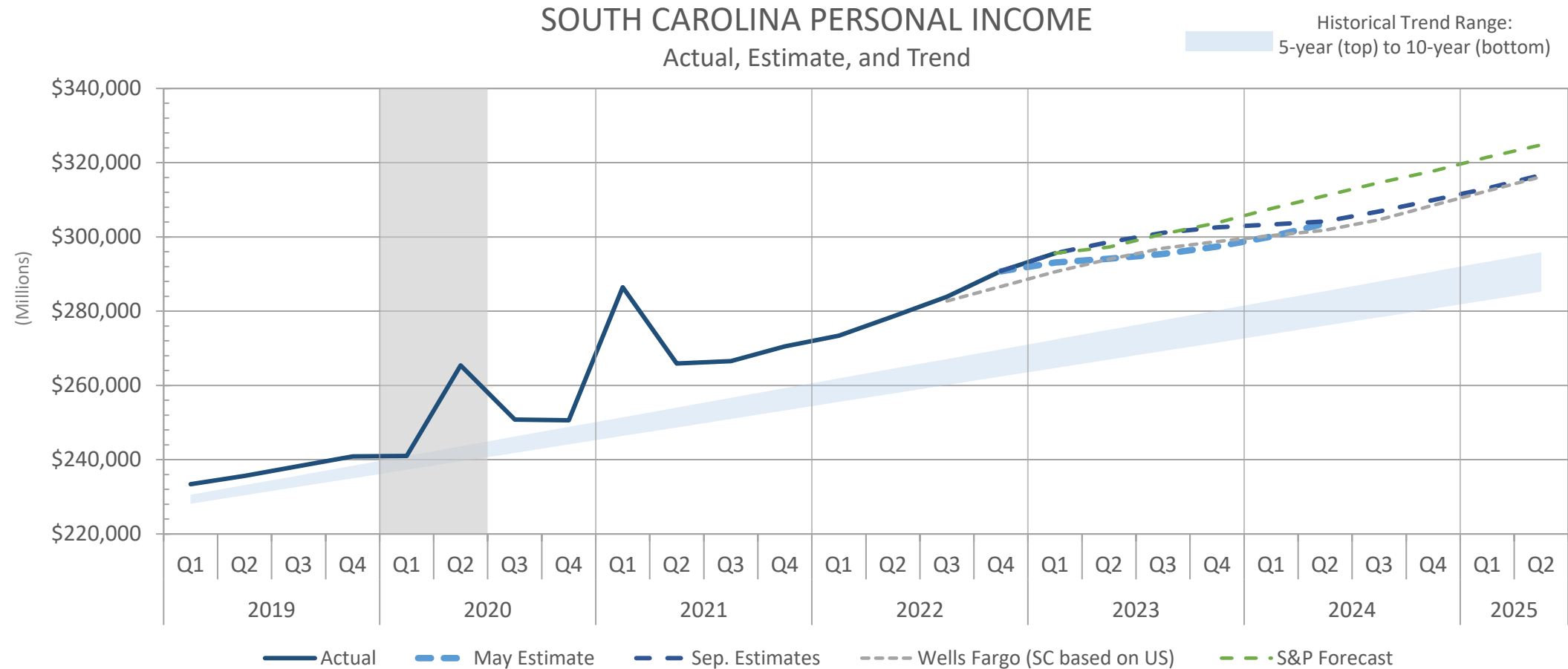


Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/lhj/07/06/2023

# Proposed Working Estimates – Personal Income

Working estimates incorporate growth observed through Q1 2023

FY 24: 3.6% (up from 2.96% in May); FY 25: 2.9%



Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/lhj/09/11/2023



# General Fund Revenue Consumption Taxes

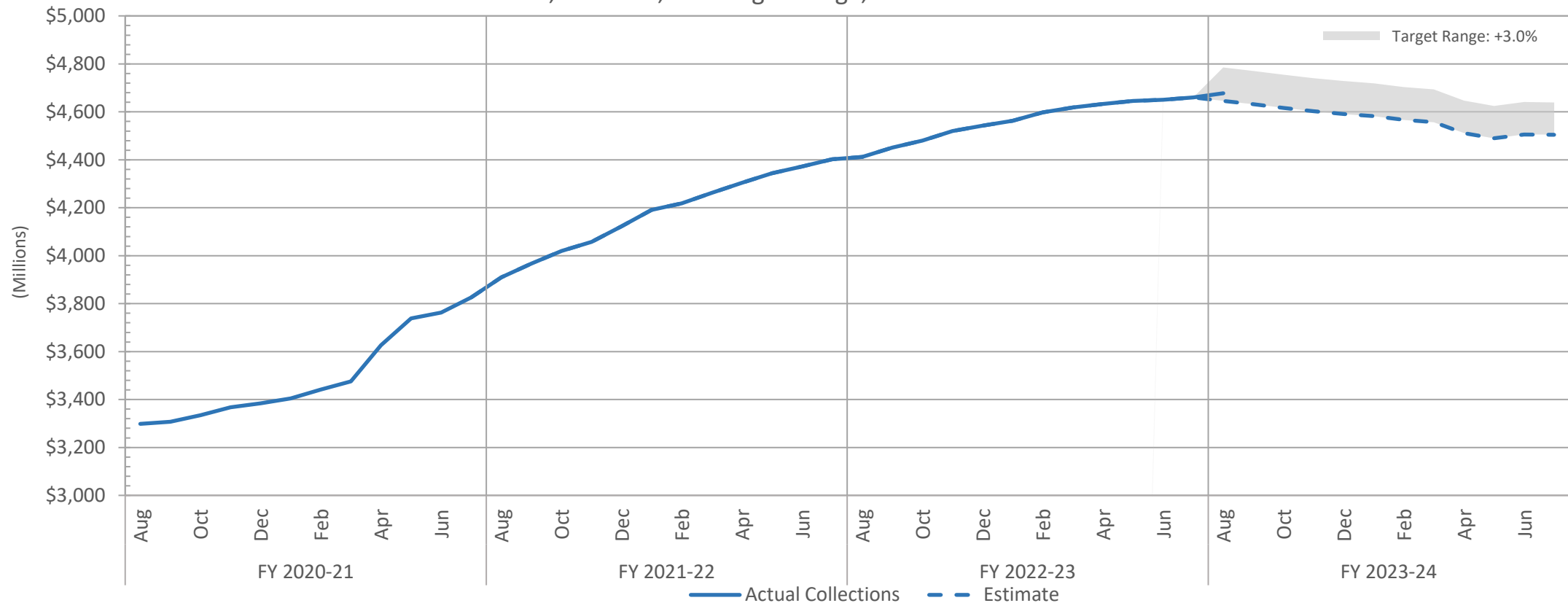


# Sales Tax - FY 24

Collections for August grew 4.5%, improving from 2.4% growth in July; the estimate for FY 24 reflects a decline of 3.3% for the fiscal year

## ROLLING FISCAL YEAR - SALES TAX

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

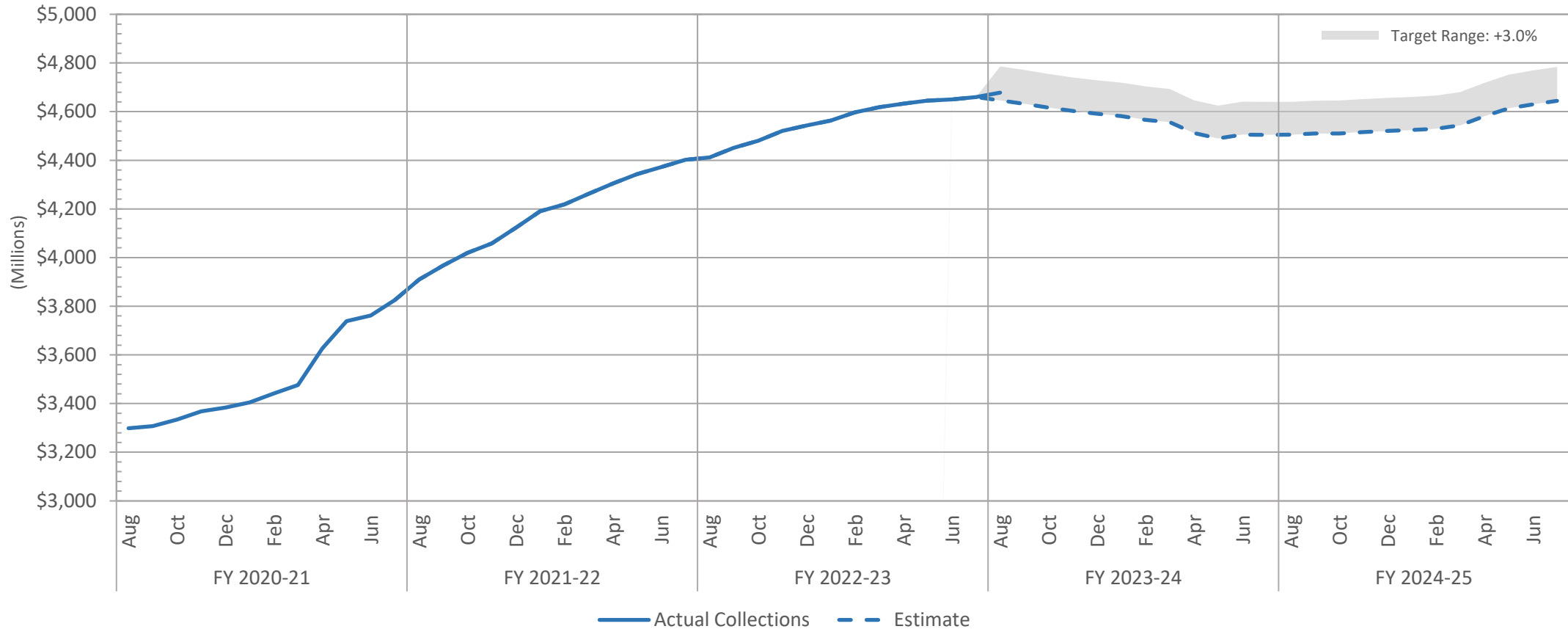


# Sales Tax - FY 25

Expectations for FY 25 reflect lower than average growth of 3.1% over the decline for FY 24

