

Revenue Forecast: Process, Factors, and Impacts



**Presented To:
Budget Advisory Group**



January 22, 2024
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www.rfa.sc.gov

Goal of Revenue Forecasting

“Get the estimate close to the actual revenue without going over ...
so staff can make it to the next round and play again next year””



Forecasters

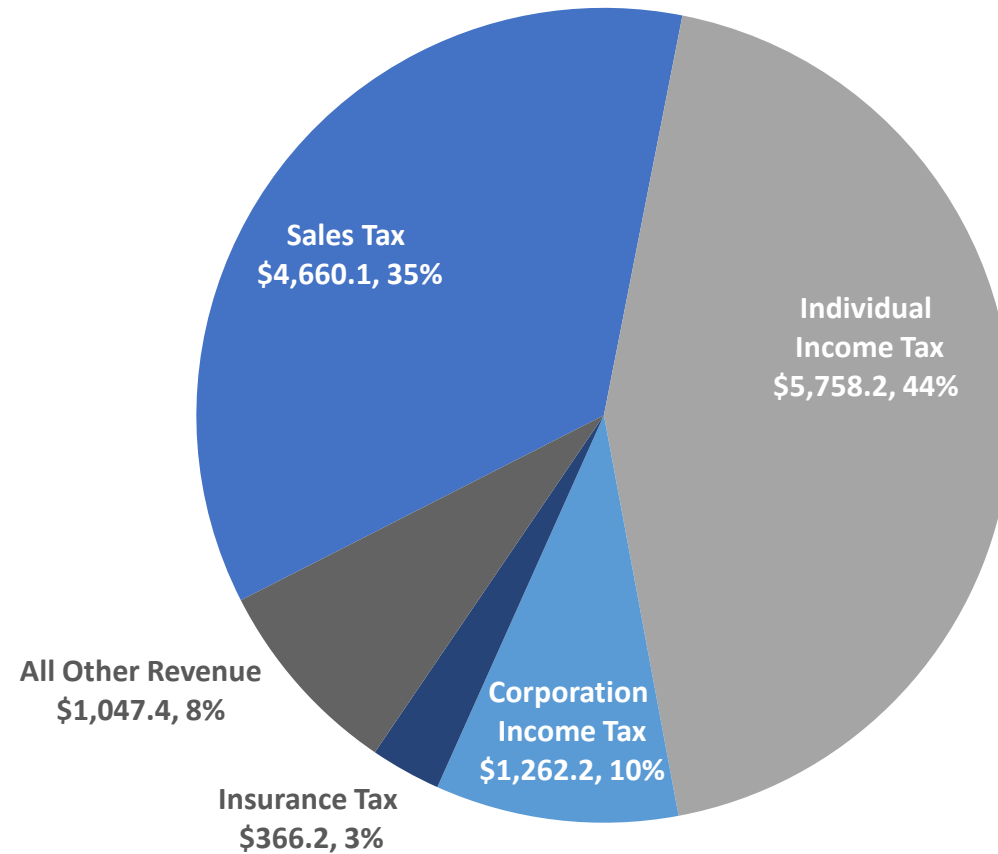
- Board of Economic Advisors
- RFA Staff (and Consultant)
- Panel of Economists
- Other State Agencies

Disclaimer: SC Code of Laws §16-17-690

It shall be unlawful to engage in the business, trade or profession of fortunetelling, ... or the prediction of future events by cards or other means or to offer to tell fortunes or predict future events by ... or other means as an inducement to promote some other business, trade or profession.

In FY 2022-23, nearly 80% of General Fund Revenue came from Sales and Individual Income Taxes

FY 2022-23 GENERAL FUND REVENUE
Millions of Dollars, Proportion of Revenue



Source: S.C. Revenue and Fiscal Affairs 30 - kav/12/18/2023



General Fund Revenue Forecast

Revenue Category	Final	9/21/2023	11/16/2023	9/21 vs 11/16	9/21/2023	11/16/2023	9/21 vs 11/16	FY 24		9/21/2023	11/16/2023	9/21/2023	11/16/2023
	FY 2022-23	Estimate FY 2023-24	Estimate FY 2023-24	Estimate Change	Estimate FY 2024-25	Estimate FY 2024-25	Estimate Change	to FY 25 Change	Pct. Chg. FY 2022-23	Pct. Chg. FY 2023-24	Pct. Chg. FY 2023-24	Pct. Chg. FY 2024-25	Pct. Chg. FY 2024-25
Sales and Use Tax	\$4,660,078,785	\$4,504,576,000	\$4,709,850,000	\$205,274,000	\$4,644,218,000	\$4,788,504,000	\$144,286,000	\$78,654,000	5.9	(3.3)	1.1	3.1	1.7
Individual Income Tax	5,758,211,861	5,826,539,000	6,029,335,000	202,796,000	6,020,540,000	6,192,739,000	172,199,000	163,404,000	(15.7)	1.2	4.7	3.3	2.7
<i>Withholdings</i>	6,903,102,011	6,180,099,000	6,479,787,000	299,688,000	6,422,303,000	6,726,166,000	303,863,000	246,379,000	0.6	(10.5)	(6.1)	3.9	3.8
<i>Non-Withholdings</i>	1,688,383,644	1,684,753,000	1,584,753,000	(100,000,000)	1,733,495,000	1,633,495,000	(100,000,000)	48,742,000	(17.7)	(0.2)	(6.1)	2.9	3.1
<i>Refunds</i>	2,833,273,794	2,038,313,000	2,035,205,000	(3,108,000)	2,135,258,000	2,166,922,000	31,664,000	131,717,000	35.6	(28.1)	(28.2)	4.8	6.5
Corporation Income Tax	1,262,221,843	782,083,000	782,083,000	0	762,083,000	762,083,000	0	(20,000,000)	11.8	(38.0)	(38.0)	(2.6)	(2.6)
Insurance Taxes	366,245,865	352,379,000	348,530,000	(3,849,000)	400,164,000	410,636,000	10,472,000	62,106,000	29.2	(3.8)	(4.8)	13.6	17.8
Admissions Tax	45,380,765	38,729,000	42,617,000	3,888,000	39,438,000	44,315,000	4,877,000	1,698,000	(0.8)	(14.7)	(6.1)	1.8	4.0
Aircraft Tax	0	0	0	0	0	0	0	0	--	--	--	--	--
Alcoholic Liquor Tax	118,068,732	110,143,000	120,633,000	10,490,000	115,485,000	123,253,000	7,768,000	2,620,000	5.0	(6.7)	2.2	4.9	2.2
Bank Tax	95,031,726	63,187,000	78,894,000	15,707,000	65,958,000	80,454,000	14,496,000	1,560,000	31.3	(33.5)	(17.0)	4.4	2.0
Beer and Wine Tax	113,360,549	117,630,000	112,713,000	(4,917,000)	119,239,000	113,739,000	(5,500,000)	1,026,000	(3.1)	3.8	(0.6)	1.4	0.9
Business Filing Fees	12,608,349	12,315,000	12,345,000	30,000	12,743,000	12,203,000	(540,000)	(142,000)	(0.1)	(2.3)	(2.1)	3.5	(1.2)
Circuit/Family Court Fines	6,371,579	4,992,000	6,702,000	1,710,000	4,768,000	6,191,000	1,423,000	(511,000)	4.6	(21.7)	5.2	(4.5)	(7.6)
Corporation License Tax	170,145,615	173,120,000	175,120,000	2,000,000	184,536,000	180,218,000	(4,318,000)	5,098,000	4.3	1.7	2.9	6.6	2.9
Deed Recording Fees	123,218,197	118,042,000	102,380,000	(15,662,000)	126,266,000	102,380,000	(23,886,000)	0	(21.4)	(4.2)	(16.9)	7.0	0.0
Earned on Investments	180,526,831	180,000,000	190,000,000	10,000,000	175,000,000	220,000,000	45,000,000	30,000,000	159.2	(0.3)	5.2	(2.8)	15.8
Indirect Cost Recoveries	18,499,211	20,212,000	17,515,000	(2,697,000)	19,201,000	17,984,000	(1,217,000)	469,000	(16.3)	9.3	(5.3)	(5.0)	2.7
Motor Vehicle Licenses	10,947,724	11,836,000	11,255,000	(581,000)	12,125,000	11,472,000	(653,000)	217,000	(2.1)	8.1	2.8	2.4	1.9
Nursing Home Fees	3,129,343	3,092,000	3,055,000	(37,000)	3,083,000	3,000,000	(83,000)	(55,000)	(3.1)	(1.2)	(2.4)	(0.3)	(1.8)
Parole and Probation Fees	3,392,808	3,393,000	3,393,000	0	3,393,000	3,393,000	0	0	0.0	0.0	0.0	0.0	0.0
Private Car Lines Tax	6,620,681	6,616,000	6,392,000	(224,000)	7,026,000	6,278,000	(748,000)	(114,000)	(3.8)	(0.1)	(3.5)	6.2	(1.8)
Public Service Authority	18,961,000	17,807,000	17,807,000	0	17,807,000	17,807,000	0	0	7.3	(6.1)	(6.1)	0.0	0.0
Purchasing Card Rebates	3,845,627	3,940,000	3,824,000	(116,000)	4,105,000	4,034,000	(71,000)	210,000	8.6	2.5	(0.6)	4.2	5.5
Record Search Fees	4,461,000	4,461,000	4,461,000	0	4,461,000	4,461,000	0	0	0.0	0.0	0.0	0.0	0.0
Savings and Loan Assoc. Tax	(326,189)	1,223,000	1,157,000	(66,000)	1,223,000	1,215,000	(8,000)	58,000	--	--	--	0.0	5.0
Security Dealer Fees	34,123,362	32,782,000	35,744,000	2,962,000	33,487,000	37,904,000	4,417,000	2,160,000	7.0	(3.9)	4.7	2.2	6.0
Tobacco Tax	27,765,477	29,070,000	27,704,000	(1,366,000)	29,701,000	27,477,000	(2,224,000)	(227,000)	(4.0)	4.7	(0.2)	2.2	(0.8)
Unclaimed Property Fund	15,000,000	15,000,000	15,000,000	0	15,000,000	15,000,000	0	0	0.0	0.0	0.0	0.0	0.0
Workers' Comp. Insurance Tax	10,638,461	10,138,000	11,315,000	1,177,000	10,180,000	11,758,000	1,578,000	443,000	8.6	(4.7)	6.4	0.4	3.9
Other Source Revenues	25,672,830	15,383,000	15,664,000	281,000	15,276,000	15,677,000	401,000	13,000	(72.8)	(40.1)	(39.0)	(0.7)	0.1
Gross General Fund Revenue	\$13,094,202,032	\$12,458,688,000	\$12,885,488,000	\$426,800,000	\$12,846,506,000	\$13,214,175,000	\$367,669,000	\$328,687,000	(4.1)	(4.9)	(1.6)	3.1	2.6



