

SOUTH CAROLINA BUDGET TRENDS AND ISSUES FY 2019-20 AND BEYOND

Presented to

SENATE FINANCE COMMITTEE

January 22, 2019

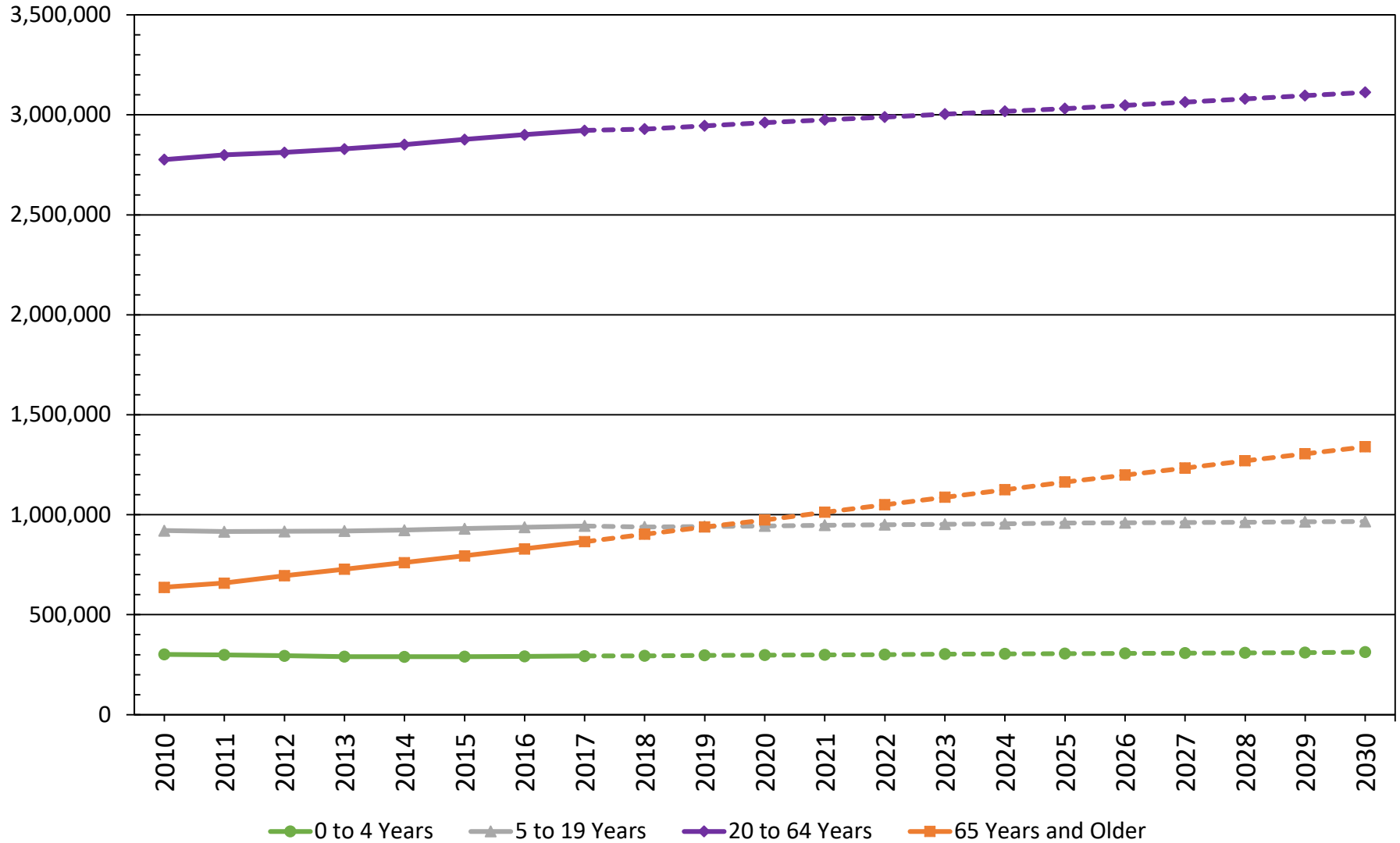


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DEMOGRAPHICS AND ECONOMICS



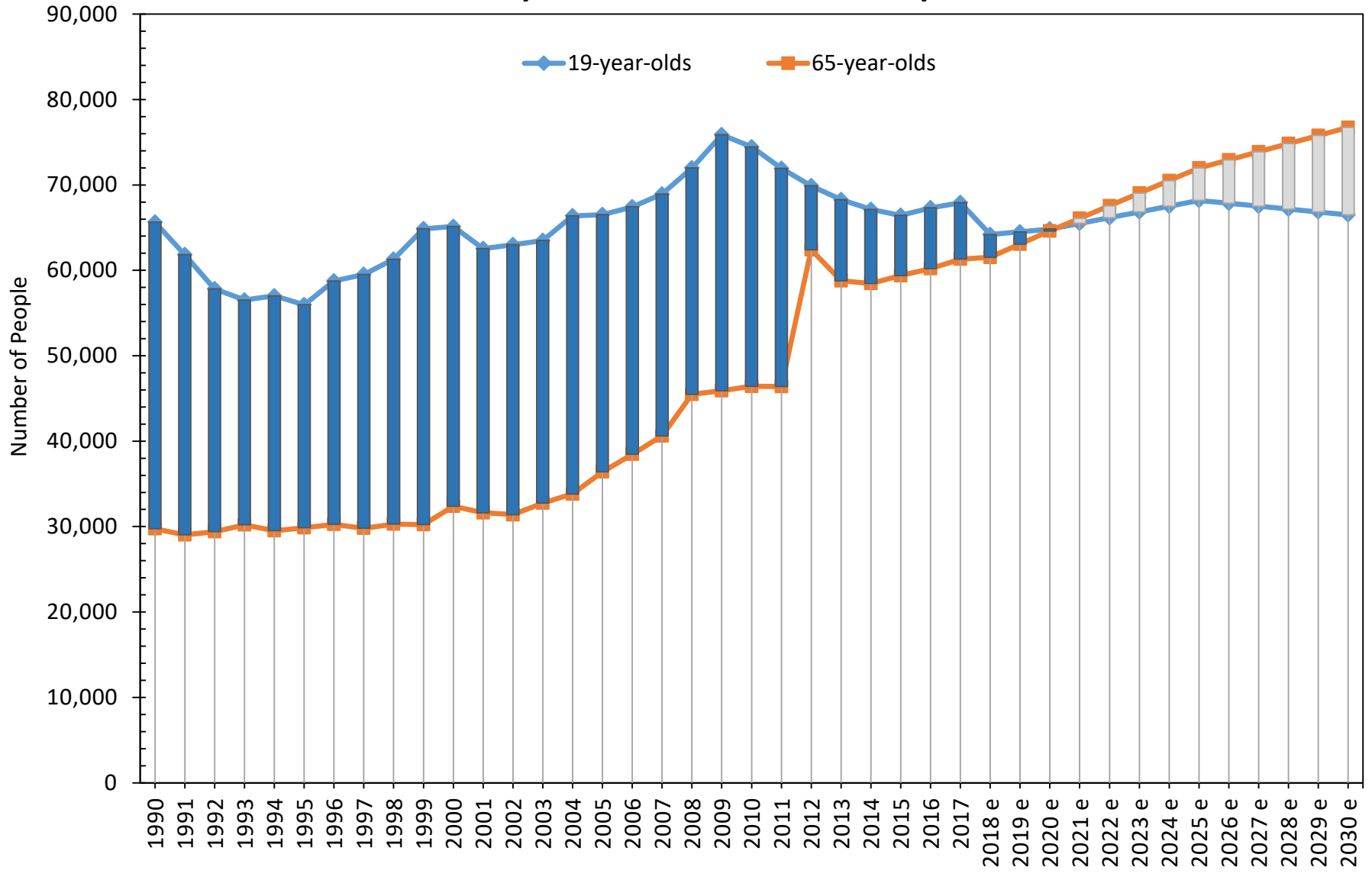
SOUTH CAROLINA POPULATION BY AGE GROUP 2010 to 2030 Estimates and Projections



Note: U.S. Census Bureau, population estimates 2010 to 2017; Revenue and Fiscal Affairs Office, population projections 2018 to 2030