## ROLLING FISCAL YEAR - SALES TAX

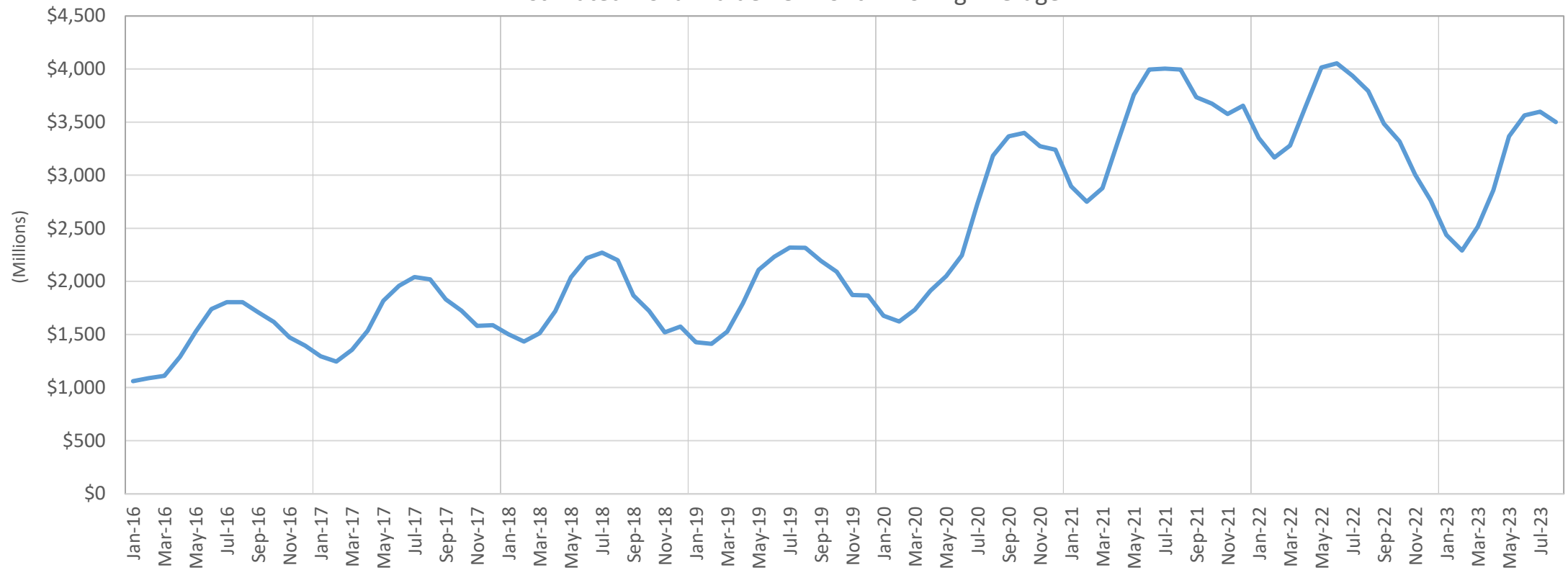
Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25



# South Carolina Home Sales and Prices

Total value of home sales has fallen in 2023; the summer sales peak was lower than in 2021 and 2022; the change is largely due to a decline in number sold while average price remains elevated likely due to limited supply

TOTAL SOUTH CAROLINA HOME SALES  
Estimated Dollar Value - 3-Month Moving Average



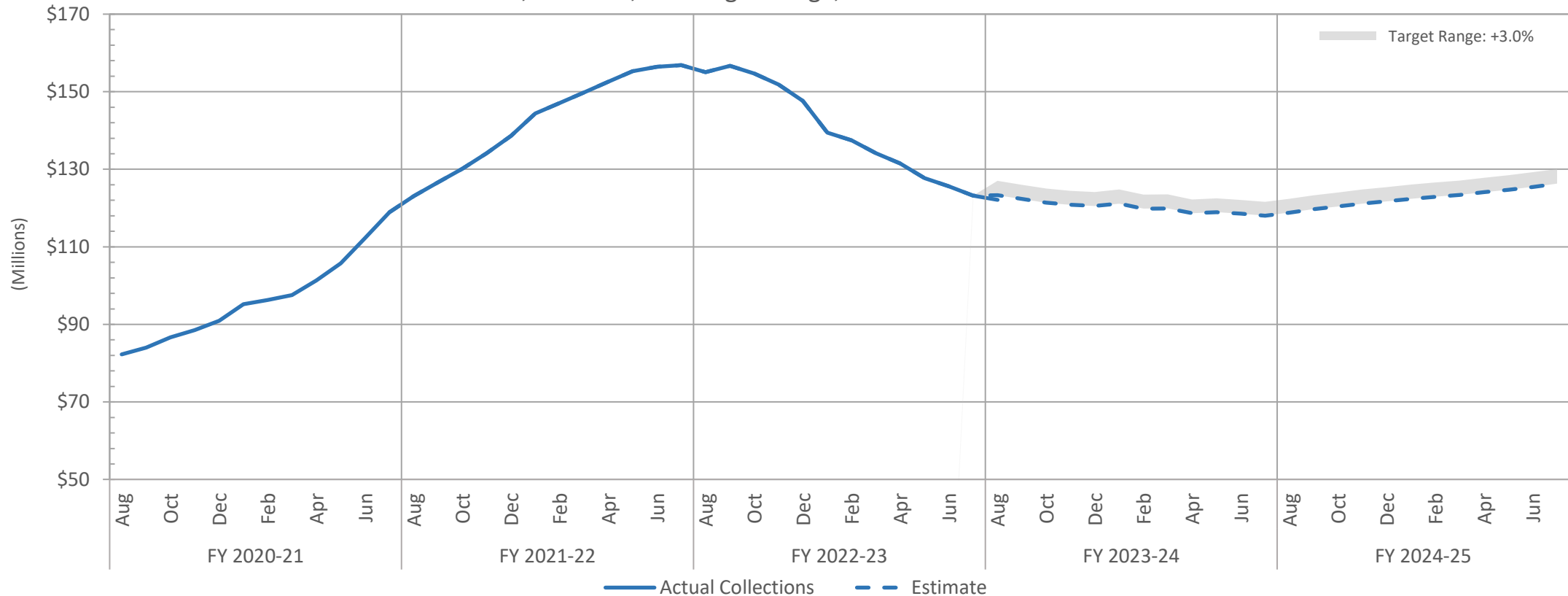
Source: SC Realtors; Market Activity; calculations by SCRFA: Average sales price x closed sales 276/kav/09/18/2023



# Deed Recording Fees – FY 24 & FY 25

August 2023 declined 10.3% compared to last year, and collections are slightly behind expectations; working estimates assume current trends continue through FY 24 with slight improvement in FY 25

ROLLING FISCAL YEAR - DEED RECORDING FEES  
Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25



# General Fund Revenue Individual Income Tax Components

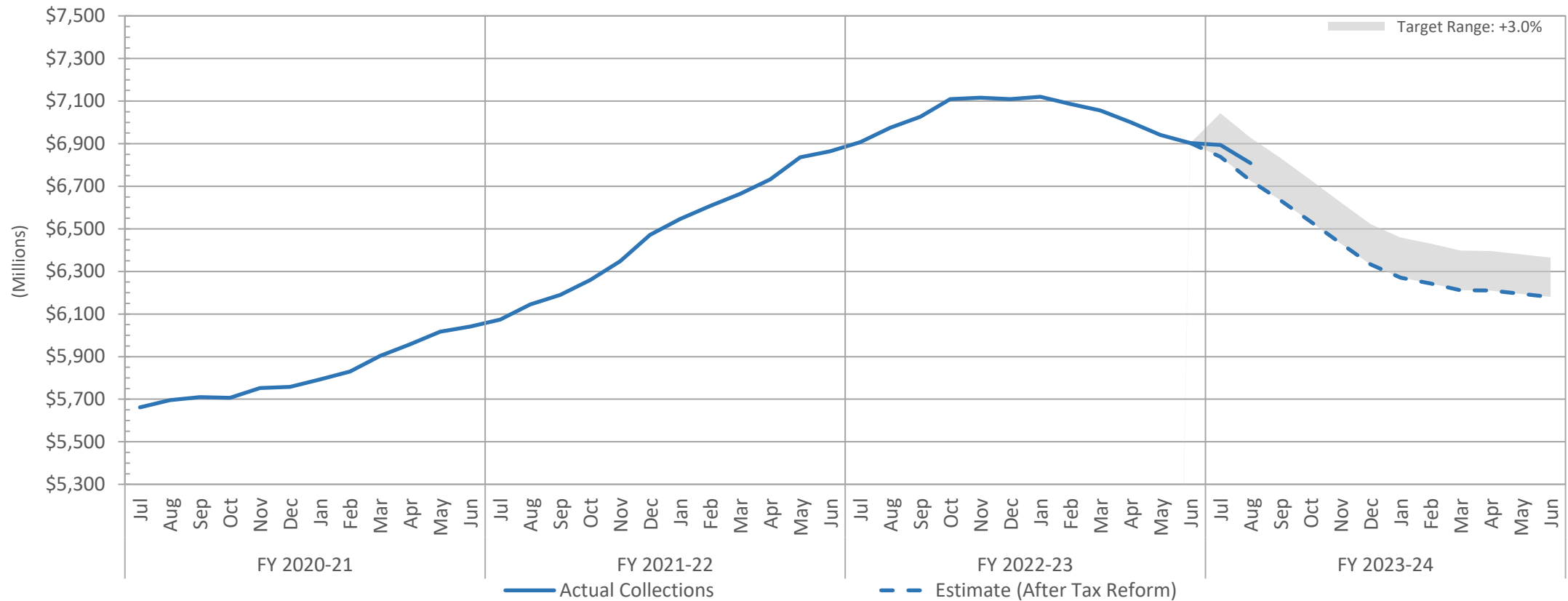


# Individual Withholdings – FY 24

Collections through August are 8.4% above the estimate; FY 24 estimated decline of 10.5% is largely due to tax tables adjustment (growth assumed to be flat without the adjustment)