General Fund Revenue Forecast

Revenue Category	Final FY 2022-23	9/21/2023 Estimate FY 2023-24	11/16/2023 Estimate FY 2023-24	9/21 vs 11/16 Estimate Change	9/21/2023 Estimate FY 2024-25	11/16/2023 Estimate FY 2024-25	9/21 vs 11/16 Estimate Change	FY 24 to FY 25 Change	Pct. Chg. FY 2022-23	9/21/2023 Pct. Chg. FY 2023-24	11/16/2023 Pct. Chg. FY 2023-24	9/21/2023 Pct. Chg. FY 2024-25	11/16/2023 Pct. Chg. FY 2024-25
Gross General Fund Revenue	\$13,094,202,032	\$12,458,688,000	\$12,885,488,000	\$426,800,000	\$12,846,506,000	\$13,214,175,000	\$367,669,000	\$328,687,000	(4.1)	(4.9)	(1.6)	3.1	2.6
Less: Tax Relief Trust Fund (Act)	768,072,631	795,942,732	795,942,732	0	807,396,783	800,815,175	(6,581,608)	4,872,443	18.2	3.6	3.6	1.4	0.6
Net General Fund Revenue	\$12,326,129,401	\$11,662,745,268	\$12,089,545,268	\$426,800,000	\$12,039,109,217	\$12,413,359,825	\$374,250,608	\$323,814,557	(5.2)	(5.4)	(1.9)	3.2	2.7
Education Improvement Act (EIA)	1,222,942,713	1,181,170,000	1,232,690,000	51,520,000	1,212,317,000	1,253,231,000	40,914,000	20,541,000	7.4	(3.4)	0.8	2.6	1.7
EIA Fund	1,207,299,808	1,165,370,000	1,216,890,000	51,520,000	1,200,417,000	1,236,631,000	36,214,000	19,741,000	6.1	(3.5)	0.8	3.0	1.6
EIA Interest	15,642,904	15,800,000	15,800,000	0	11,900,000	16,600,000	4,700,000	800,000	2383.5	1.0	1.0	(24.7)	5.1
S.C. Education Lottery Fund	605,424,005	534,100,000	547,100,000	13,000,000	532,400,000	534,200,000	1,800,000	(12,900,000)	6.5	(11.8)	(9.6)	(0.3)	(2.4)
Lottery Proceeds	563,500,000	507,200,000	514,200,000	7,000,000	507,200,000	507,200,000	0	(7,000,000)	5.6	(10.0)	(8.7)	0.0	(1.4)
Unclaimed Prizes	34,758,556	20,000,000	26,000,000	6,000,000	20,000,000	20,000,000	0	(6,000,000)	14.0	(42.5)	(25.2)	0.0	(23.1)
Lottery Interest	7,165,449	6,900,000	6,900,000	0	5,200,000	7,000,000	1,800,000	100,000	53.0	(3.7)	(3.7)	(24.6)	1.4
Homestead Exemption Fund (HEX)	1,112,078,145	1,064,907,000	1,127,296,000	62,389,000	1,094,362,000	1,147,036,000	52,674,000	19,740,000	7.6	(4.2)	1.4	2.8	1.8
HEX Revenue	1,102,225,350	1,054,807,000	1,117,196,000	62,389,000	1,086,762,000	1,136,436,000	49,674,000	19,240,000	7.1	(4.3)	1.4	3.0	1.7
HEX Interest	9,852,795	10,100,000	10,100,000	0	7,600,000	10,600,000	3,000,000	500,000	152.4	2.5	2.5	(24.8)	5.0
Expenditure Estimate	912,883,295	1,004,624,152	1,004,624,152	0	1,049,177,310	1,065,163,814	15,986,504	60,539,662	6.0	10.0	10.0	4.4	6.0
HEX Fund Excess/ (Shortfall)	199,194,850	60,282,848	122,671,848	62,389,000	45,184,690	81,872,186	36,687,496	(40,799,662)	15.6	(69.7)	(38.4)	(25.0)	(33.3)
Tax Relief Trust Fund (Act)	768,072,631	795,942,732	795,942,732	0	807,396,783	800,815,175	(6,581,608)	4,872,443	18.2	3.6	3.6	1.4	0.6
Revised Estimate/ Actual	751,304,933	795,942,732	774,924,176	(21,018,556)	807,396,783	800,815,175	(6,581,608)	25,890,999	16.7	5.9	3.1	1.4	3.3
Excess/ (Shortfall) (Excl. Fund Balance)	16,767,698	0	21,018,556	21,018,556	0	0	0	(21,018,556)	176.3	n/a	25.4	n/a	n/a
Budgetary Estimates													
Gross Appropriation Act Revenue	11,270,143,415	12,458,688,000	12,458,688,000	0	12,846,506,000	13,214,175,000	367,669,000	755,487,000	13.5	10.5	10.5	3.1	6.1
Less: Tax Relief Trust Fund (Act)	768,072,631	795,942,732	795,942,732	0	807,396,783	800,815,175	(6,581,608)	4,872,443	18.2	3.6	3.6	1.4	0.6
Appropriation Act Excluding Trust Fund	10,502,070,784	11,662,745,268	11,662,745,268	0	12,039,109,217	12,413,359,825	374,250,608	750,614,557	13.2	11.1	11.1	3.2	6.4
Capital Reserve Fund	209,194,431	390,131,763	390,131,763	0	369,783,882	369,783,882	0	(20,347,881)	13.9	86.5	86.5	(5.2)	(5.2)
General Reserve Fund	575,284,684	715,241,566	715,241,566	0	739,567,764	739,567,764	0	24,326,198	25.3	24.3	24.3	3.4	3.4
Total Reserve Funds	784,479,115	1,105,373,329	1,105,373,329	0	1,109,351,646	1,109,351,646	0	3,978,317	22.1	40.9	40.9	0.4	0.4

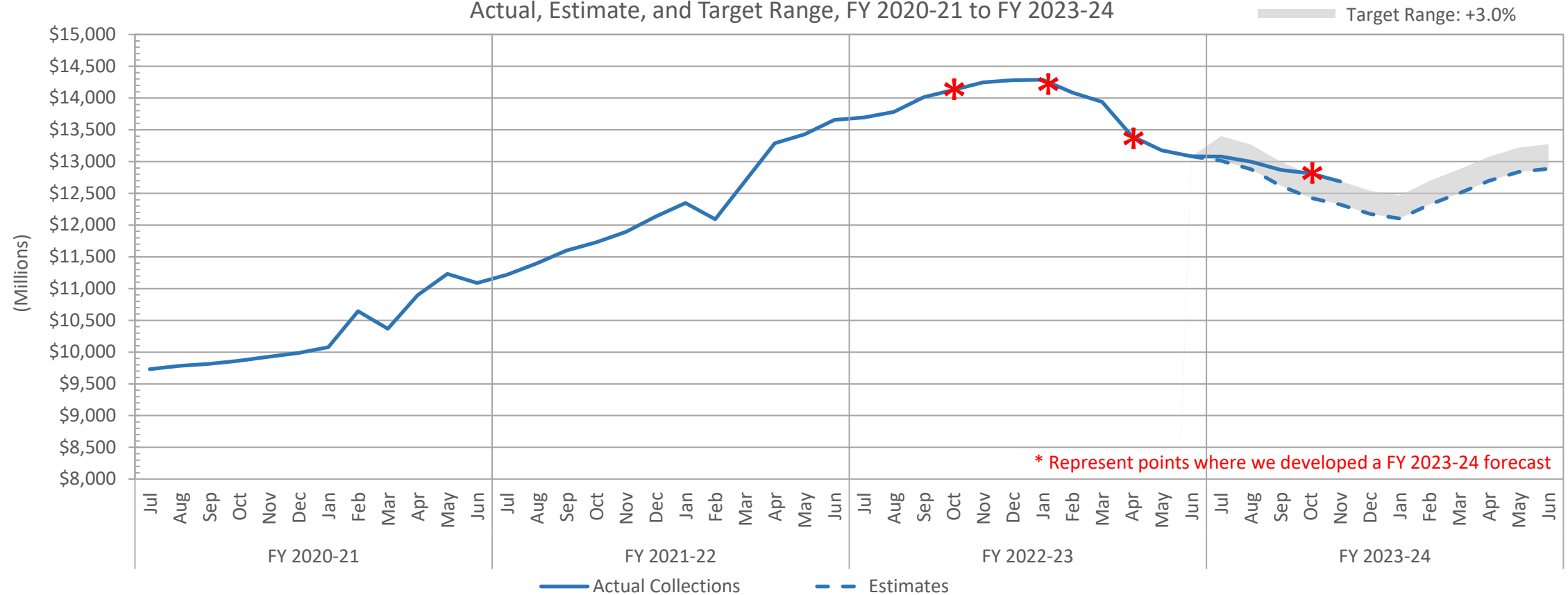
Source: South Carolina Board of Economic Advisors/BEA/11/16/2023; Updated for final EIA revenue for FY 23.