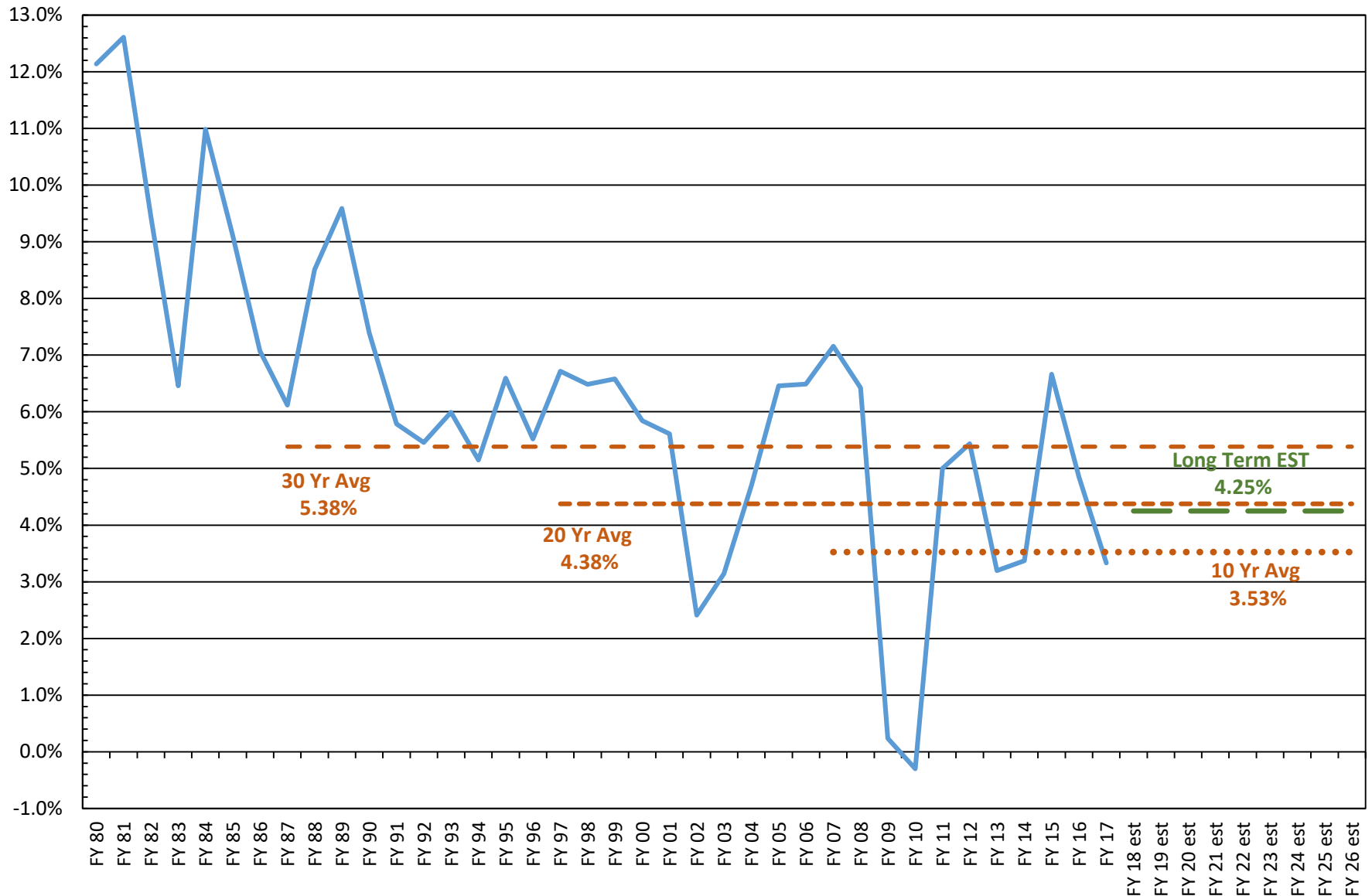
SOUTH CAROLINA

Number of 19-year-olds and Number of 65-year-olds

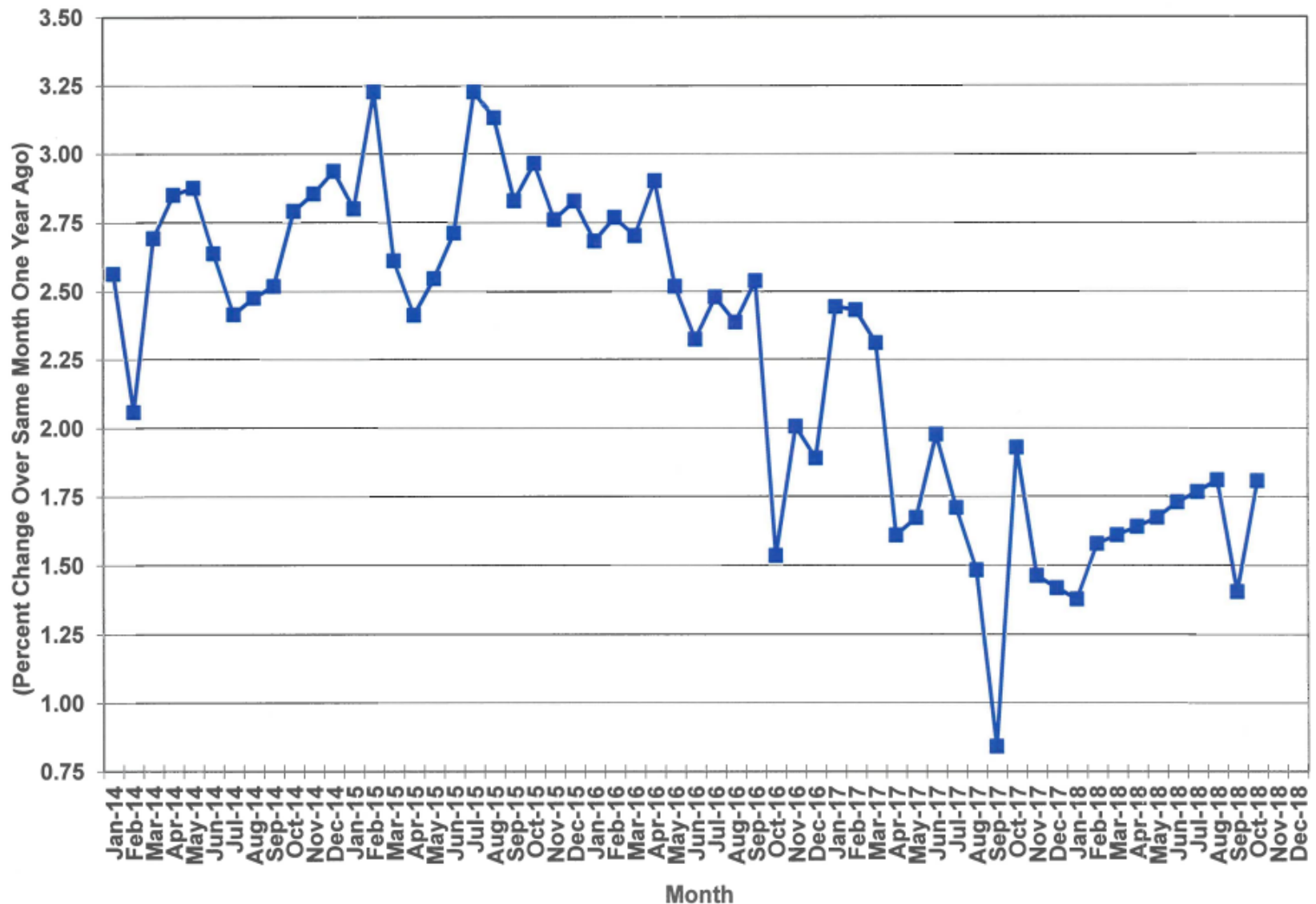


SC PERSONAL INCOME FISCAL YEAR GROWTH RATES

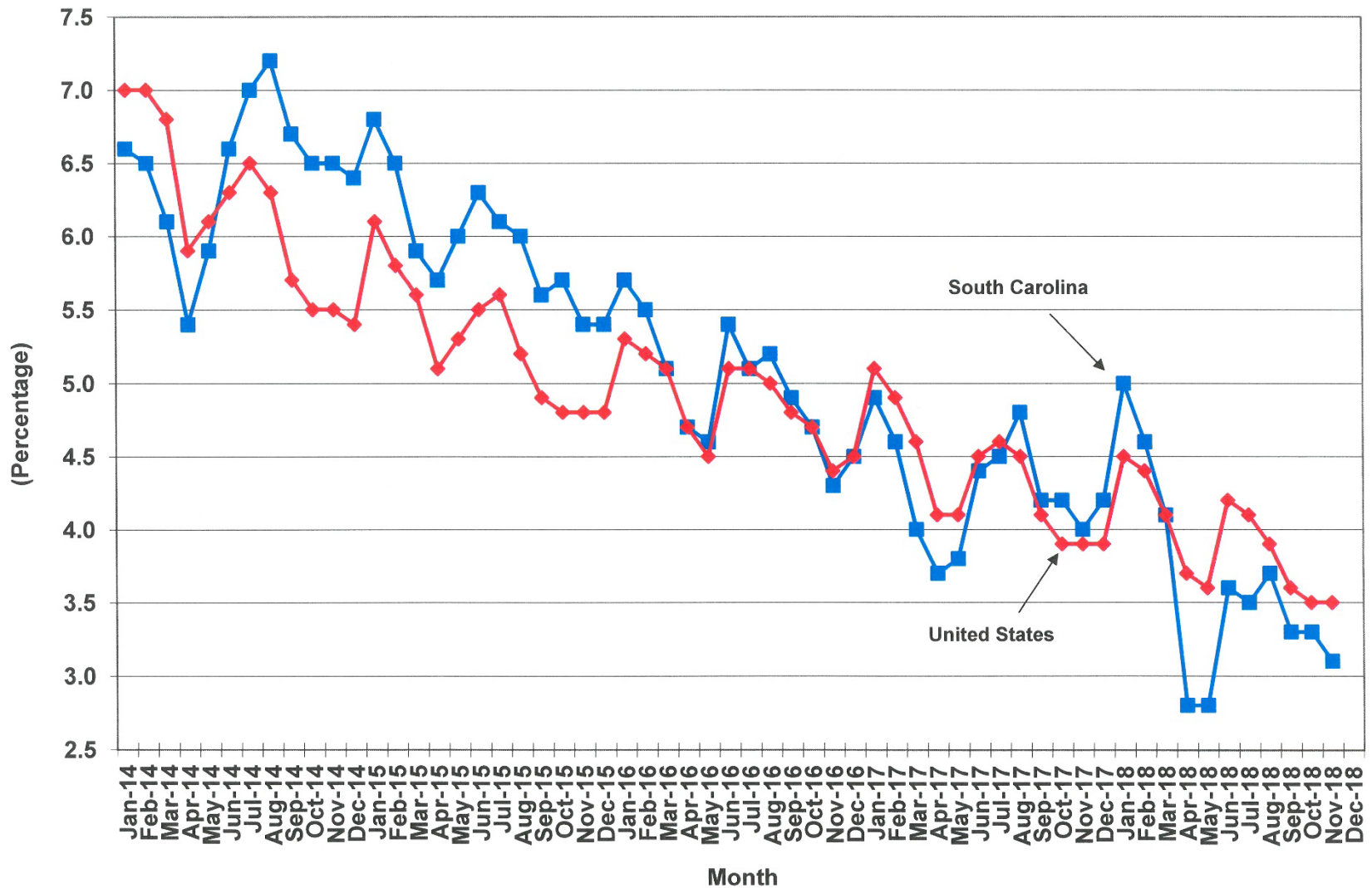
Actuals, Estimates, and Averages



Total Nonfarm Employment Growth in South Carolina



Unemployment Rate in South Carolina (Unadjusted)