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

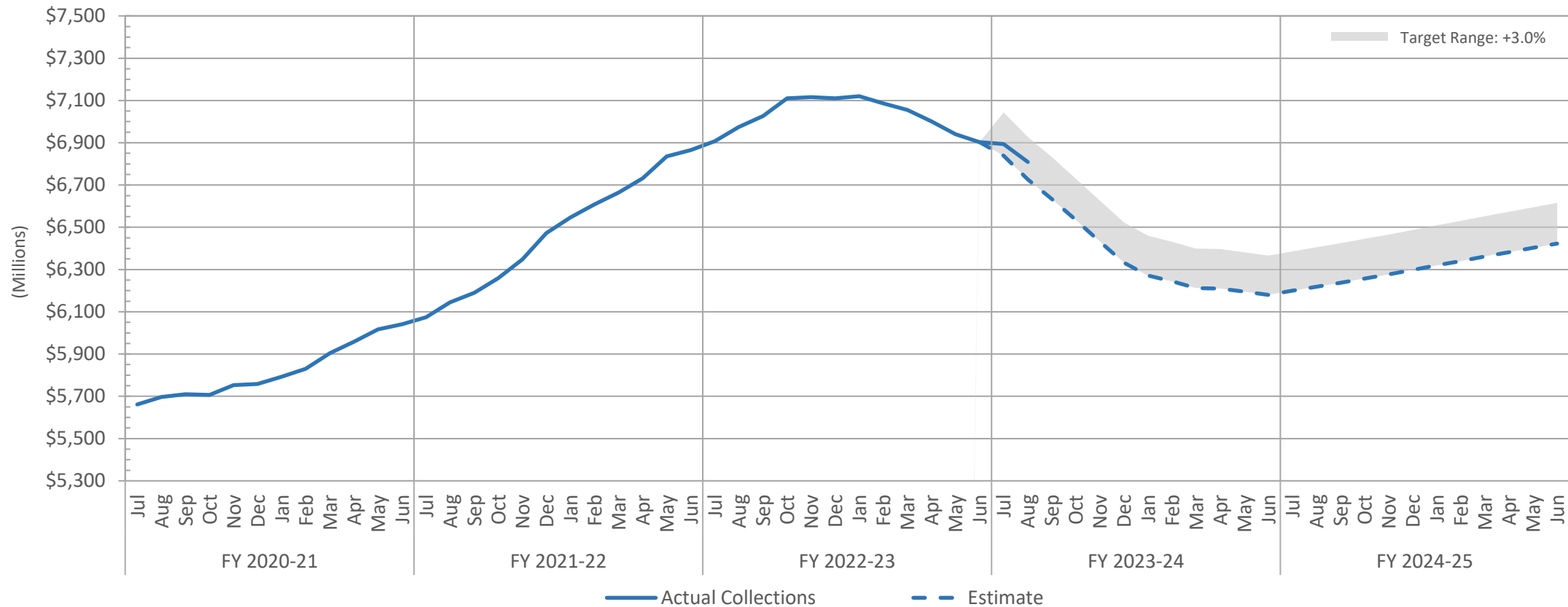


# Individual Withholdings – FY 25

FY 25 estimated growth is 3.9% over flat underlying growth for FY 24

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25





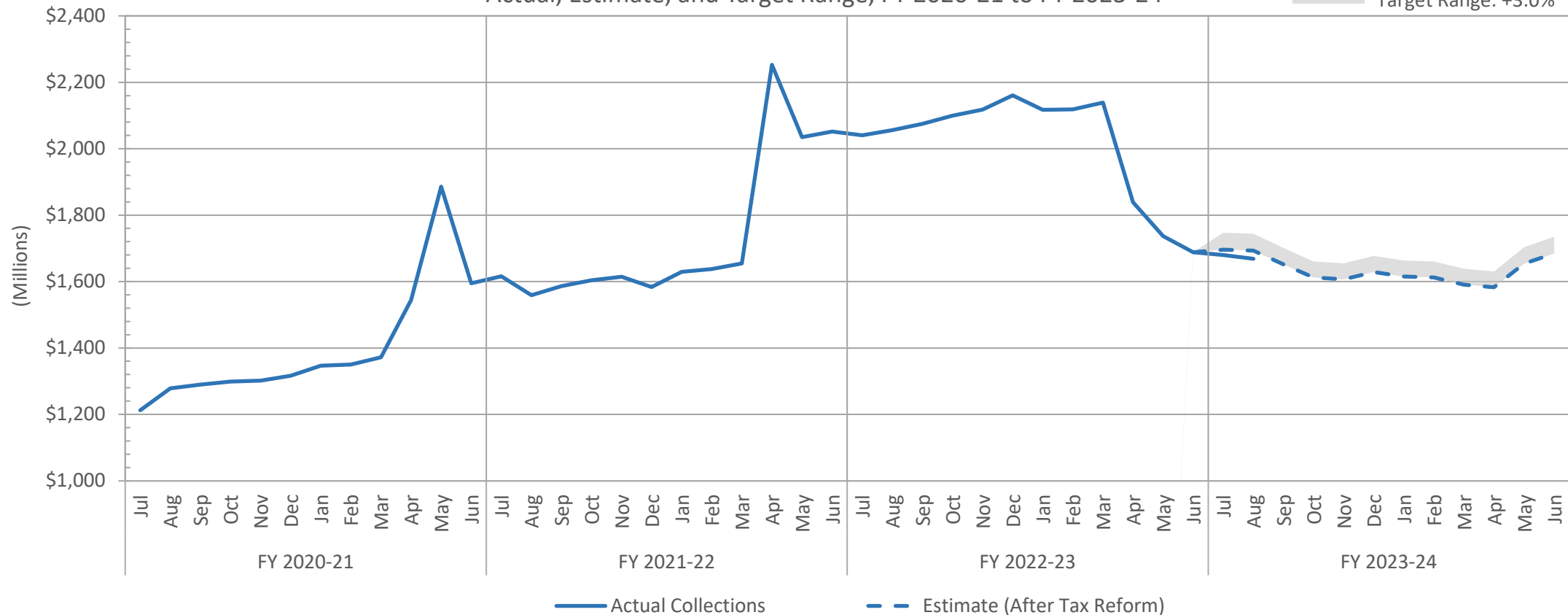
# Individual Non-Withholdings - FY 24

Collections for FY 24 are expected to decline by 0.2%; revenues are currently slightly behind expectations, continuing the trend seen at the end of FY 23