General Fund Revenue – as of November 2023

Collections are \$259.2m ahead of the current forecast; revenues are buoyed by stronger-than-expected income withholdings and corporate income tax

ROLLING FISCAL YEAR - GENERAL FUND
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24



General Fund Revenue



(\$ in Millions)

REVENUES V. BEA MONTHLY ESTIMATES

JULY - NOVEMBER FY 2023-24

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / ¹	Actual YTD / ²	Estimate Full Yr. / ³		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / ¹	Actual YTD / ²	Estimate Full Yr. / ³
Total General Fund Revenue	\$4,805.5	\$5,064.7	\$259.2	(11.9%)	(7.2%)	(1.6%)	Other Revenue Items, Sub-Total	\$377.0	\$437.0	\$60.0	(3.1%)	12.3%	(3.0%)
Sales Tax	1,566.2	1,589.2	23.0	1.2%	2.7%	1.1%	Admissions Tax	7.3	8.1	0.8	9.7%	9.7%	(6.1%)
Individual Income Tax	2,636.7	2,709.8	73.1	(15.7%)	(13.4%)	4.7%	Alcoholic Liquors Tax	40.3	41.3	1.0	0.1%	2.6%	2.2%
Withholdings	2,615.8	2,692.5	76.8	(11.1%)	(8.5%)	(6.1%)	Bank Tax	11.1	20.6	9.5	(30.4%)	29.3%	(17.0%)
Non-withholdings	403.7	385.7	(18.0)	(21.6%)	(25.1%)	(6.1%)	Beer and Wine Tax	39.1	39.4	0.3	(3.6%)	(2.8%)	(0.6%)
Refunds	382.8	368.5	(14.3)	17.0%	12.7%	(28.2%)	Corporate License Tax	112.5	125.4	12.9	2.9%	14.7%	2.9%
Corporate Income Tax	137.2	237.2	100.0	(49.0%)	(11.7%)	(38.0%)	Deed Rec. (Doc. Tax)	38.5	40.0	1.6	(17.7%)	(14.4%)	(16.9%)
Insurance Tax	88.4	91.6	3.1	(27.9%)	(25.3%)	(4.8%)	Earned on Investments	78.5	111.0	32.5	5.3%	48.9%	5.2%
Other Revenue Items, Sub-Total	377.0	437.0	60.0	(3.1%)	12.3%	(3.0%)	Residual Revenue	49.8	51.2	1.4	(8.7%)	(6.3%)	(4.2%)

Based on BEA Forecast as of November 16, 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.



GNP

EVAB

PERSONAL INCOME

Value of the Dollar

Inflation

Economic Factors

EXPORTS/IMPORTS

Interest Rates

Federal Deficit

Consumer Spending

\$ STOCK MARKET

Bond Prices

Wages

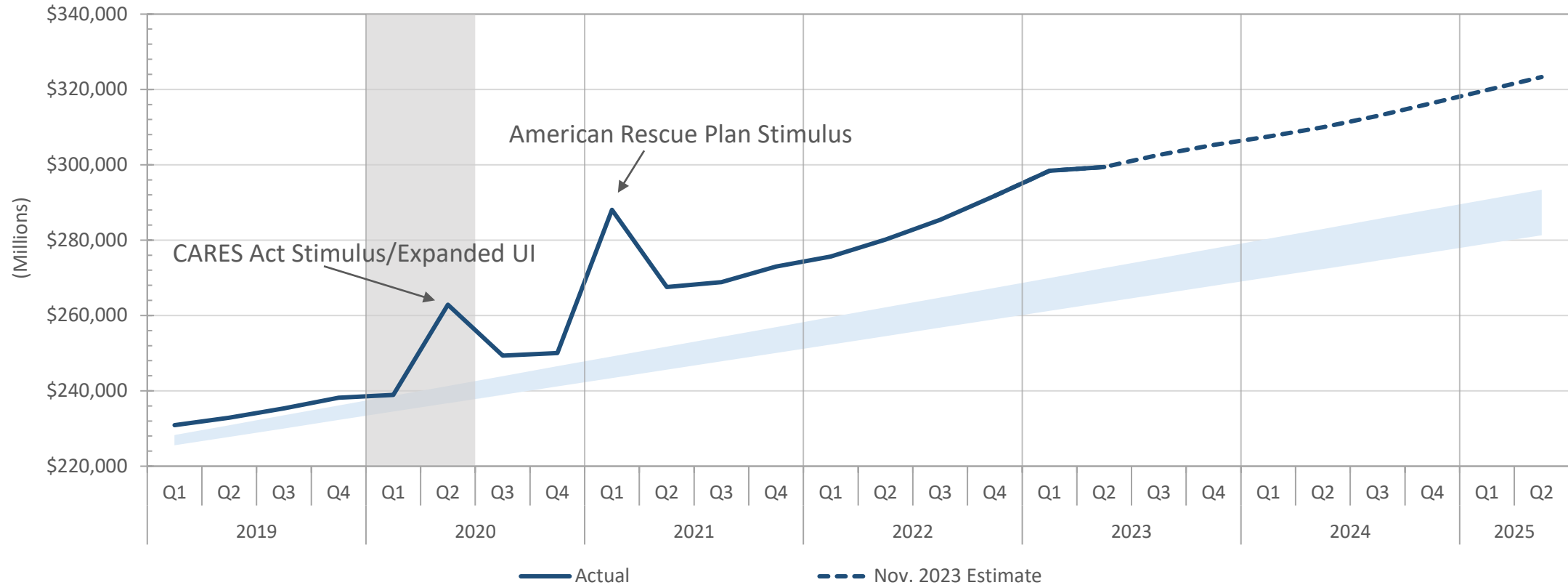
Personal Income Forecast

Growth estimates - FY 24: 4.3%; FY 25: 3.8%

SOUTH CAROLINA PERSONAL INCOME

Actual, Estimate, and Trend

Historical Trend Range:
5-year (top) to 10-year (bottom)