Source: U.S. Department of Labor, Bureau of Labor Statistics

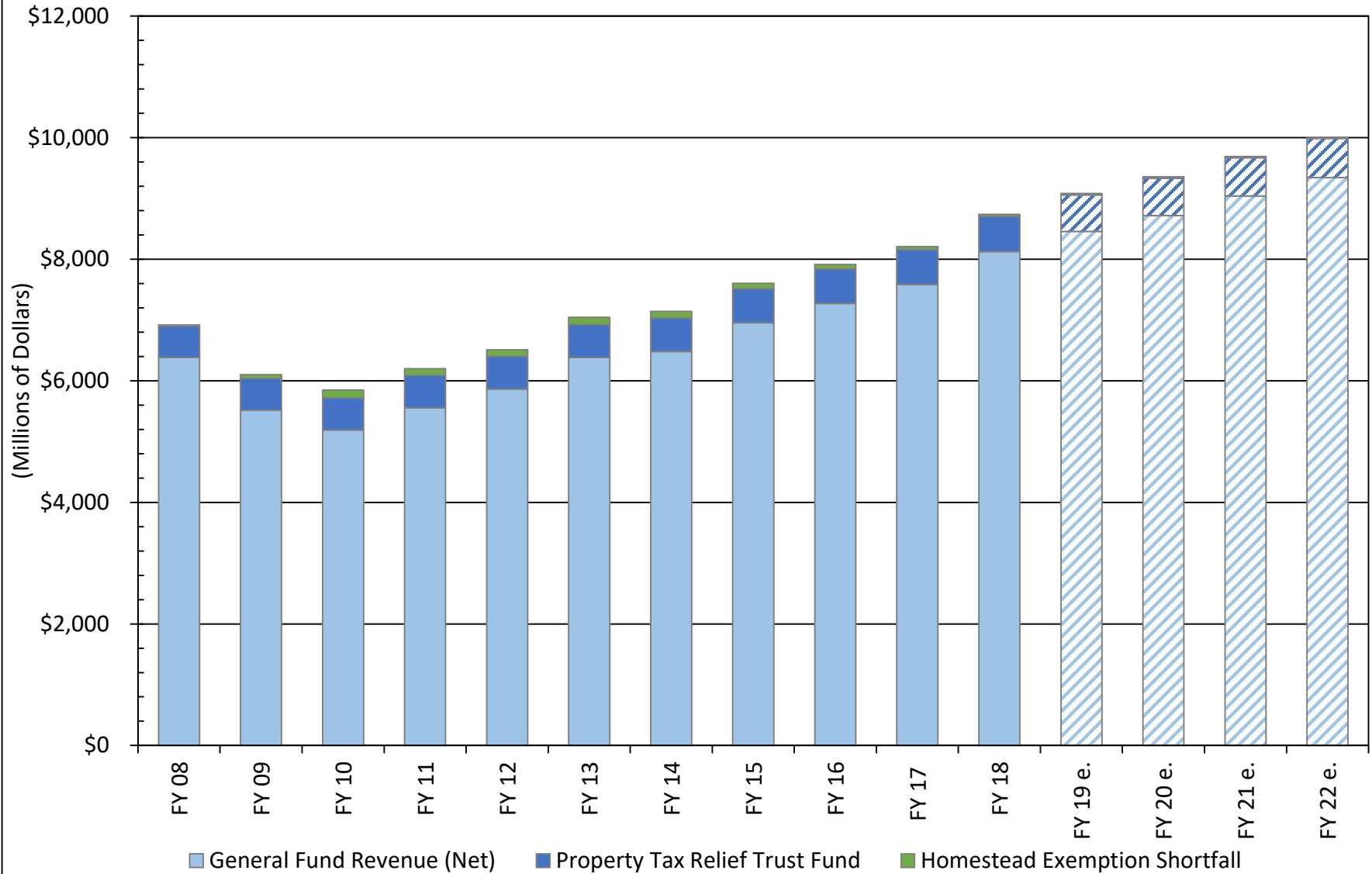
SCBEA/RWM/10/18/18

REVENUES

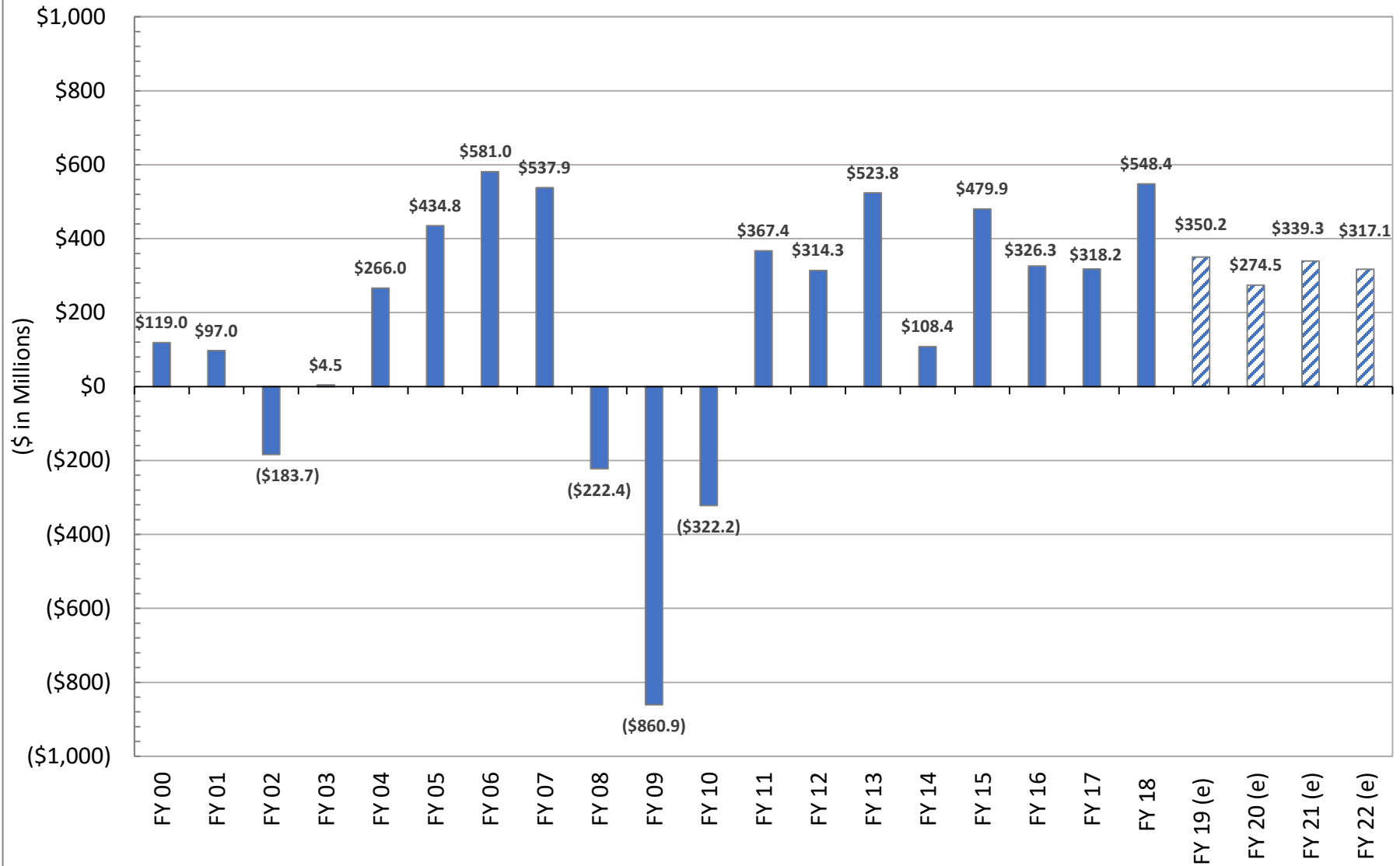


GENERAL FUND REVENUE

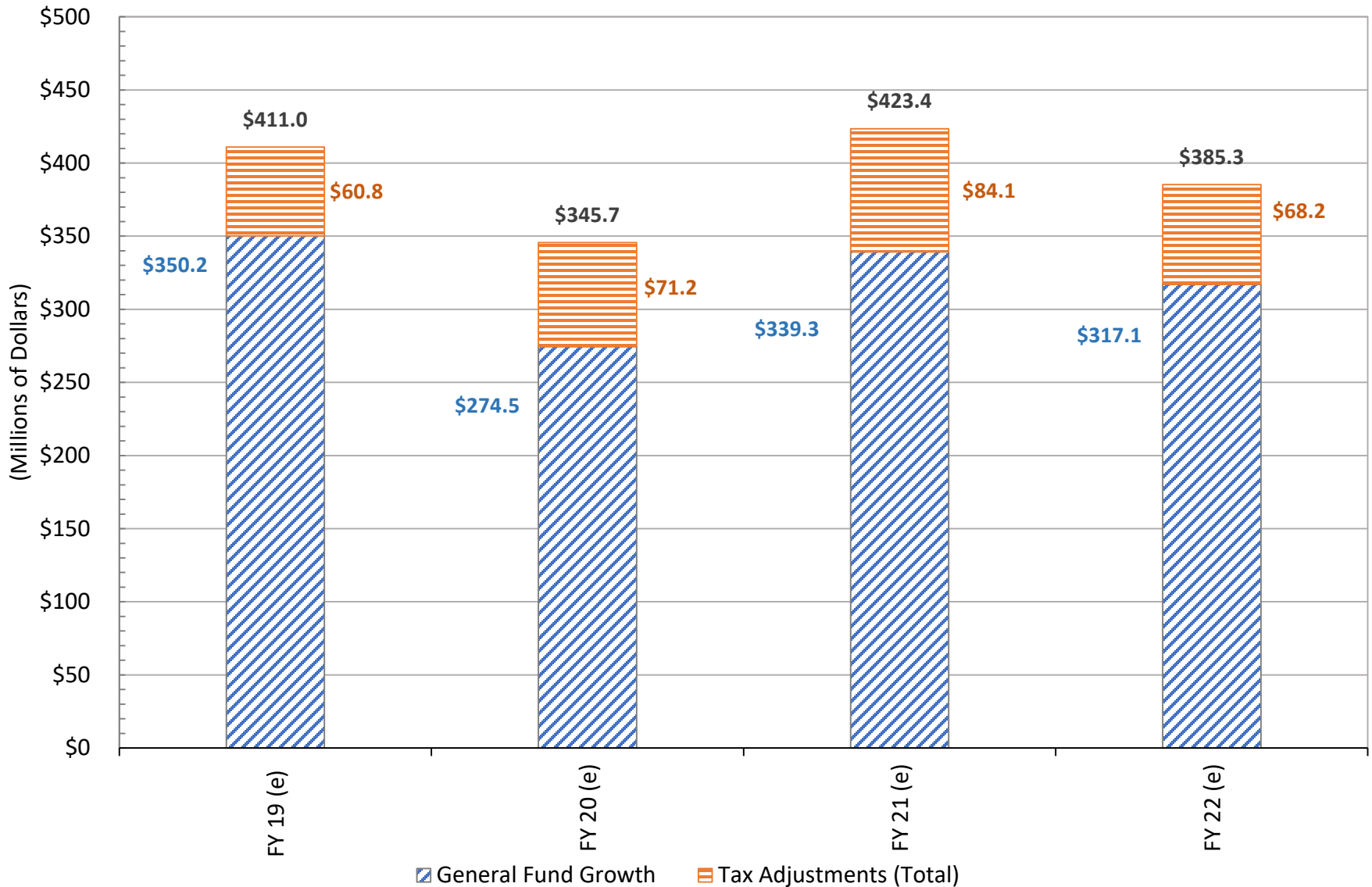
Less Trust Fund and Homestead Exemption Shortfall