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

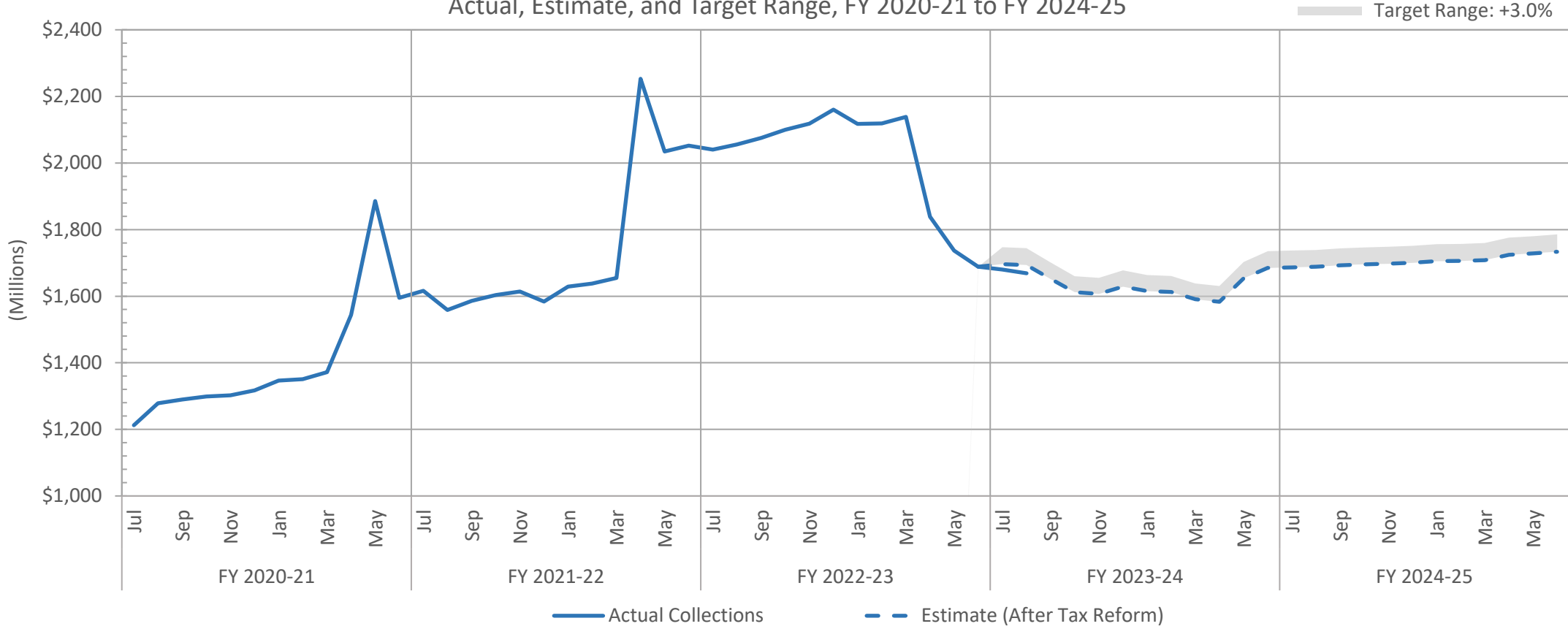
Target Range: +3.0%



# Individual Non-Withholdings - FY 25

## Estimate for FY 25 reflects 2.9% growth over flat FY 24

ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS  
 Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25

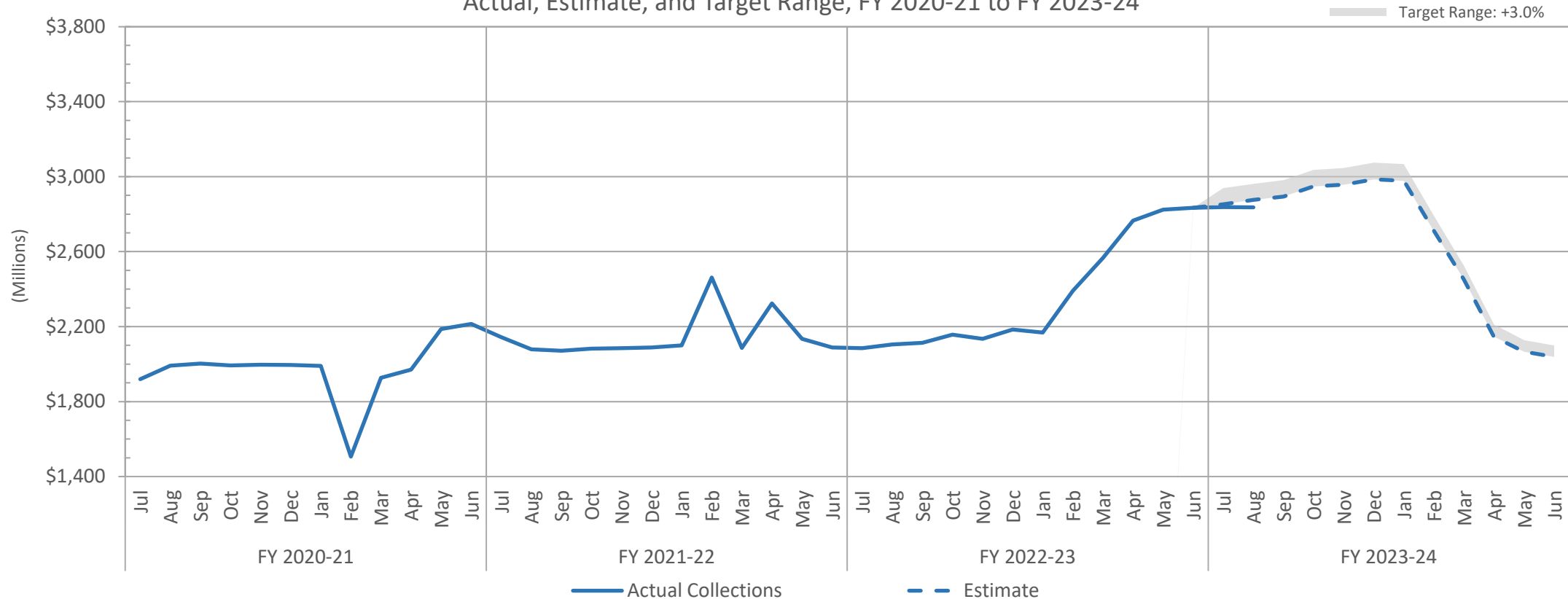


# Individual Refunds - FY 24

Refunds through August are below expectations; total Refunds are currently estimated to decline 28.1% in FY 24 largely due to the impact of tax reform and the change to Withholdings tables

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

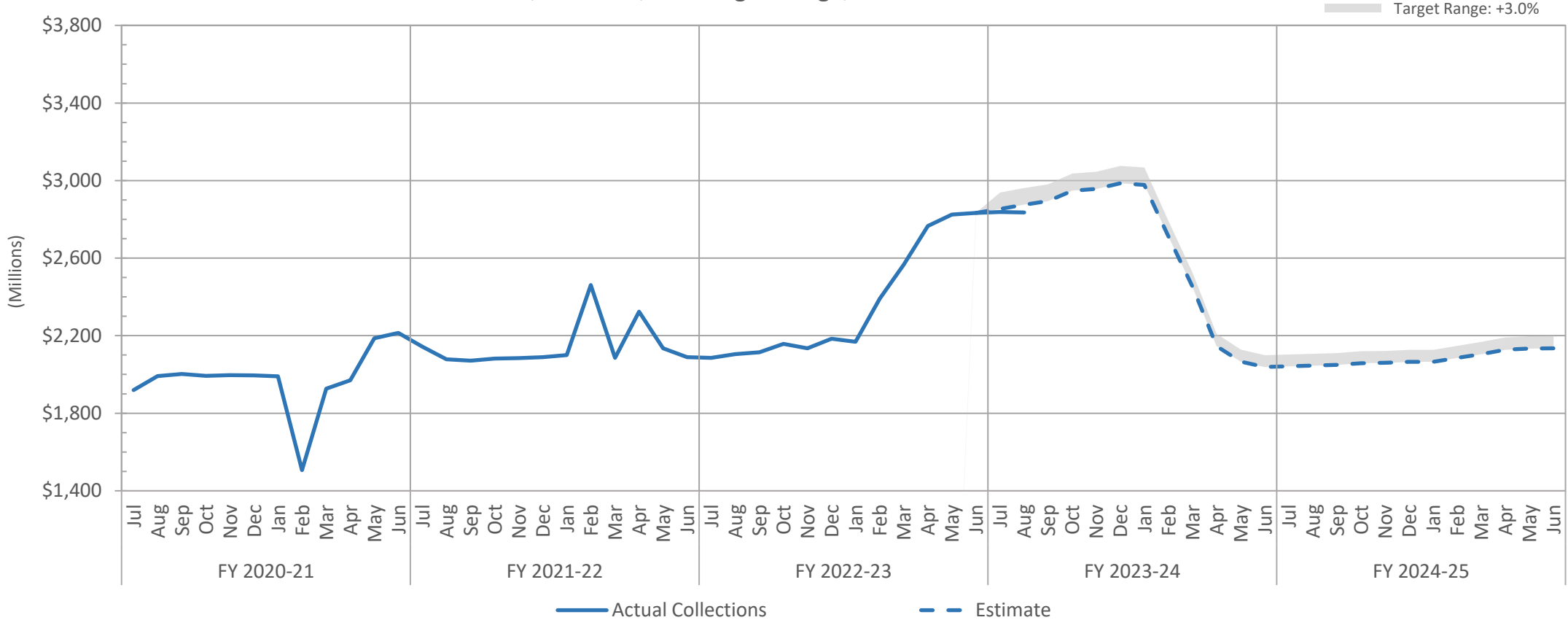
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24



# Individual Refunds - FY 25

Total refunds for FY 25 are estimated to grow 4.8% in FY 25, stabilizing after tax reform

ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS  
Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25