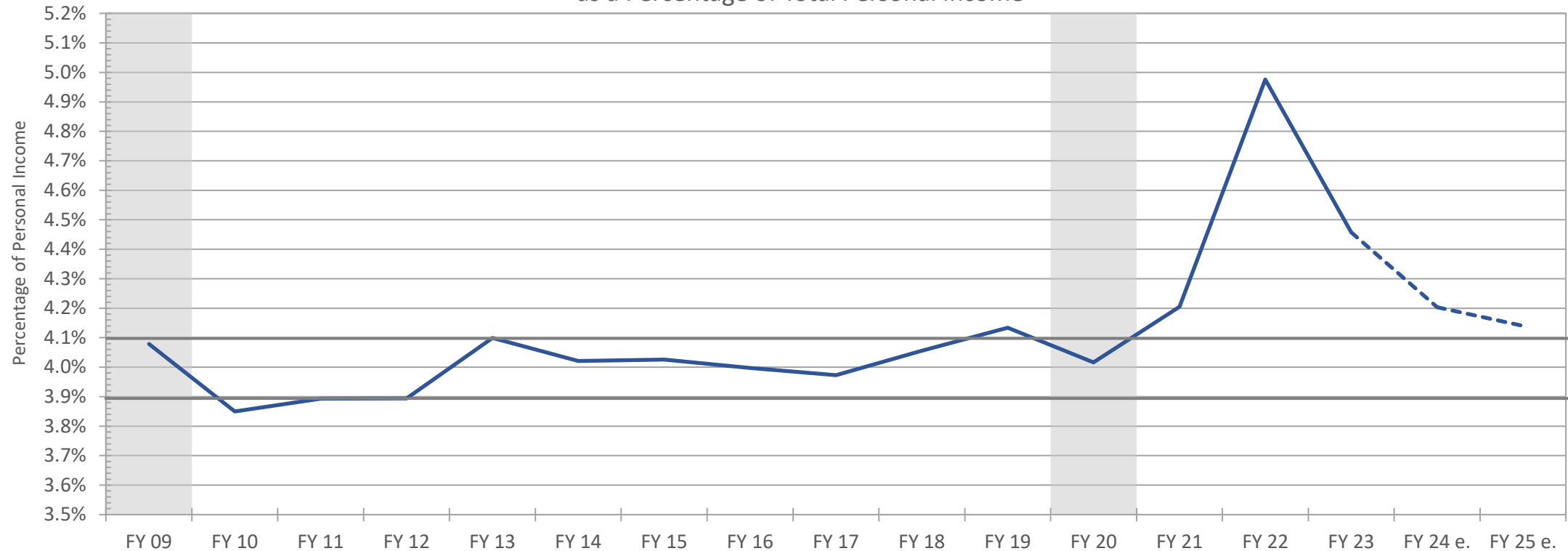


Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/lhj/11/16/2023

General Fund Revenue as a Percentage of Personal Income

Relationship is set to move closer to historical range in FY 24 and FY25

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

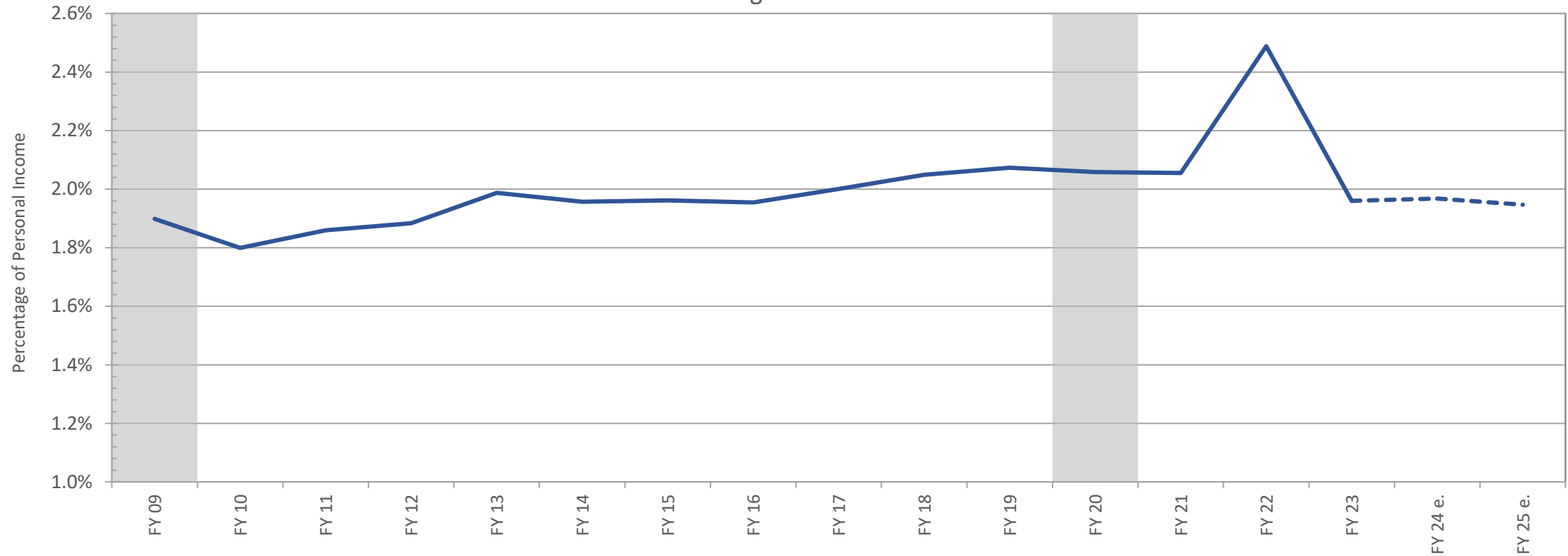


Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 34F-kav/11/16/2023

Individual Income Tax as a Percentage of Personal Income

Relationship set to continue to be close to the 2.0% average of the past 15 years

SOUTH CAROLINA INCOME TAX COLLECTIONS
as a Percentage of Total Personal Income

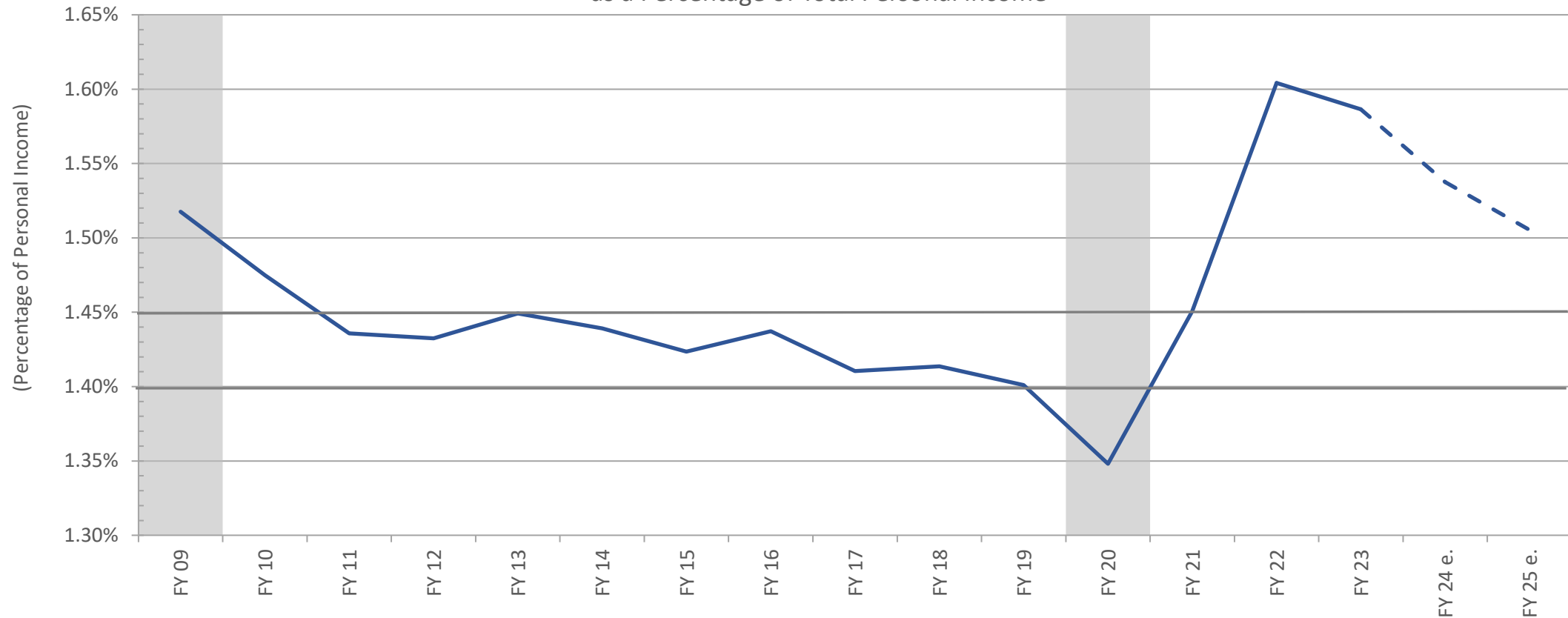


Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 34-kav/11/16/2023

Sales Tax as a Percentage of Personal Income

Relationship remains well above normal range of about 1.40% - 1.45% but is trending down

SOUTH CAROLINA GENERAL FUND SALES TAX COLLECTIONS
as a Percentage of Total Personal Income