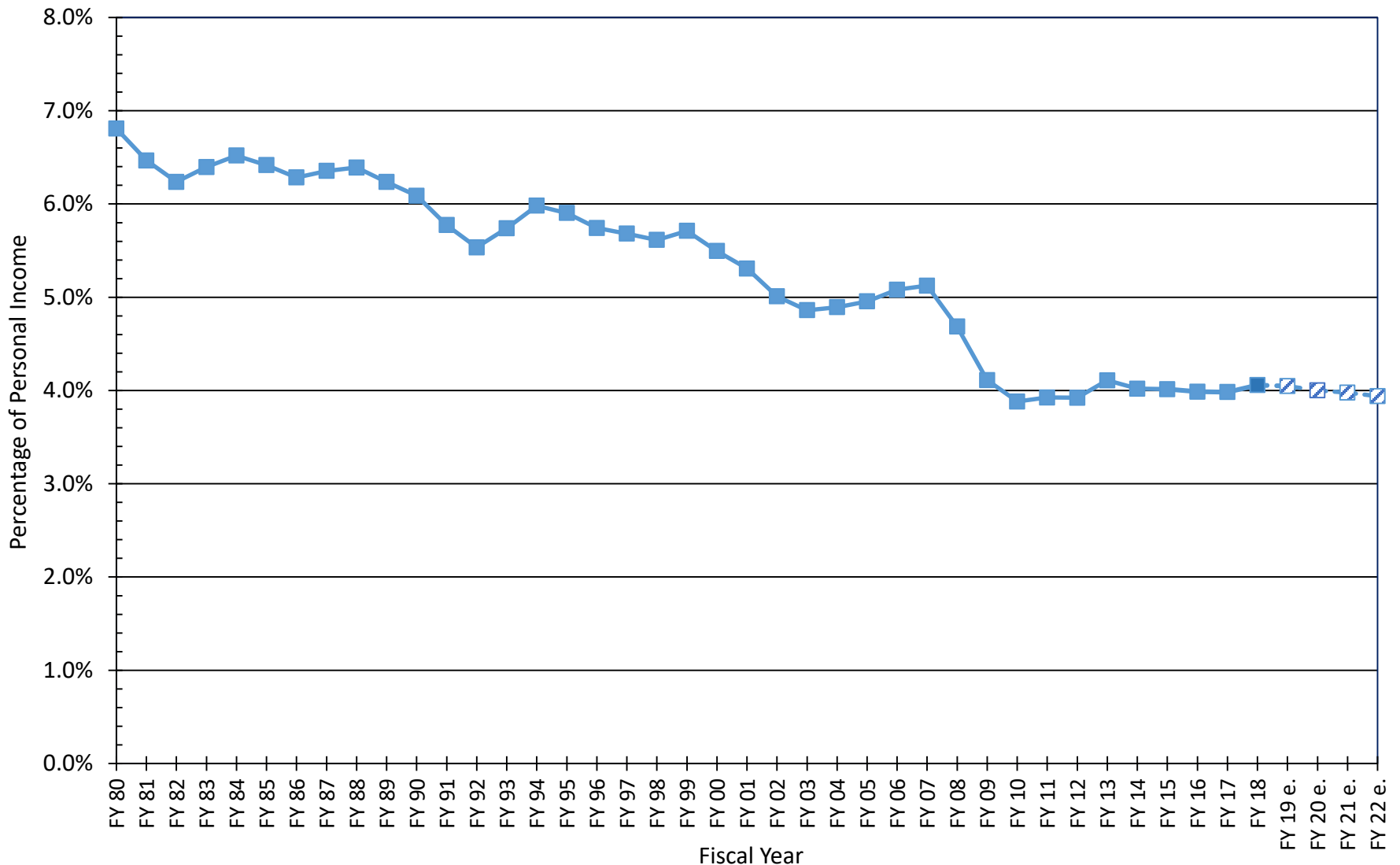
ANNUAL GENERAL FUND REVENUE GROWTH



ANNUAL GENERAL FUND REVENUE GROWTH With Tax Adjustments



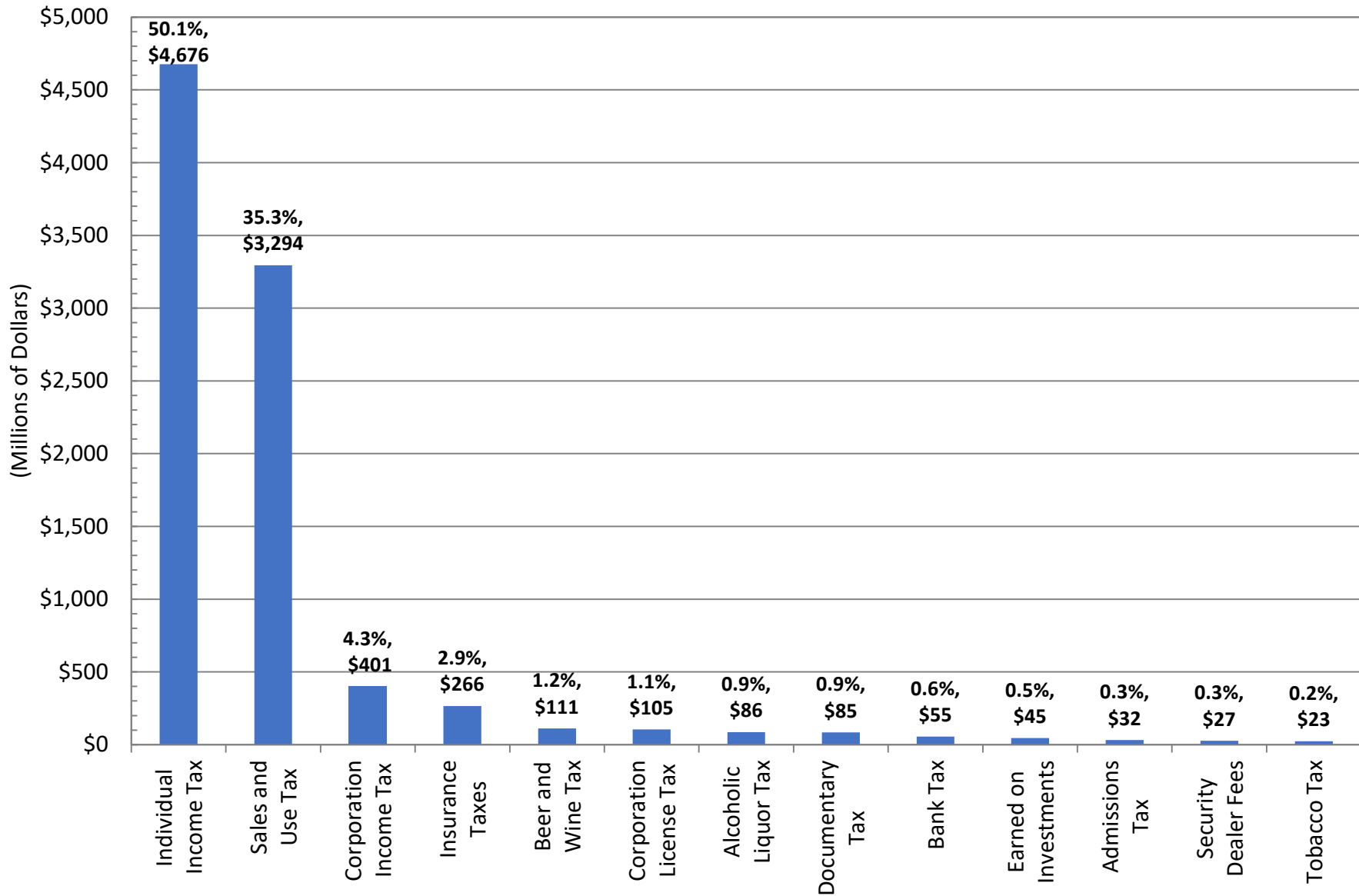
SOUTH CAROLINA GENERAL FUND REVENUE as a Percentage of Total Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Revenue and Fiscal Affairs Office 34F-EM/01/04/19