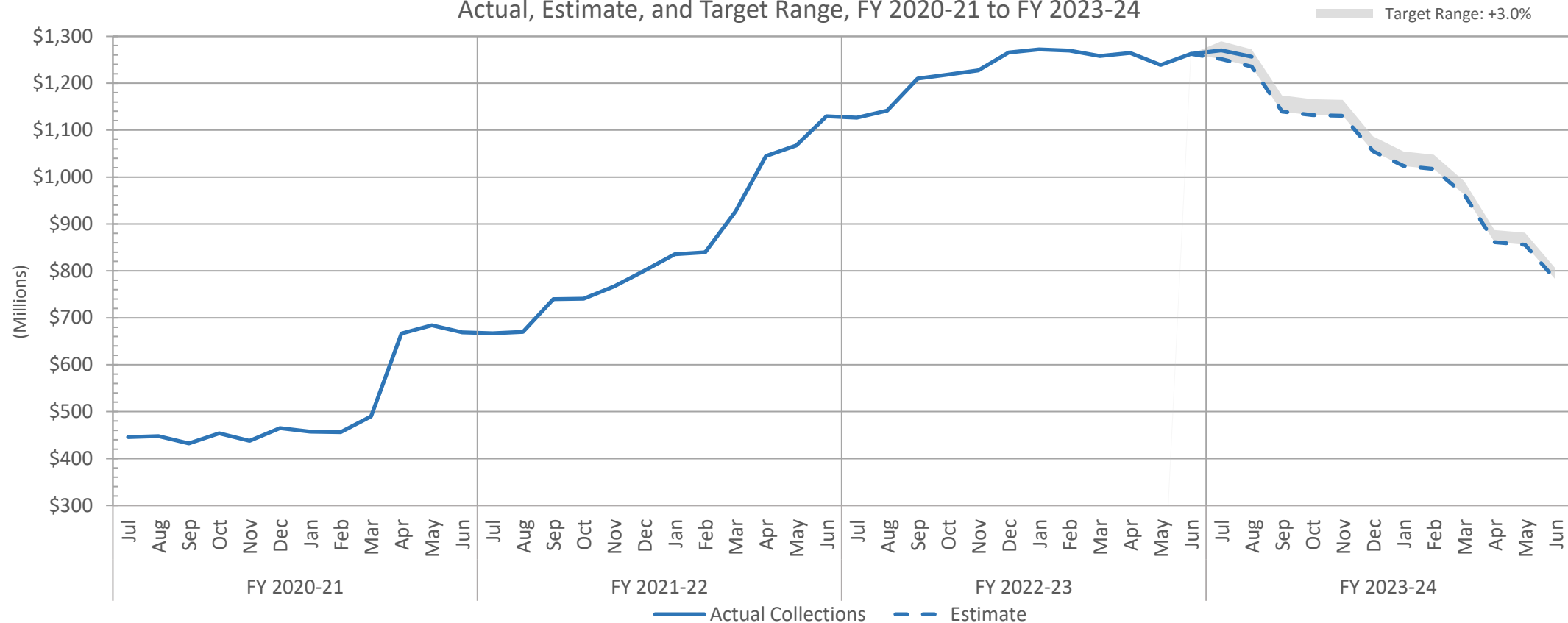
# General Fund Revenue Business Taxes



# Corporate Income Tax – FY 24

Forecast for FY 24 reflects a sharp decline; collections are running ahead of estimates by \$21.1 million; working estimate is an increase of \$20 million to incorporate this excess

ROLLING FISCAL YEAR - CORPORATE INCOME TAX  
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

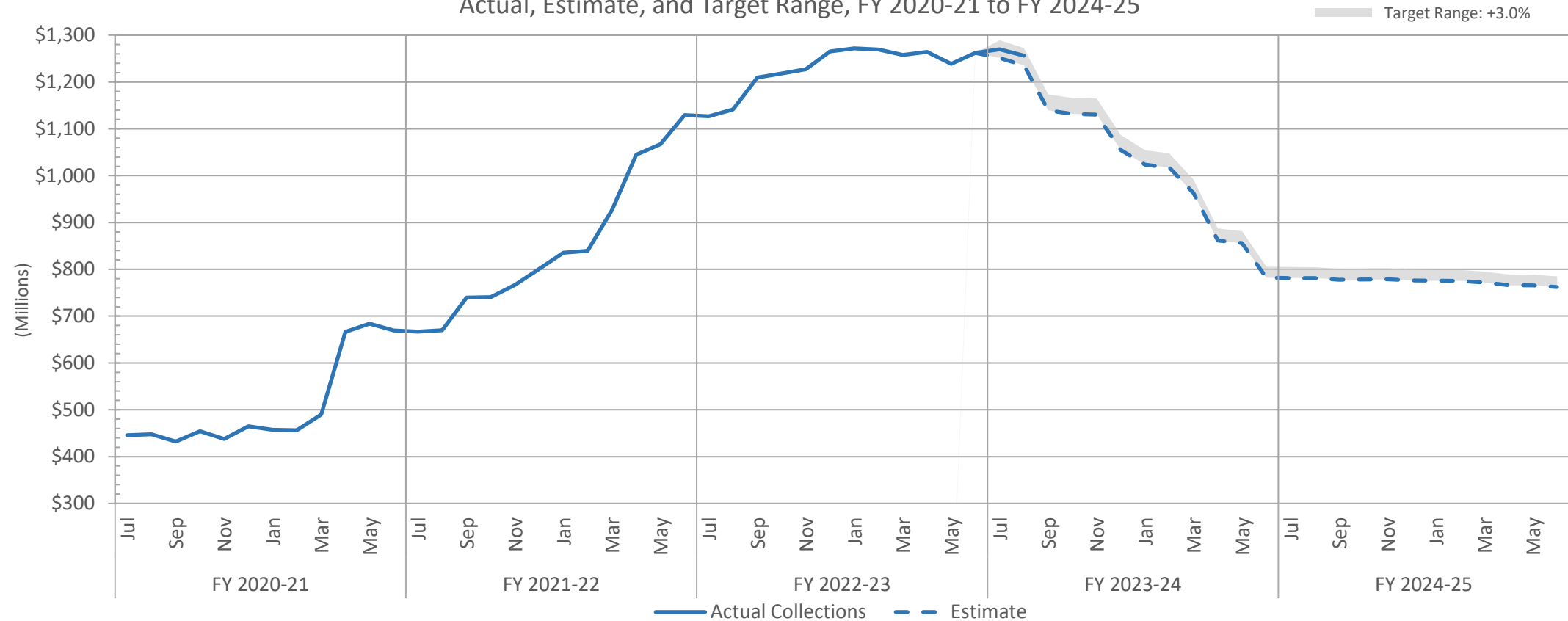


# Corporate Income Tax – FY 25

Forecast for FY 25 reflects a slight decline from FY 24 level

## ROLLING FISCAL YEAR - CORPORATE INCOME TAX

Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25

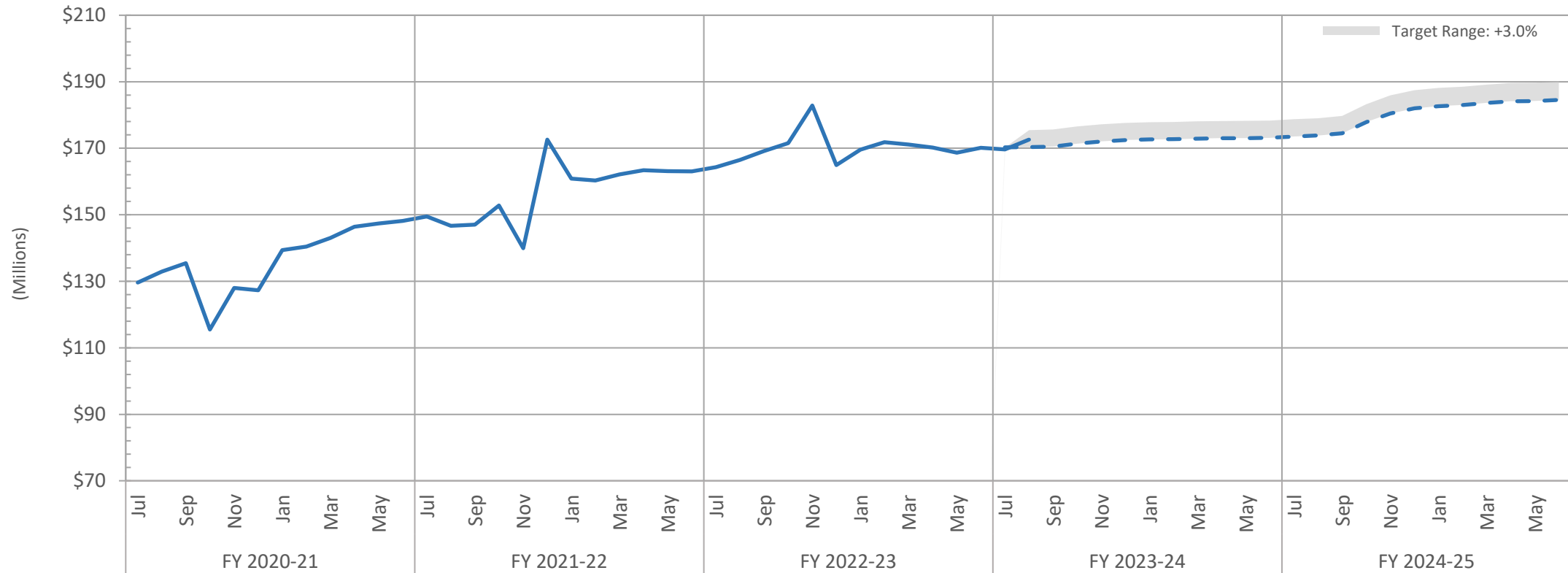


# Corporate License Tax – FY 24 & FY25

Collections are ahead of estimates, but almost all Corporate License tax is received next quarter; estimate for FY 24 is 1.7% over final FY 23 with a return to historical growth of 6.6% in FY 25