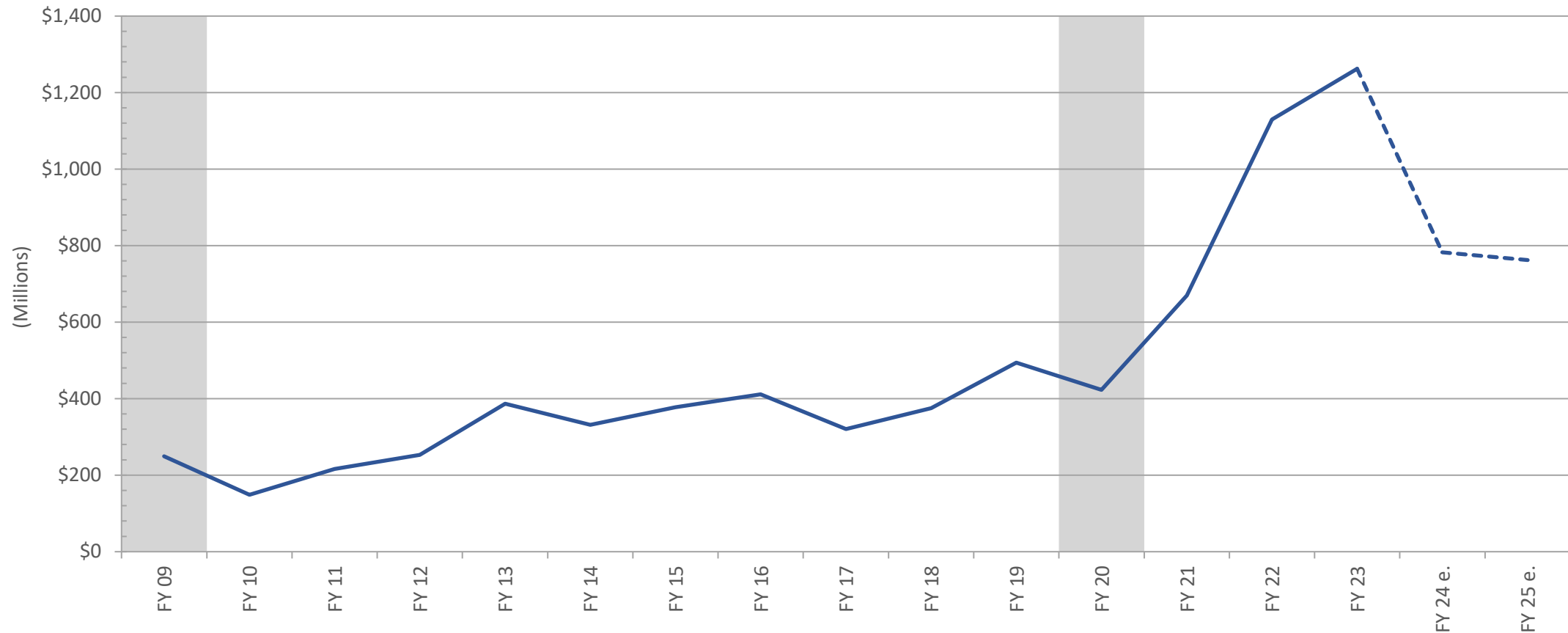


Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 32-kav/11/16/2023

Corporate Income Tax Revenue

Revenue remains volatile and is expected to decline following three record years

SOUTH CAROLINA GENERAL FUND CORPORATE INCOME TAX COLLECTIONS



Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 32-kav/12/18/2023



Impact on the Appropriation Process



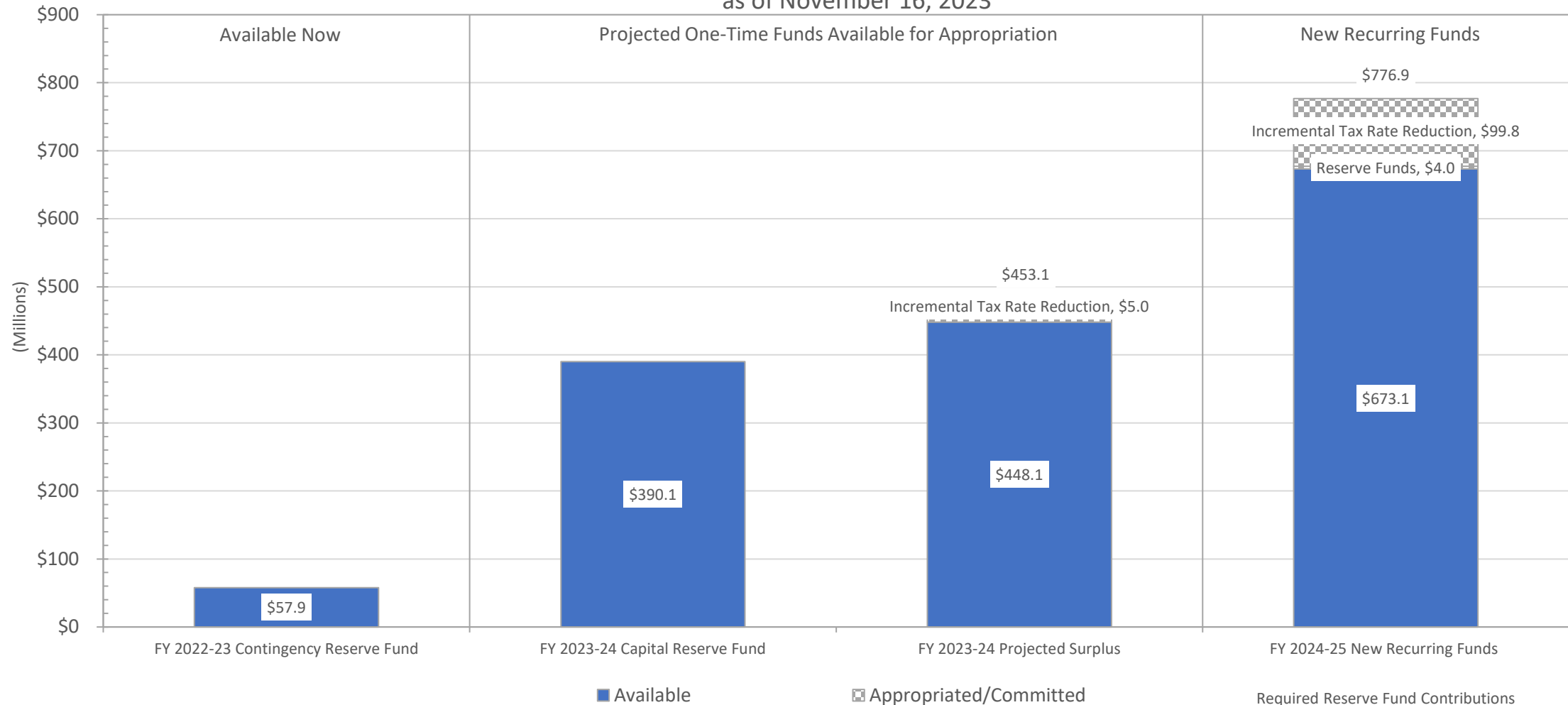
Appropriation Act – Recurring vs Non-recurring Funds

- New Recurring Funds – estimated revenue above base budget appropriations
- Supplemental Appropriations (projected or “certified” surplus) – estimated revenue above the current year’s appropriation
- Reserve Funds
 - Contingency Reserve Fund – actual budget surplus (revenues + lapsed funds – open-ended appropriations) at end of fiscal year after supplemental appropriations (cash in the bank)
 - Capital Reserve Funds – line item in the current budget equal to three percent of General Fund Revenue from two year’s prior
 - First item to be reduced in the event of a mid-year revenue shortfall
 - Cannot be appropriated until after March 30 but depends on close of fiscal year
 - General Reserve Fund – reserve that can only be used by the Comptroller General to avoid end-of-year shortfall; equal to seven percent* of General Fund Revenue from two year’s prior

*percentage increase from 5% to 7% will be phased-in in 0.5% increments from in FY24 until FY27

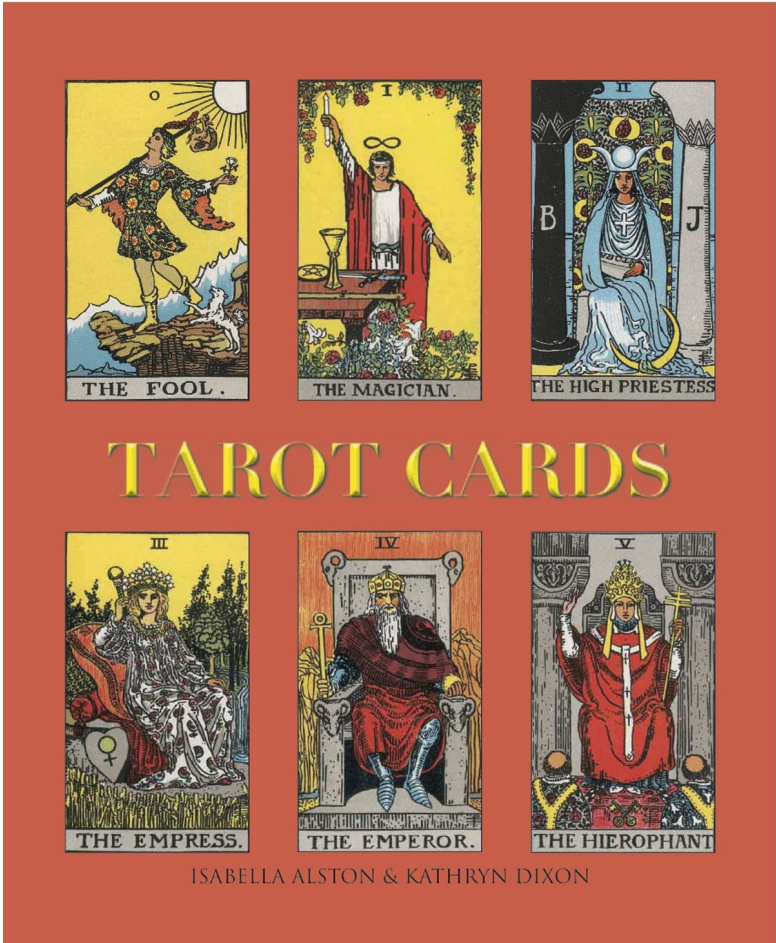
FY 2024-25 Available Funds

AVAILABLE FUNDS - FY 2024-25 BUDGET PROCESS
as of November 16, 2023



Source: S.C. Revenue and Fiscal Affairs 297/RFA/11/16/2023

Fiscal Impacts



Fiscal Impacts: Revenue and Expenditure Impact

Revenue Impacts

- Are automatically added to or subtracted from the BEA revenue estimate
- Are noted in the Summary Control Document (if passed prior to budget adoption)
- Example: S. 1087 Comprehensive Tax Cut of 2022

https://www.scstatehouse.gov/sess124_2021-2022/fiscalimpactstatements/S1087_2022-06-17_signed.pdf

Expenditure Impacts

- Do not directly impact the budget process
- May have a fiscal impact on the agency, but budget adjustments must be approved through the budget process
- Example: S.2 DHEC Restructuring

https://www.scstatehouse.gov/sess124_2021-2022/fiscalimpactstatements/S0002_2022-03-03_amended.pdf

Fiscal Impacts

- Are not advocacy or adversarial
- Cannot be used to prove intent of the General Assembly



This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	S. 1087	Introduced on February 17, 2022
Author:	Peeler	
Subject:	Comprehensive Tax Cut of 2022	
Requestor:	Senate Finance	
RFA Analyst(s):	Jolliff and Miller	
Impact Date:	February 24, 2022	

Fiscal Impact Summary

This bill enacts the Comprehensive Tax Cut Act of 2022. The act lowers the top marginal individual income tax 6 and 7 percent rates to 5.7 percent in tax year 2022 and allows taxpayers to claim a full deduction of military retirement income. Further, the act increases the manufacturing value exemption for property taxes to 42.8571 percent of the value, which equates to lowering the 10.5 percent manufacturing assessment ratio to 6 percent. The act also eliminates the reimbursement cap for this exemption and the phase-in of the current manufacturing property tax exemption. The act provides that local governments will be reimbursed for the exemption. Lastly, the act appropriates one billion dollars from the Contingency Reserve Fund to the Taxpayer Rebate Fund, which may be used to provide a rebate to taxpayers in a manner prescribed by the General Assembly.