FY 2019-20 ESTIMATED GENERAL FUND REVENUE BY TYPE

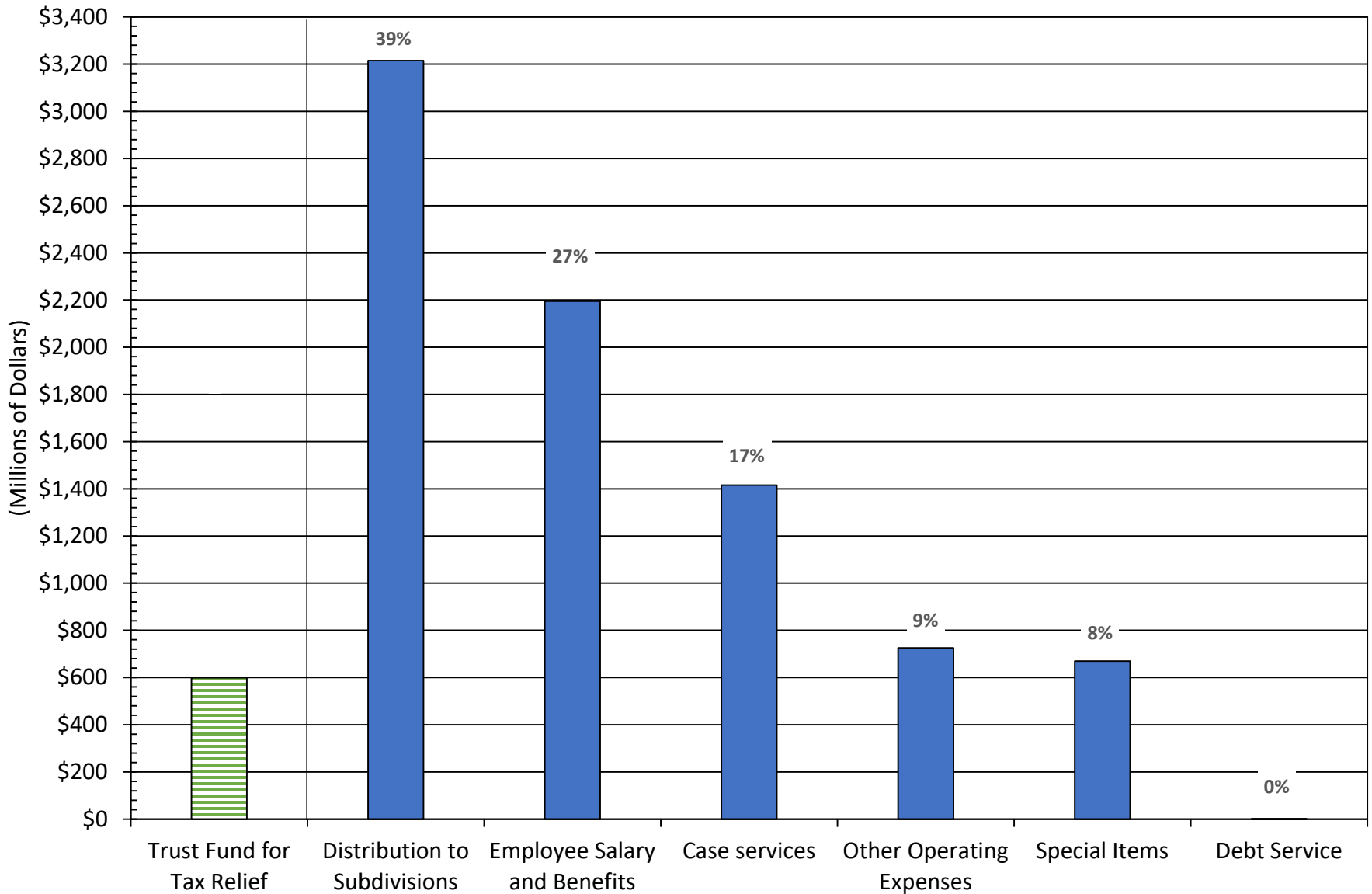
Categories in Excess of \$25 Million



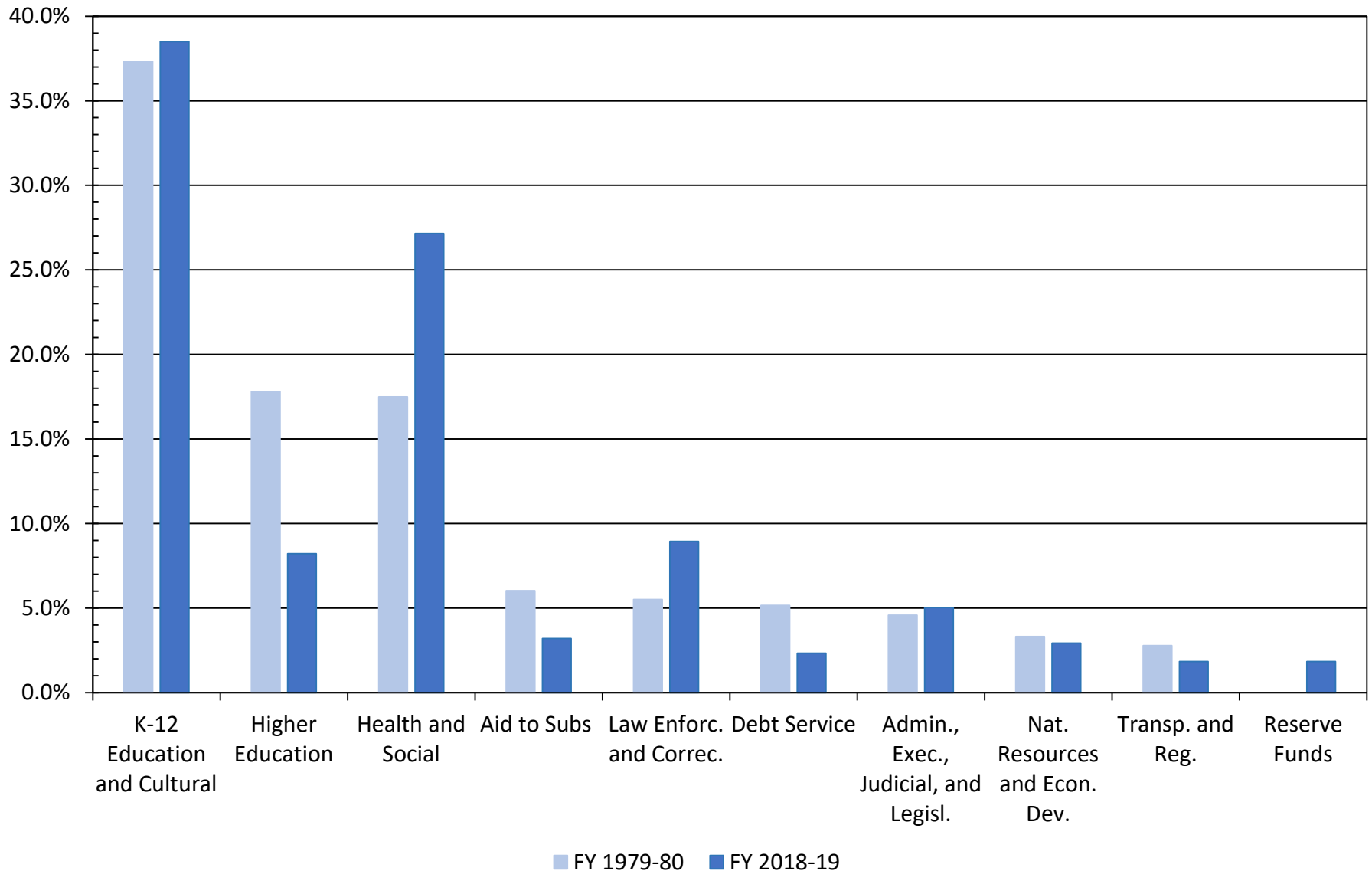
APPROPRIATIONS