## ROLLING FISCAL YEAR - CORPORATE LICENSE TAX

Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25

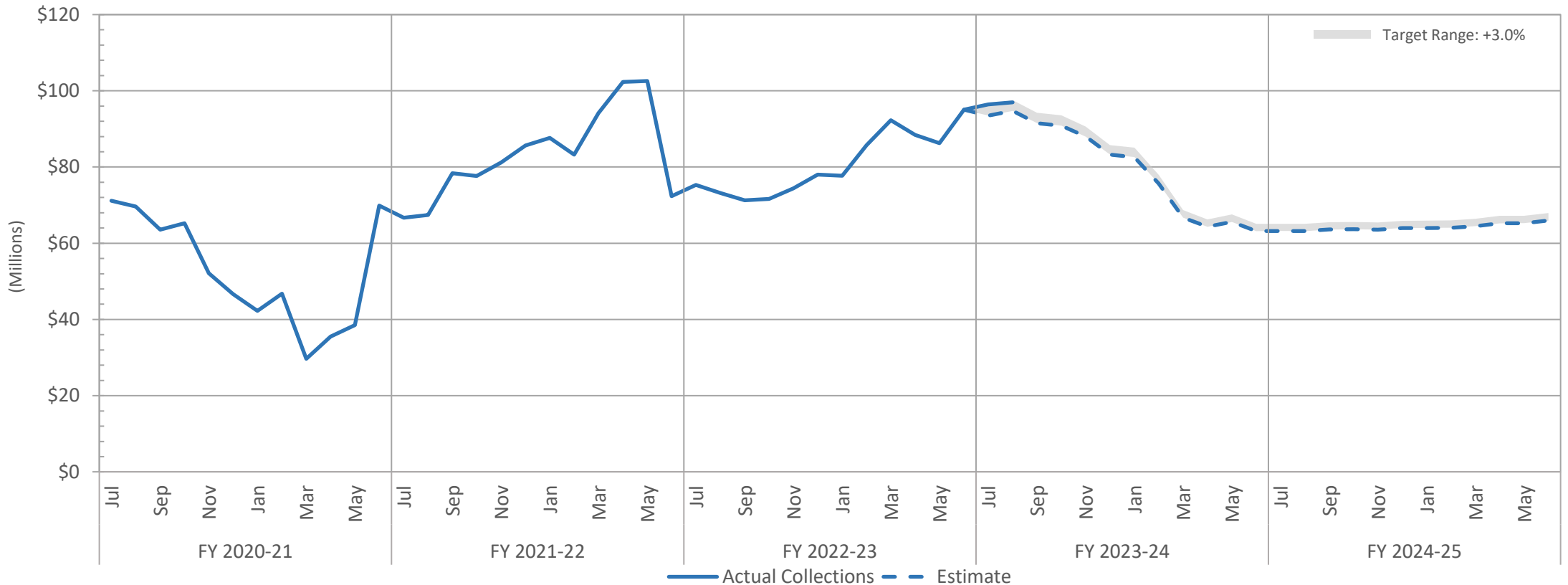




# Bank Tax - FY 24 & FY 25

Collections are running ahead, but first quarter results in September will be first real indication for this fiscal year; FY 24 forecast expects a decline in collections of 33.5% from final FY 23 and low growth of 4.4% for FY 25

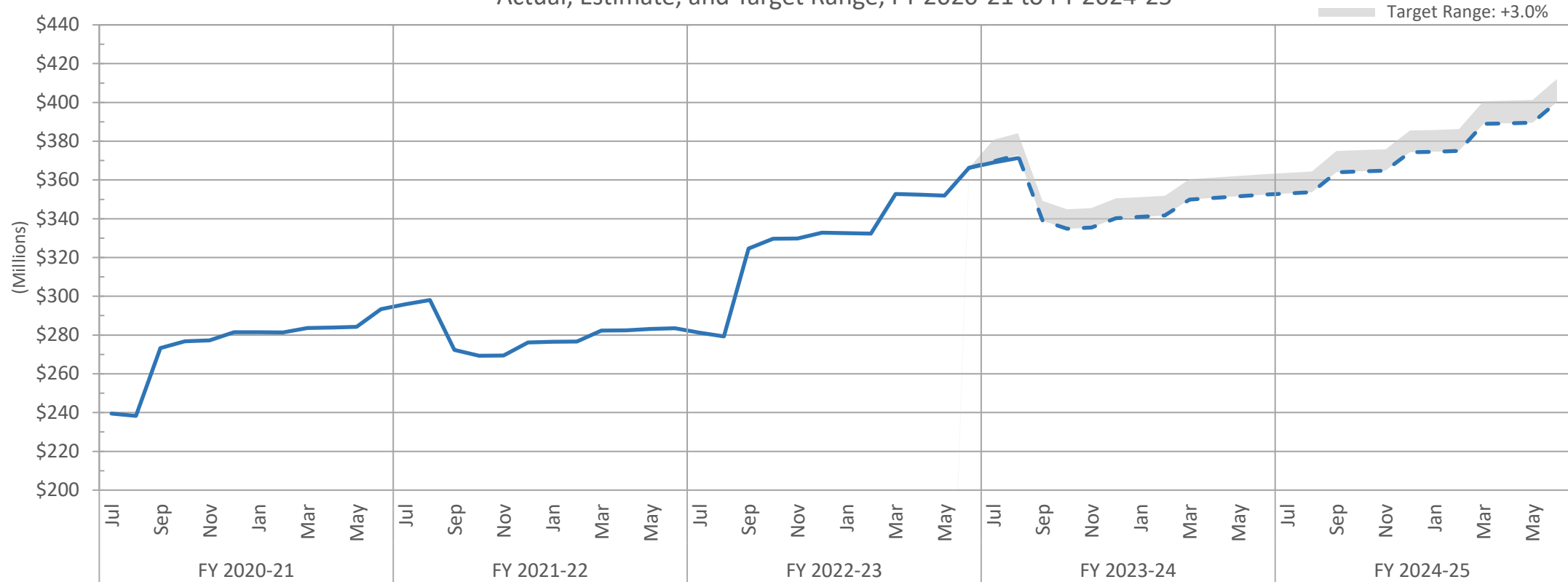
ROLLING FISCAL YEAR - BANK TAX  
Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25



# Insurance Tax – FY 24 & 25

Insurance premium taxes are expected to continue growing for FY 24 based on expectations for higher expenses resulting from inflation continuing into FY 25

ROLLING FISCAL YEAR - INSURANCE TAX  
Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25



# Consideration of Revenue Forecasts for FY 2023-24 and FY 2024-25



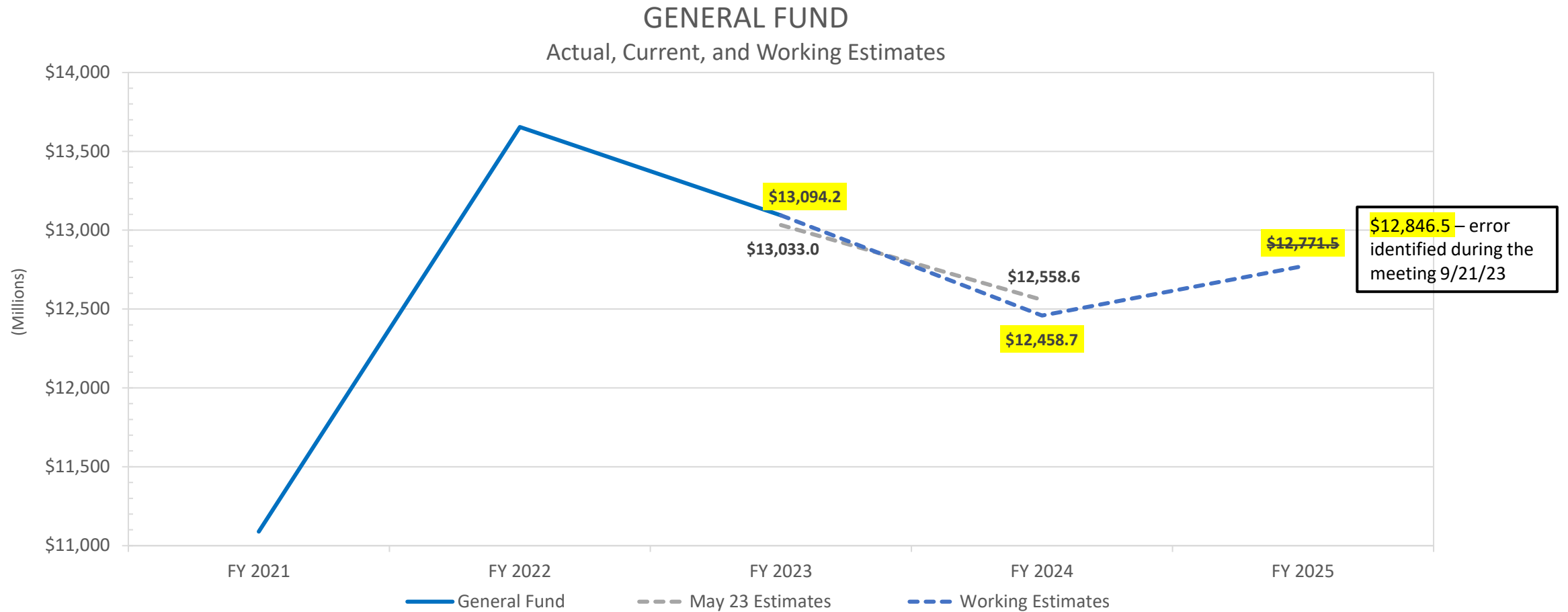
## General Fund Revenue – Proposed Estimates

- FY 23 finished close to estimates resulting in no base adjustment
- FY 24 working estimate is a decline of 4.9% from FY 23
- FY 24 includes legislative adjustments, a \$20 million reduction in Earnings on Investments, and \$20 million upward adjustment to Corporate Income tax
- Legislative adjustments include the 0.1% reduction to the top individual income tax rate to 6.4% for tax year 2023 and other smaller changes
  - Sales tax adjustments also impact Education Improvement Act and Homestead Exemption Funds
  - Legislative adjustments were incorporated in FY 24 Appropriations Act; no net change from budget base for FY 24
- FY 25 reflects growth of 3.1% over the lower FY 24 base