This bill will not impact expenditures for the Department of Revenue (DOR). DOR will implement the changes during the annual updates to tax forms and instructions. The agency can also implement the changes to the manufacturing property exemption with existing staff. Further, we anticipate that the State Treasurer's Office will establish the Taxpayer Rebate Fund with existing staff and resources. However, any expenditure impact for distributing taxpayer rebates will depend on additional legislation.

This bill will reduce General Fund individual income tax revenue by \$23,281,000 in FY 2021-22 and \$886,902,000 in FY 2022-23 for the individual income tax rate reduction.

Further, the proposed complete deduction of all remaining military retirement income beginning in tax year 2022 will reduce General Fund individual income tax revenue by an additional \$7,972,000 in FY 2022-23.

The change in the manufacturing property value exemption will increase the required state reimbursements from the Trust Fund for Tax Relief to local governments by \$106,120,000 beginning in FY 2022-23. The Trust Fund for Tax Relief is deducted from the state individual and corporate income tax revenue, the remaining of which is allocated to the General Fund. Therefore, this section will result in an additional transfer of \$106,120,000 from General Fund revenue to the Trust Fund for Tax Relief beginning in FY 2022-23. The reimbursement funds will offset the local property tax revenue reduction.



Summary Control Document

SUMMARY CONTROL DOCUMENT FY 2023-24 Appropriation Bill, H. 4300 & FY 2022-23 Capital Reserve Fund Bill, H. 4301				Appropriations Act, with Governor's Vetoes, 6.20.23 (Vetoes are notated in bold italic font)						
<i>The Summary Control Document is the SC Revenue and Fiscal Affairs Office's attempt to maintain a historical record in summary form reflecting the recommendations/actions taken at each stage of the budget process. It is not intended to be construed as a binding, legal document.</i>				General			Federal	Other	Total	
				Part IA Recurring Funds H. 4300	Nonrecurring Proviso 118.19	Capital Reserve Fund H. 4301	Total General Funds	Federal Funds	Other Funds	Total Funds
Line		FY 2023-24 Agency Beginning Base							Line	
1	REVENUES FY 2023-24								1	
2									2	
3	Gross General Fund Revenue Forecast, FY 2023-24, Board of Economic Advisors		12,558,634,000				12,558,634,000		3	
4									4	
5	Less: FY 2023-24 Transfer to Tax Relief Trust Fund (Res Prop Tax Capped at FY 01-02 Level)		(795,942,732)				(795,942,732)		5	
6									6	
7									7	
8	Net General Fund Revenue Forecast, FY 2023-24		11,762,691,268				11,762,691,268		8	
9									9	
10	Less: FY 2023-24 General Reserve Fund Transfer [SC ST SEC 11-11-310] (FY 24 Required Balance = \$715.2M)								10	
11									11	
12	Less: FY 2023-24 Appropriation Base		(10,341,341,675)				(10,341,341,675)		12	
13									13	
14									14	
15	"New" Recurring Revenue		1,421,349,593				1,421,349,593		15	
16									16	
17	ENHANCEMENTS AND ADJUSTMENTS								17	
18	Comprehensive Tax Cut of 2022 (S. 1087) - Year 2		(96,236,000)				(96,236,000)		18	
19	\$2,000 income tax credit for first responders								19	
20	Police Officers, Peace Officers, and Firefighters Retirement Income Tax Exemption								20	
21	Securities Fee Revenue Proviso 59.5		400,000				400,000		21	
22	Athletic Event Admission Tax Proviso 117.171		(2,858,000)				(2,858,000)		22	
23	Santee Cooper Billing Proviso 72.4		(252,000)				(252,000)		23	
24	Teacher Supplies Proviso 1A.9		(851,000)				(851,000)		24	
25	Definition of Physician's Office Proviso 117.184		(133,000)				(133,000)		25	
26	Festival Craftsmen Proviso 117.186		(16,000)				(16,000)		26	
27	Transfer to Nonrecurring Appropriations		(26,277,259)				(26,277,259)		27	
28									28	
29	Subtotal, Enhancements and Adjustments		(126,223,259)				(126,223,259)		29	
30									30	
31	Subtotal, Part I Revenues		1,295,126,334				1,295,126,334		31	



SUMMARY CONTROL DOCUMENT
FY 2023-24 Appropriation Bill, H. 4300
& FY 2022-23 Capital Reserve Fund Bill, H. 4301

The Summary Control Document is the SC Revenue and Fiscal Affairs Office's attempt to maintain a historical record in summary form reflecting the recommendations/actions taken at each stage of the budget process. It is not intended to be construed as a binding, legal document.

Appropriations Act, with Governor's Vetoes, 6.20.23
(Vetoes are notated in bold italic font)

Line	Agency	Beginning Base	General				Federal	Other	Total	Line
			Part IA Recurring Funds H. 4300	Nonrecurring Proviso 118.19	Capital Reserve Fund H. 4301	Total General Funds	Federal Funds	Other Funds	Total Funds	
33									33	
34					209,194,431			209,194,431	34	
35				1,204,834,516				1,204,834,516	35	
36				1,923,538,694				1,923,538,694	36	
37				81,946,453				81,946,453	37	
38									38	
39				44,994,688				44,994,688	39	
40				24,300,000				24,300,000	40	
41				4,283,276				4,283,276	41	
42				3,200,000				3,200,000	42	
43									43	
44				26,277,259				26,277,259	44	
45									45	
46									46	
47									47	
48									48	
49				(1,291,082,986)				(1,291,082,986)	49	
50									50	
51									51	
52				2,022,291,900	209,194,431			2,231,486,331	52	
53									53	
54									54	
55									55	
56							11,416,116,060	11,416,116,060	56	
57							1,788,782,459	1,788,782,459	57	
58									58	
59									59	
60								12,150,568,063	60	
61								1,067,328,010	61	
62								172,774,000	62	
63								608,642,985	63	
64									64	
65							13,204,898,519	13,999,313,058	65	
66									66	
67				1,295,126,334	2,022,291,900	209,194,431	1,788,782,459	1,848,744,995	67	
68									68	
69									69	
70				1,295,126,334			13,204,898,519	13,999,313,058	70	
71					2,021,486,900	209,194,431			71	
72									72	
73		10,341,341,675	1,295,126,334	2,021,486,900	209,194,431		13,204,898,519	13,999,313,058	73	