GENERAL FUND APPROPRIATIONS BY MAJOR BUDGET CATEGORY FY 2018-19



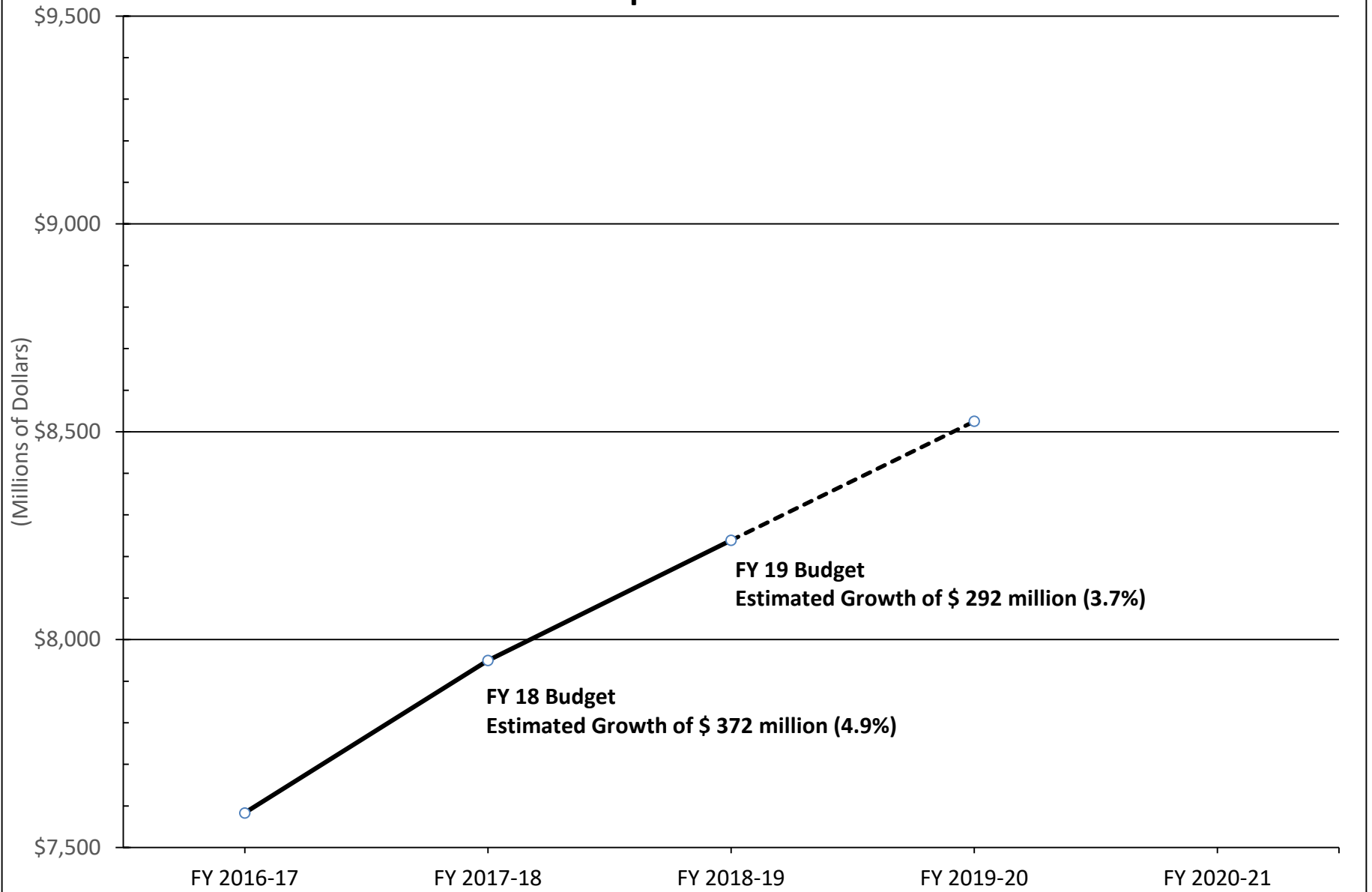
PERCENT OF GENERAL FUND APPROPRIATIONS BY FUNCTIONAL GROUP FY 1979-80 AND FY 2018-19