# General Fund Revenue - Proposed Estimates

FY 24: -\$99.9 million (reflected in appropriations act - no net budget change)

FY 25: +\$387.8 million



## Forecast Considerations – May 2023

- In May, concerns about the potential for a recession in 2023 had deepened because of persistent inflation, continued Federal Reserve interest rate increases, and issues within the banking industry
- In reviewing national expectations and through discussions with regional economists, wage growth was expected to slow and personal consumption was expected to decline in the later half of 2023
- The FY 24 May estimates were based on these assumptions

## Forecast Considerations – September 2023

- No significant changes to FY 24 are recommended at this time
- Adjustments for legislative changes and a change to Investment Earnings and Corporate Income tax are incorporated for FY 24
- FY 25 working estimates reflect modest growth over a low base for FY 24

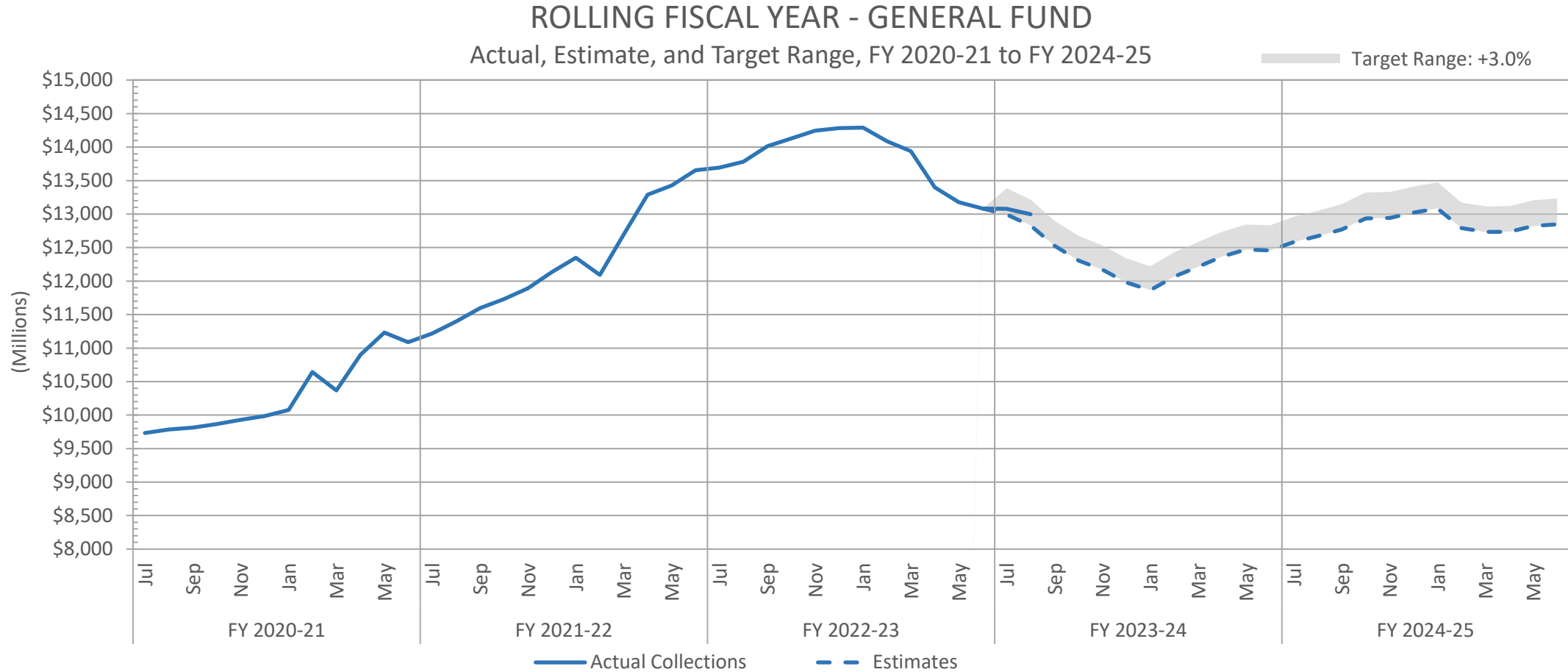
## Forecast Considerations – November 2023

- Personal income for Q2 2023 will be released at the end of September
- Updates to expectations will be considered based on comments from guest speakers today and at the October meeting in anticipation of further refining changes to the assumptions for November



# Total General Fund – Rolling Fiscal Year

## Working estimates for FY 24 and FY 25



# General Fund Revenue Forecast – Proposed

Revenue Category	Final FY 2021-22	Final FY 2022-23	5/9/2023 Estimate FY 2023-24	9/21/2023 Estimate FY 2023-24	5/9 vs 9/21 Estimate Change	9/21/2023 Estimate FY 2024-25	Change	Pct. Chg. FY 2021-22	Pct. Chg. FY 2022-23	5/9/2023 Pct. Chg. FY 2023-24	9/21/2023 Pct. Chg. FY 2023-24	9/21/2023 Pct. Chg. FY 2024-25
Sales and Use Tax	\$4,401,993,179	\$4,660,078,785	\$4,504,725,000	\$4,504,576,000	(\$149,000)	\$4,644,218,000	\$139,642,000	15.1	5.9	(3.3)	(3.3)	3.1
Individual Income Tax	6,827,560,100	\$5,758,211,861	5,923,626,000	5,826,539,000	(\$97,087,000)	6,020,540,000	\$194,001,000	25.9	(15.7)	2.9	1.2	3.3
<i>Withholdings</i>	6,864,765,402	\$6,903,102,011	6,180,099,000	6,180,099,000	\$0	6,422,303,000	242,204,000	13.6	0.6	(10.5)	(10.5)	3.9
<i>Non-Withholdings</i>	2,051,932,498	\$1,688,383,644	1,703,701,000	1,684,753,000	(\$18,948,000)	1,733,495,000	48,742,000	28.7	(17.7)	0.9	(0.2)	2.9
<i>Refunds</i>	2,089,137,801	\$2,833,273,794	1,960,174,000	2,038,313,000	\$78,139,000	2,135,258,000	96,945,000	(5.7)	35.6	(30.8)	(28.1)	4.8
Corporation Income Tax	1,129,375,124	\$1,262,221,843	762,083,000	782,083,000	\$20,000,000	762,083,000	(\$20,000,000)	68.8	11.8	(39.6)	(38.0)	(2.6)
Insurance Taxes	283,503,195	\$366,245,865	352,379,000	352,379,000	\$0	400,164,000	\$47,785,000	(3.3)	29.2	(3.8)	(3.8)	13.6
Admissions Tax	45,742,736	\$45,380,765	41,587,000	38,729,000	(\$2,858,000)	39,438,000	\$709,000	54.9	(0.8)	(8.4)	(14.7)	1.8
Aircraft Tax	1,250,000	\$0	0	0	\$0	0	\$0	(56.6)	--	--	--	--
Alcoholic Liquor Tax	112,482,415	\$118,068,732	110,143,000	110,143,000	\$0	115,485,000	\$5,342,000	10.7	5.0	(6.7)	(6.7)	4.9
Bank Tax	72,352,457	\$95,031,726	63,187,000	63,187,000	\$0	65,958,000	\$2,771,000	3.6	31.3	(33.5)	(33.5)	4.4
Beer and Wine Tax	116,942,161	\$113,360,549	117,630,000	117,630,000	\$0	119,239,000	\$1,609,000	0.1	(3.1)	3.8	3.8	1.4
Business Filing Fees	12,616,189	\$12,608,349	12,315,000	12,315,000	\$0	12,743,000	\$428,000	(1.2)	(0.1)	(2.3)	(2.3)	3.5
Circuit/Family Court Fines	6,089,254	\$6,371,579	4,992,000	4,992,000	\$0	4,768,000	(\$224,000)	13.5	4.6	(21.7)	(21.7)	(4.5)
Corporation License Tax	163,071,712	\$170,145,615	173,120,000	173,120,000	\$0	184,536,000	\$11,416,000	10.1	4.3	1.7	1.7	6.6
Deed Recording Fees	156,850,909	\$123,218,197	118,042,000	118,042,000	\$0	126,266,000	\$8,224,000	31.9	(21.4)	(4.2)	(4.2)	7.0
Earned on Investments	69,656,950	\$180,526,831	200,000,000	180,000,000	(\$20,000,000)	175,000,000	(\$5,000,000)	(4.1)	159.2	10.8	(0.3)	(2.8)
Indirect Cost Recoveries	22,097,929	\$18,499,211	20,212,000	20,212,000	\$0	19,201,000	(\$1,011,000)	(5.0)	(16.3)	9.3	9.3	(5.0)
Motor Vehicle Licenses	11,178,619	\$10,947,724	11,836,000	11,836,000	\$0	12,125,000	\$289,000	(7.8)	(2.1)	8.1	8.1	2.4
Nursing Home Fees	3,230,655	\$3,129,343	3,092,000	3,092,000	\$0	3,083,000	(\$9,000)	(3.7)	(3.1)	(1.2)	(1.2)	(0.3)
Parole and Probation Fees	3,392,808	\$3,392,808	3,393,000	3,393,000	\$0	3,393,000	\$0	0.0	0.0	0.0	0.0	0.0
Private Car Lines Tax	6,878,649	\$6,620,681	6,616,000	6,616,000	\$0	7,026,000	\$410,000	3.1	(3.8)	(0.1)	(0.1)	6.2
Public Service Authority	17,675,000	\$18,961,000	18,059,000	17,807,000	(\$252,000)	17,807,000	\$0	3.2	7.3	(4.8)	(6.1)	0.0
Purchasing Card Rebates	3,541,021	\$3,845,627	3,940,000	3,940,000	\$0	4,105,000	\$165,000	14.6	8.6	2.5	2.5	4.2
Record Search Fees	4,461,000	\$4,461,000	4,461,000	4,461,000	\$0	4,461,000	\$0	0.0	0.0	0.0	0.0	0.0
Savings and Loan Assoc. Tax	2,448,449	(\$326,189)	1,223,000	1,223,000	\$0	1,223,000	\$0	113.4	--	--	--	0.0
Security Dealer Fees	31,897,230	\$34,123,362	32,382,000	32,782,000	\$400,000	33,487,000	\$705,000	9.3	7.0	(5.1)	(3.9)	2.2
Tobacco Tax	28,935,834	\$27,765,477	29,070,000	29,070,000	\$0	29,701,000	\$631,000	0.5	(4.0)	4.7	4.7	2.2
Unclaimed Property Fund	15,000,000	\$15,000,000	15,000,000	15,000,000	\$0	15,000,000	\$0	0.0	0.0	0.0	0.0	0.0
Workers' Comp. Insurance Tax	9,795,065	\$10,638,461	10,138,000	10,138,000	\$0	10,180,000	\$42,000	(21.7)	8.6	(4.7)	(4.7)	0.4
Other Source Revenues	94,396,685	\$25,672,830	15,383,000	15,383,000	\$0	15,276,000	(\$107,000)	131.0	(72.8)	(40.1)	(40.1)	(0.7)
<b>Gross General Fund Revenue</b>	<b>\$13,654,415,325</b>	<b>\$13,094,202,032</b>	<b>\$12,558,634,000</b>	<b>\$12,458,688,000</b>	<b>(\$99,946,000)</b>	<b>\$12,846,506,000</b>	<b>\$387,818,000</b>	<b>23.1</b>	<b>(4.1)</b>	<b>(4.1)</b>	<b>(4.9)</b>	<b>3.1</b>