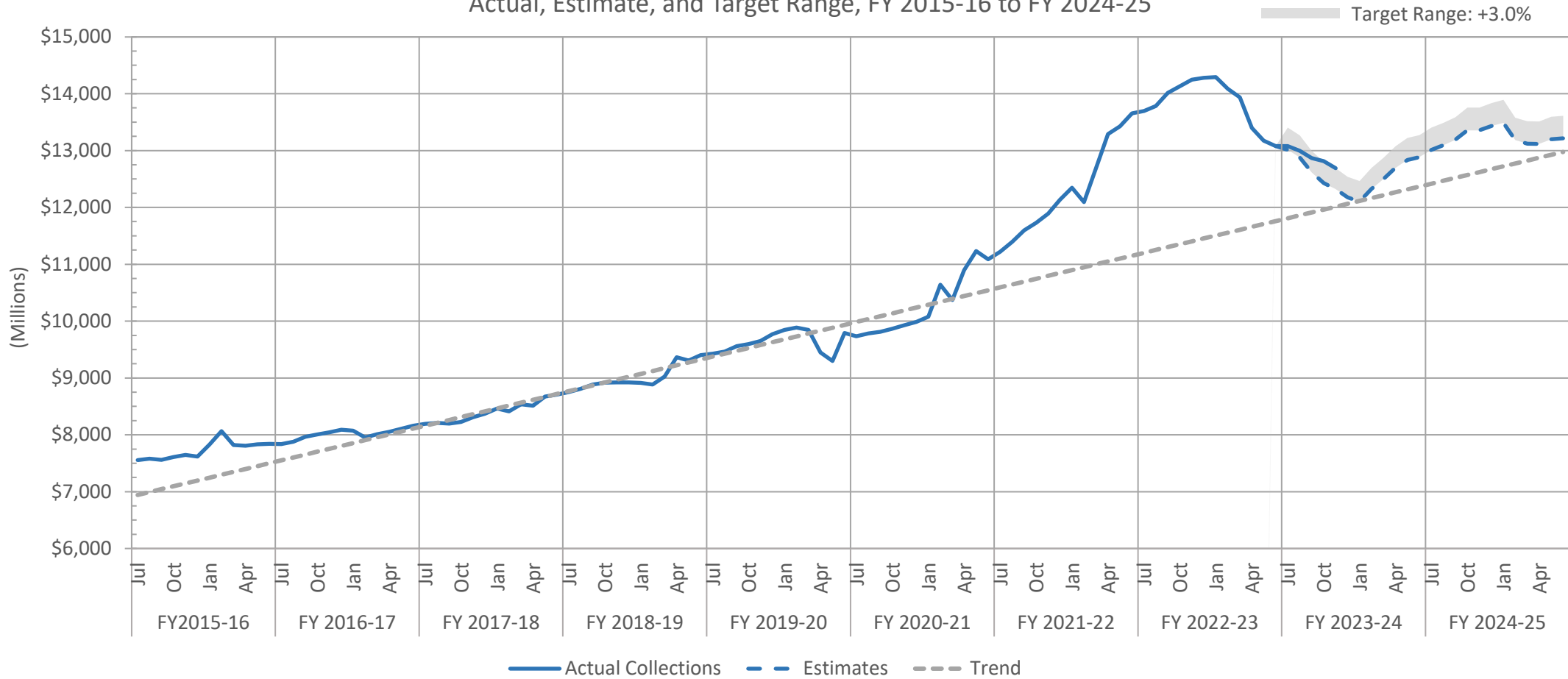


Long Range Analysis



General Fund Revenue Long-term Trend

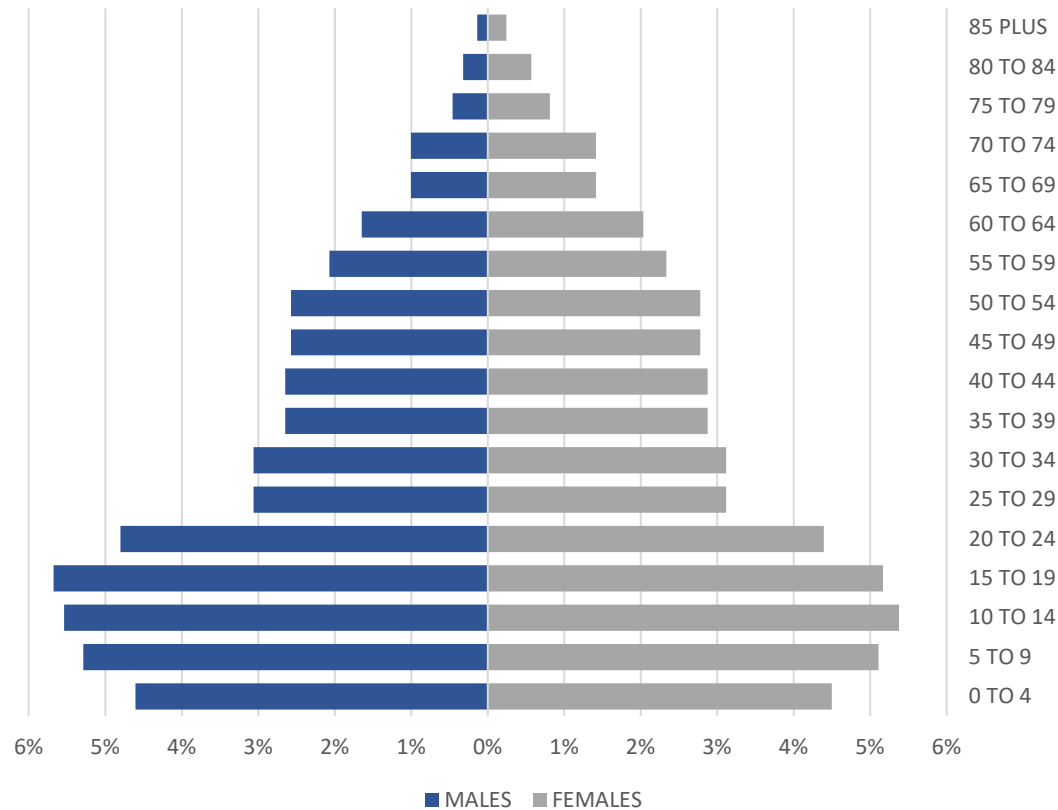
ROLLING FISCAL YEAR - GENERAL FUND
Actual, Estimate, and Target Range, FY 2015-16 to FY 2024-25