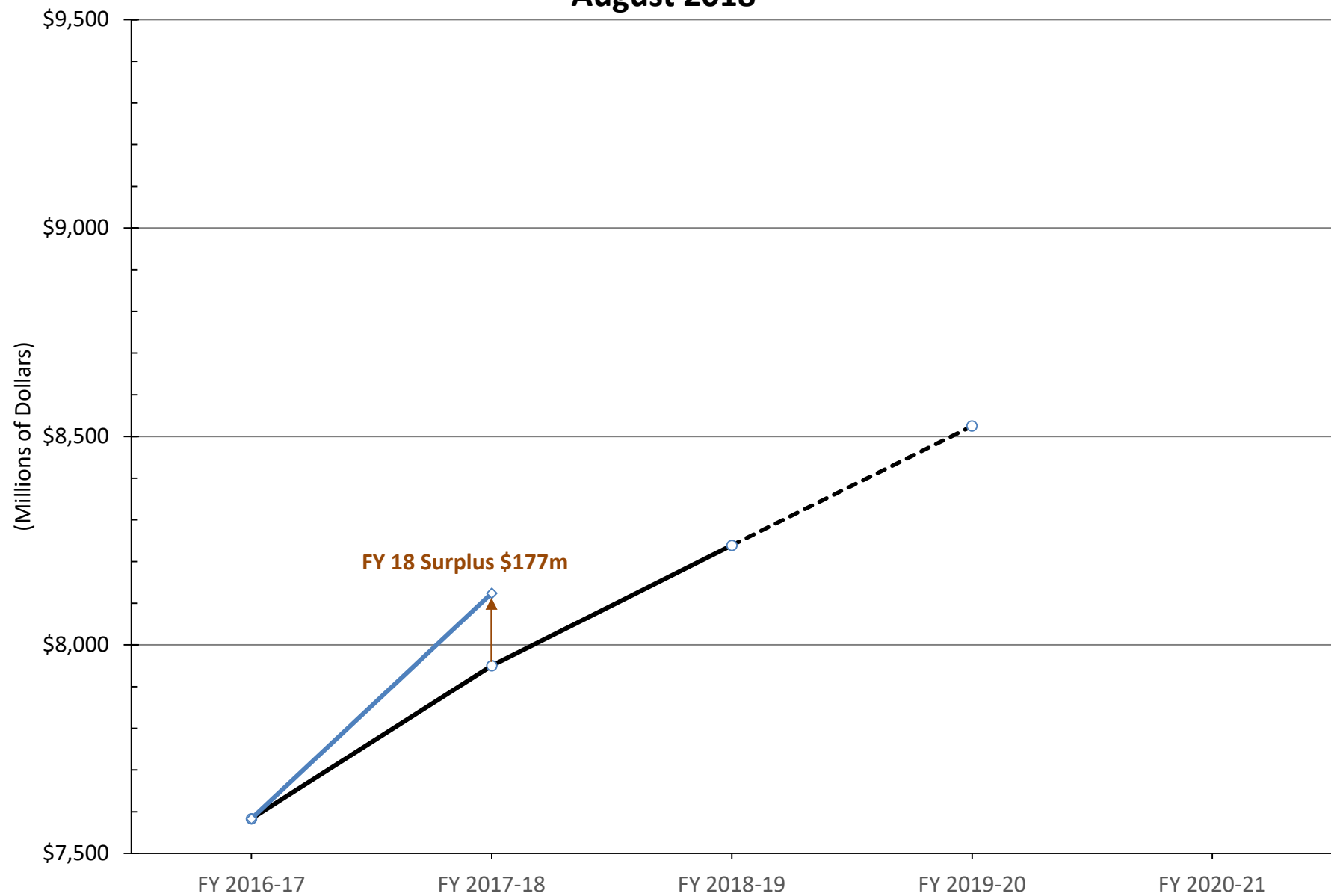
FY 2019-20 AND BEYOND GENERAL FUNDS



FY 2018-19 BUDGET ESTIMATES AND BEYOND April 2018

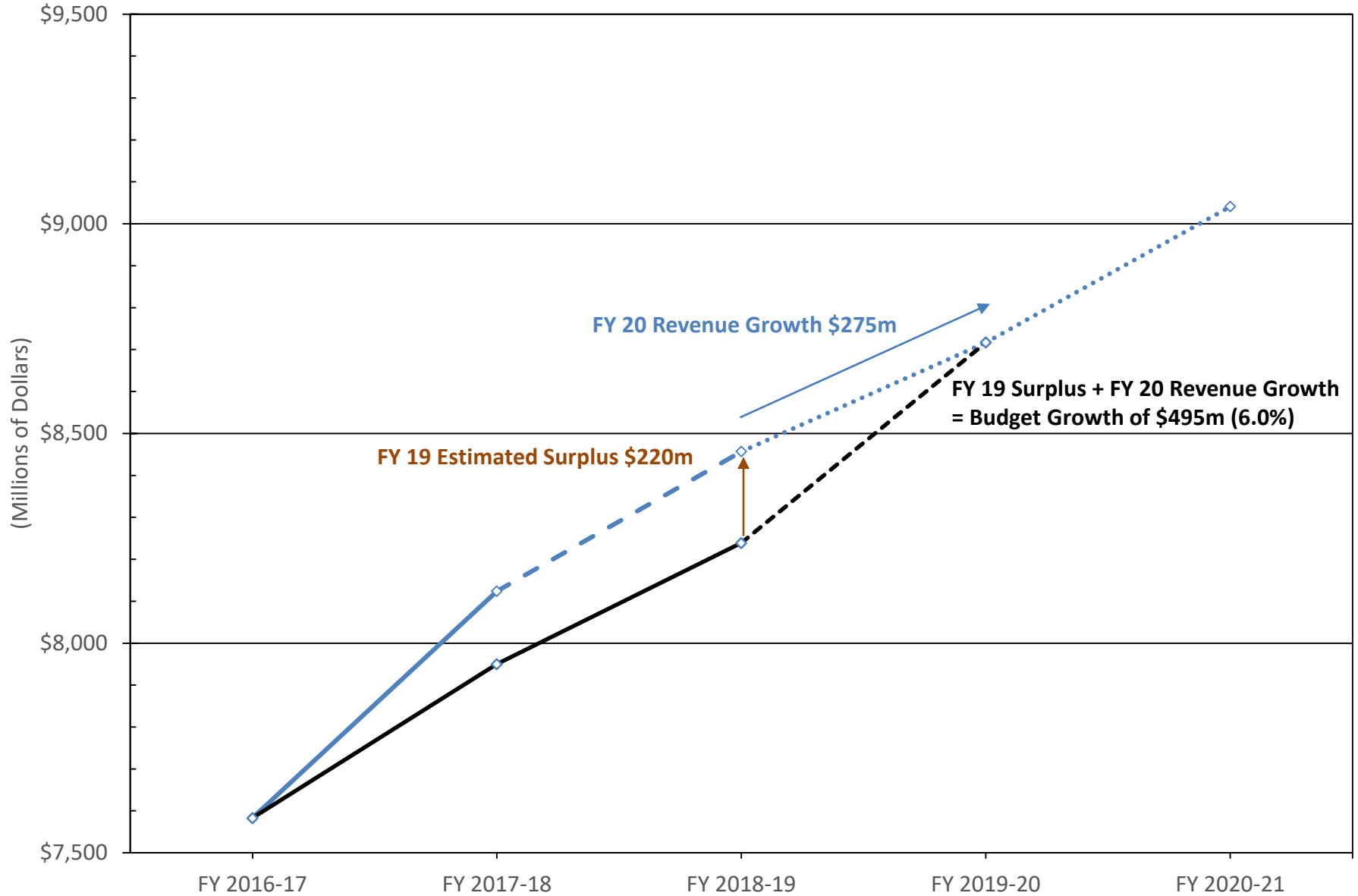


FY 2018-19 BUDGET and FY 2017-18 SURPLUS August 2018



FY 2019-20 BUDGET ESTIMATES AND BEYOND

December 2018



FY 2019-20 Revenue

Recurring Revenue	\$ 497.8 M
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Non-recurring Revenue	\$ 548.9 M
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FY 2018-19 Capital Reserve Fund	\$ 151.6 M
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FY 2017-18 Surplus (Contingency Reserve Fund)	\$ 177.1 M
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FY 2018-19 Projected General Fund Surplus	\$ 220.2 M
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Litigation Recovery Account	\$ 8.0 M
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FY 2019-20 Other Funds

EIA Fund

Projected FY 2018-19 EIA Shortfall	(\$ 8.4 M)
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FY 2019-20 “New” EIA Revenue	\$ 24.4 M
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FY 2019-20 Lottery Revenue

BEA Estimate 11/8/2018	\$ 415.8 M
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Unclaimed Prizes	\$ 19.0 M
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Lottery Interest	\$ 1.5 M
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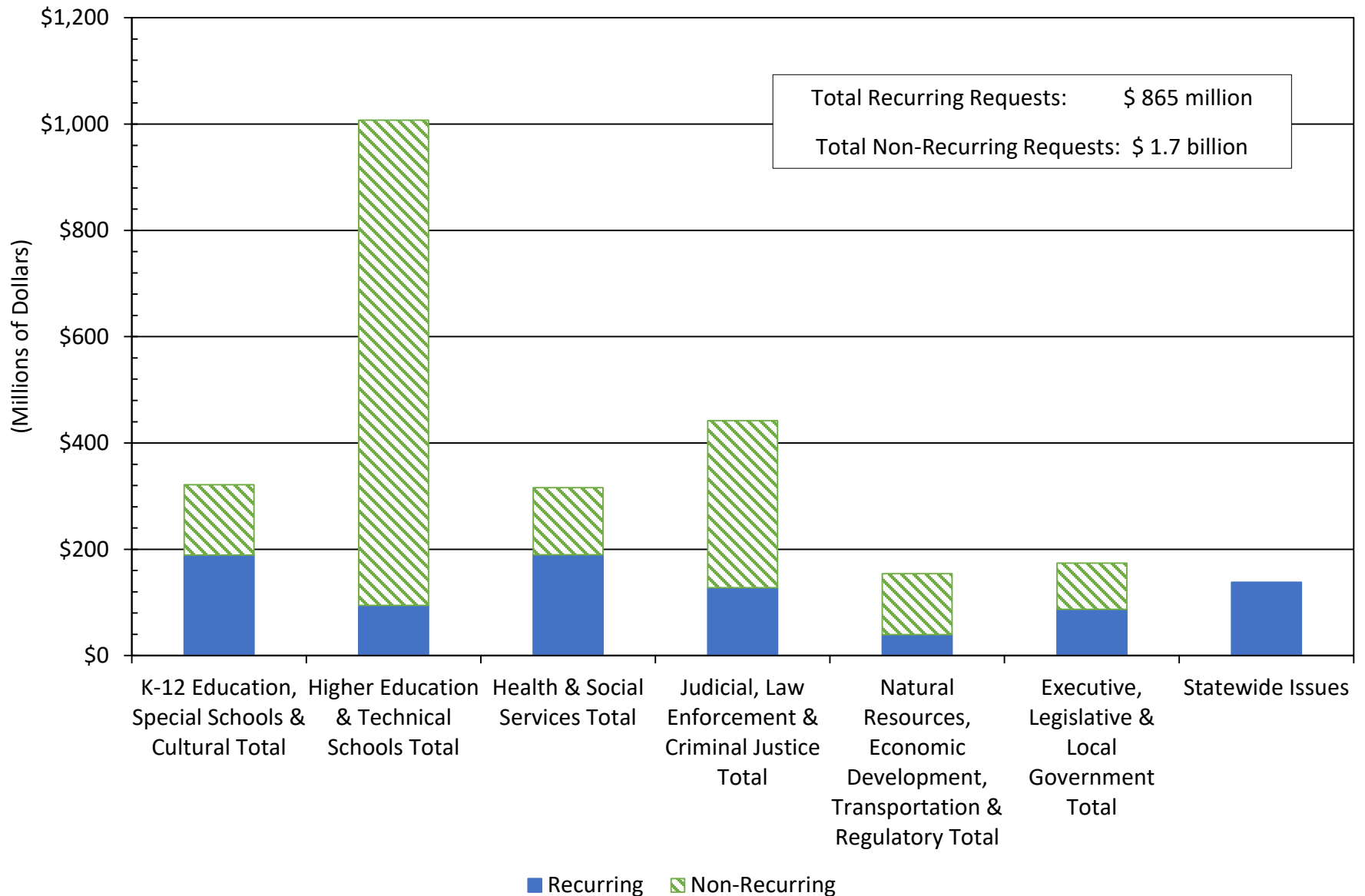
Total	\$ 436.3 M