# General Fund Revenue Forecast – Proposed

Revenue Category	Final FY 2021-22	Final FY 2022-23	5/9/2023 Estimate FY 2023-24	9/21/2023 Estimate FY 2023-24	5/9 vs 9/21 Estimate Change	9/21/2023 Estimate FY 2024-25	Change	Pct. Chg. FY 2021-22	Pct. Chg. FY 2022-23	5/9/2023 Pct. Chg. FY 2023-24	9/21/2023 Pct. Chg. FY 2023-24	9/21/2023 Pct. Chg. FY 2024-25
<b>Gross General Fund Revenue</b>	<b>\$13,654,415,325</b>	<b>\$13,094,202,032</b>	<b>\$12,558,634,000</b>	<b>\$12,458,688,000</b>	<b>(\$99,946,000)</b>	<b>\$12,846,506,000</b>	<b>\$387,818,000</b>	23.1	(4.1)	(4.1)	(4.9)	3.1
Less: Tax Relief Trust Fund (Act)	650,023,221	768,072,631	795,942,732	795,942,732	0	807,396,783	11,454,051	3.3	18.2	3.6	3.6	1.4
<b>Net General Fund Revenue</b>	<b>\$13,004,392,104</b>	<b>\$12,326,129,401</b>	<b>\$11,762,691,268</b>	<b>\$11,662,745,268</b>	<b>(\$99,946,000)</b>	<b>\$12,039,109,217</b>	<b>\$376,363,949</b>	24.3	(5.2)	(4.6)	(5.4)	3.2
<b>Education Improvement Act (EIA)</b>	<b>1,138,972,300</b>	<b>1,229,449,992</b>	<b>1,177,407,000</b>	<b>1,181,170,000</b>	<b>3,763,000</b>	<b>1,212,317,000</b>	<b>31,147,000</b>	14.3	7.9	(4.2)	(3.9)	2.6
EIA Fund	1,138,342,432	1,213,749,596	1,165,407,000	1,165,370,000	(37,000)	1,200,417,000	35,047,000	14.2	6.6	(4.0)	(4.0)	3.0
EIA Interest	629,868	15,700,396	12,000,000	15,800,000	3,800,000	11,900,000	(3,900,000)	643.6	2392.6	(23.6)	0.6	(24.7)
<b>S.C. Education Lottery Fund</b>	<b>568,684,685</b>	<b>605,424,005</b>	<b>533,000,000</b>	<b>534,100,000</b>	<b>1,100,000</b>	<b>532,400,000</b>	<b>(1,700,000)</b>	(7.1)	6.5	(12.0)	(11.8)	(0.3)
Lottery Proceeds	533,500,000	563,500,000	507,200,000	507,200,000	0	507,200,000	0	(7.3)	5.6	(10.0)	(10.0)	0.0
Unclaimed Prizes	30,501,385	34,758,556	20,000,000	20,000,000	0	20,000,000	0	(5.1)	14.0	(42.5)	(42.5)	0.0
Lottery Interest	4,683,300	7,165,449	5,800,000	6,900,000	1,100,000	5,200,000	(1,700,000)	5.8	53.0	(19.1)	(3.7)	(24.6)
<b>Homestead Exemption Fund (HEX)</b>	<b>1,033,264,216</b>	<b>1,112,078,145</b>	<b>1,061,844,000</b>	<b>1,064,907,000</b>	<b>3,063,000</b>	<b>1,094,362,000</b>	<b>29,455,000</b>	14.4	7.6	(4.5)	(4.2)	2.8
HEX Revenue	1,029,360,778	1,102,225,350	1,054,844,000	1,054,807,000	(37,000)	1,086,762,000	31,955,000	14.3	7.1	(4.3)	(4.3)	3.0
HEX Interest	3,903,438	9,852,795	7,000,000	10,100,000	3,100,000	7,600,000	(2,500,000)	24.8	152.4	(29.0)	2.5	(24.8)
Expenditure Estimate	860,983,490	912,883,295	1,004,624,152	1,004,624,152	0	1,049,177,310	44,553,158	3.8	6.0	10.0	10.0	4.4
HEX Fund Excess/(Shortfall)	172,280,726	199,194,850	57,219,848	60,282,848	3,063,000	45,184,690	(15,098,158)	131.4	15.6	(71.3)	(69.7)	(25.0)
<b>Tax Relief Trust Fund (Act)</b>	<b>650,023,221</b>	<b>768,072,631</b>	<b>795,942,732</b>	<b>795,942,732</b>	<b>0</b>	<b>807,396,783</b>	<b>11,454,051</b>	3.3	18.2	3.6	3.6	1.4
Revised Estimate/ Actual	643,954,085	751,304,933	795,942,732	795,942,732	0	807,396,783	11,454,051	2.9	16.7	5.9	5.9	1.4
Excess/(Shortfall) (Excl. Fund Balance)	6,069,136	16,767,698	0	0	0	0	0	80.6	176.3	n/a	n/a	n/a
<b>Budgetary Estimates</b>												
Gross Appropriation Act Revenue	9,925,428,000	11,270,143,415	12,558,634,000	12,458,688,000	(99,946,000)	12,846,506,000	387,818,000	4.5	13.5	11.4	10.5	3.1
Less: Tax Relief Trust Fund (Act)	650,023,221	768,072,631	795,942,732	795,942,732	0	807,396,783	11,454,051	3.3	18.2	3.6	3.6	1.4
<b>Appropriation Act Excluding Trust Fund</b>	<b>9,275,404,779</b>	<b>10,502,070,784</b>	<b>11,762,691,268</b>	<b>11,662,745,268</b>	<b>(99,946,000)</b>	<b>12,039,109,217</b>	<b>376,363,949</b>	4.6	13.2	12.0	11.1	3.2
Capital Reserve Fund	183,584,490	209,194,431	390,131,763	390,131,763	0	369,783,882	(20,347,881)	4.3	13.9	86.5	86.5	(5.2)
General Reserve Fund	458,961,225	575,284,684	715,241,566	715,241,566	0	739,567,764	24,326,198	4.3	25.3	24.3	24.3	3.4
<b>Total Reserve Funds</b>	<b>642,545,715</b>	<b>784,479,115</b>	<b>1,105,373,329</b>	<b>1,105,373,329</b>	<b>0</b>	<b>1,109,351,646</b>	<b>3,978,317</b>	4.3	22.1	40.9	40.9	0.4

# Key Questions for FY 2023-24 and FY 2024-25

- Personal Income
  - Will wage growth slow and by how much?
  - Will the US enter a recession and what level of impact will we see?
  - How long will the Federal Reserve continue to raise interest rates?
  - How will global economic issues affect SC's economy?
- Consumer Spending
  - Does consumer spending change due to inflation?

# Insights and Perspectives FY 2023-24 and FY 2024-25



## Guest Speakers

- Mr. Greg Harkenrider, Deputy Executive Director, Kentucky Office of State Budget Director
- Mr. Bob Morgan, President & Chief Executive Officer, SC Chamber of Commerce
- Mr. Paul Basha, Jr., President and CEO of York Electric Cooperative, Inc.

# Reports from Working Group Members

# Other Items for Discussion