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FY 2019-20 Tobacco MSA Revenue	\$ 70.0 M
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FY 2019-20 Statewide Funding Issues

	Amount (\$ in Millions)	Recurring Revenue Remaining (\$ in Millions)
Required Funding		\$ 498
General Reserve Fund (5%) - Accounted for in Budget/Revenue Outlook	\$ 27	
Capital Reserve Fund (2%)	\$ 11	
	\$ 38	\$ 460
Commitments		
DSS- Child Support Enforcement System- Continued Development & Michelle H	\$ 29	
DSS- Michelle H Consent Order (Preliminary - Subject to Change)	\$ 45	
DMV- REAL ID & Roads Bill Implementation	\$ 5	
Homestead Exemption Fund	\$ 2	
	\$ 81	\$ 378
Maintenance of Effort		
EFA Base Student Cost/Fringe with 2.0% Inflation and WPU growth	\$ 70	
Medicaid-Maintenance of Effort (Inflation and Enrollment Growth) and FMAP	\$ 68	
Palmetto Fellows, LIFE, HOPE Scholarship - Growth	\$ 15	
Retirement Systems Employer Contribution Increase -Act 13 of 2017	\$ 32	
FY 18-19 Employee Health Insurance program (includes FY 18-19 annualization)	\$ 50	
	\$ 235	\$ 143
Full Formula Funding/ Base Pay Increase		
Local Government Fund - Additional needed to fully fund at 4.5%	\$ 143	
EFA - Additional needed above maintenance of effort to fully fund BSC at \$3,095	\$ 520	
Base Pay Increase (1% equals \$21 million) @ 2 percent	\$ 41	
	\$ 704	\$ (561)

FY 2019-20 GENERAL FUND BUDGET REQUESTS BY FUNCTIONAL AREA



ANY
QUESTIONS
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