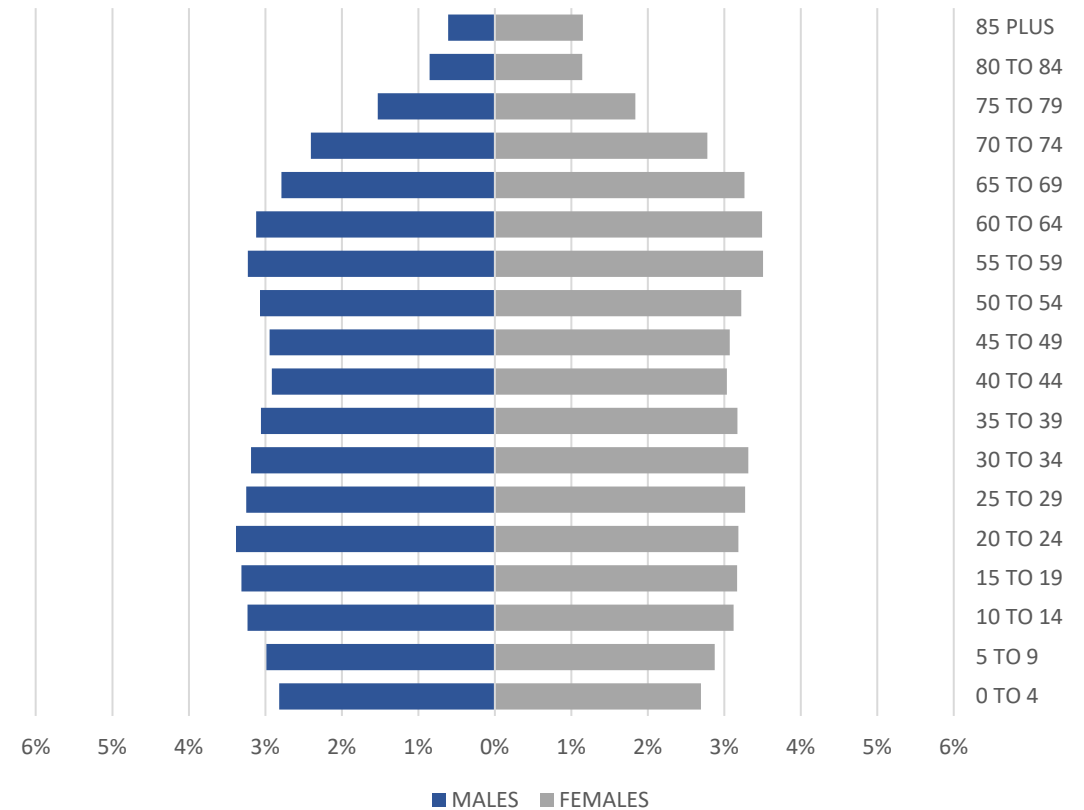
SC Population Pyramids - 1970 and 2020

In 50 years, the baby-boomers moved from school age to retirement age

1970 POPULATION PYRAMID



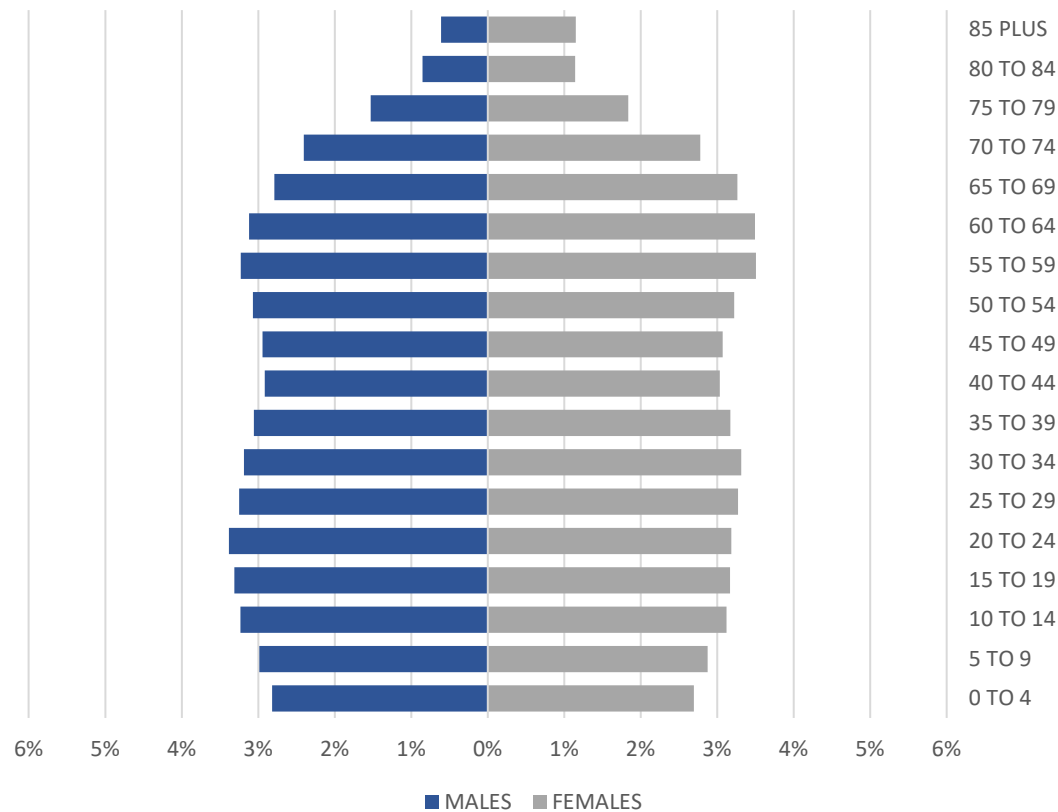
2020 POPULATION PYRAMID



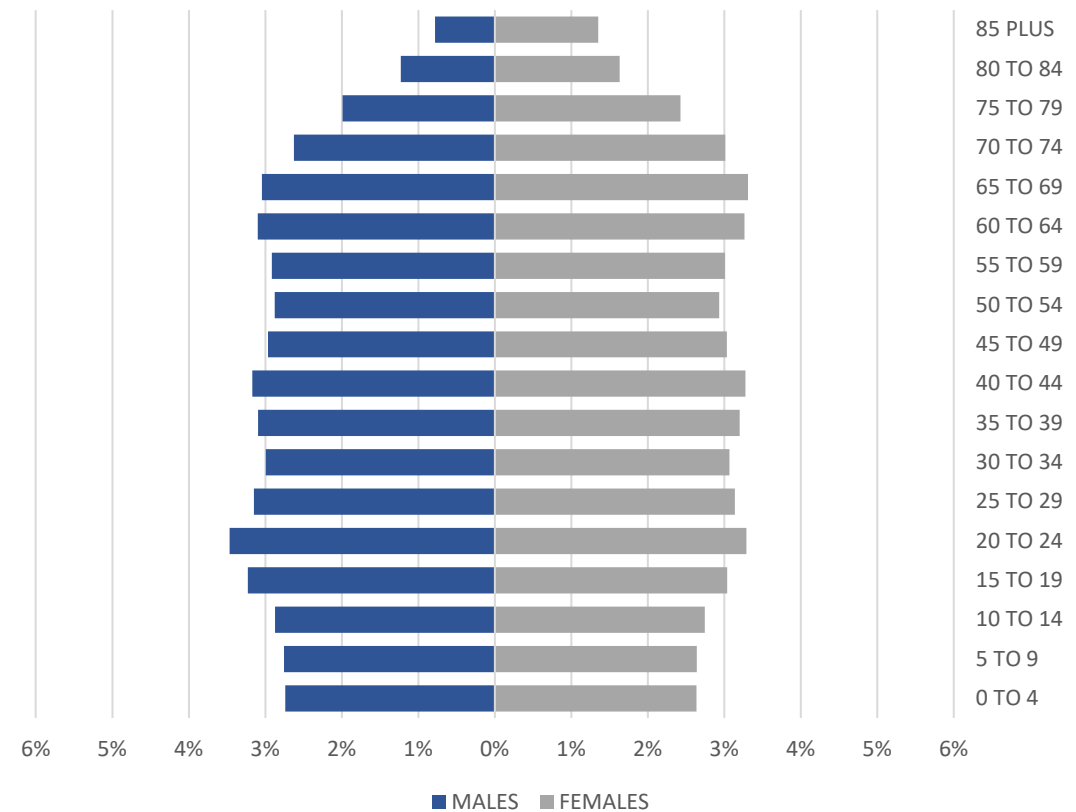
SC Population Pyramids – 2020 and 2030

Aging baby-boomers and retiree migration will continue to push more of the population into the older age brackets

2020 POPULATION PYRAMID

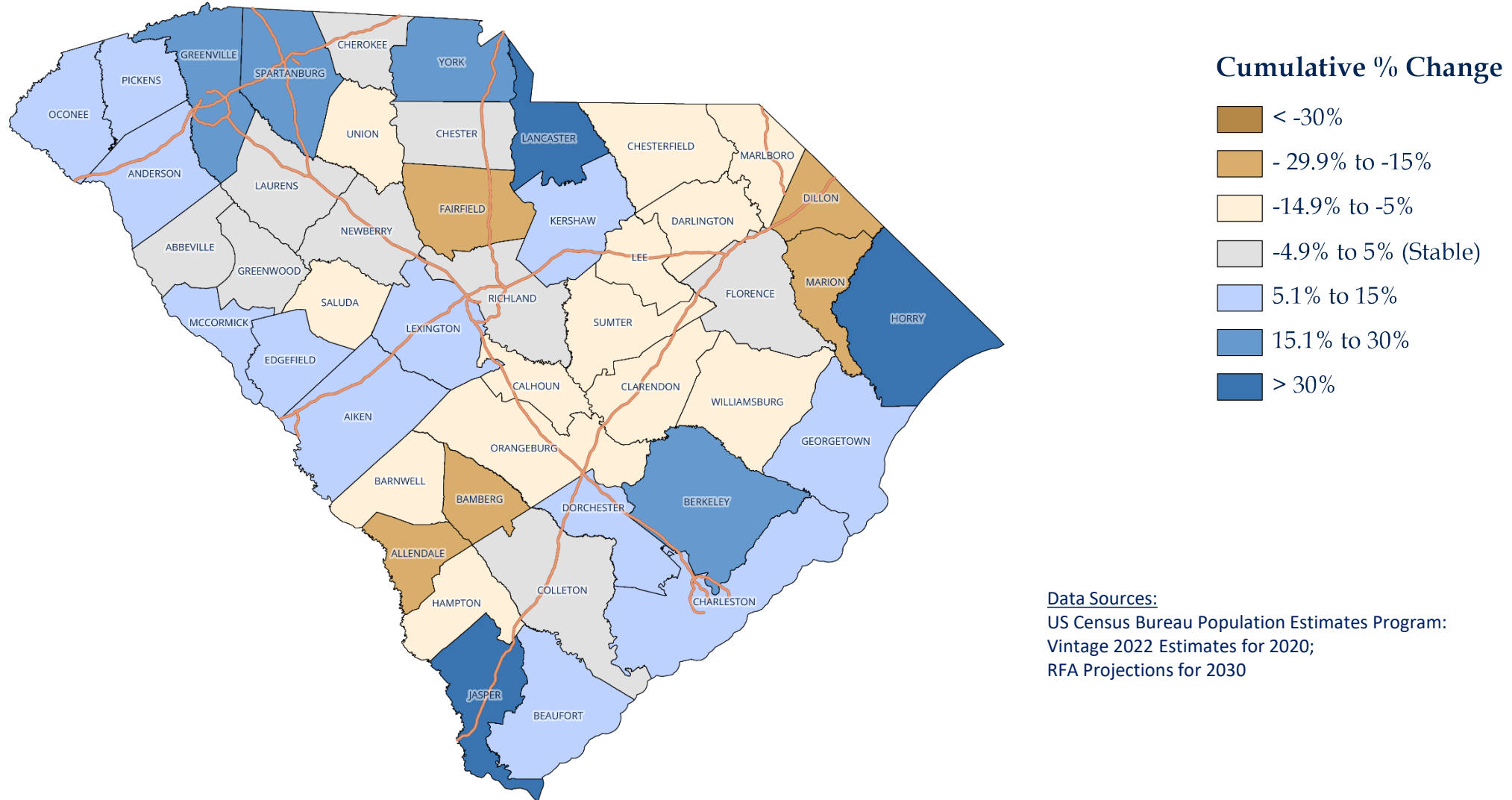


2030 POPULATION PYRAMID



Projected Total Population Change in SC, 2020 - 2030

By County

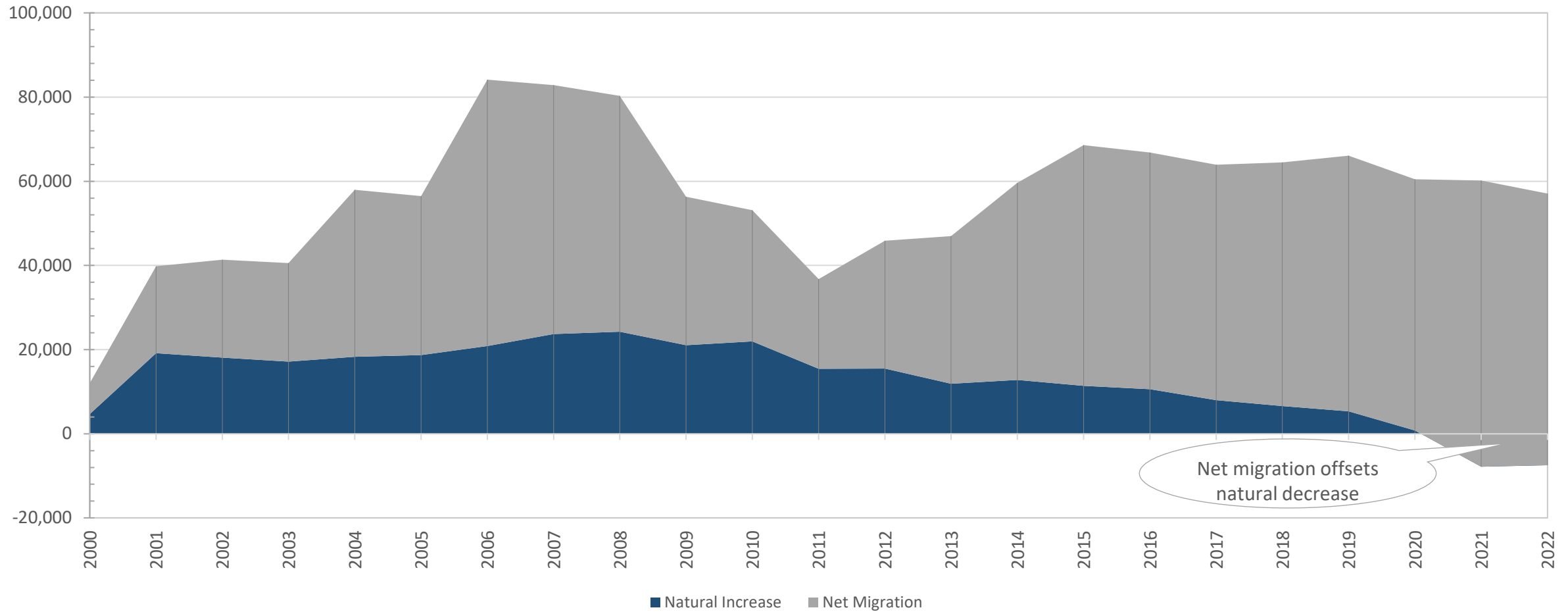


Data Sources:
 US Census Bureau Population Estimates Program:
 Vintage 2022 Estimates for 2020;
 RFA Projections for 2030

Components of SC Population Change

Migration is driving population growth as deaths have started to exceed births

SC POPULATION CHANGE BY COMPONENT

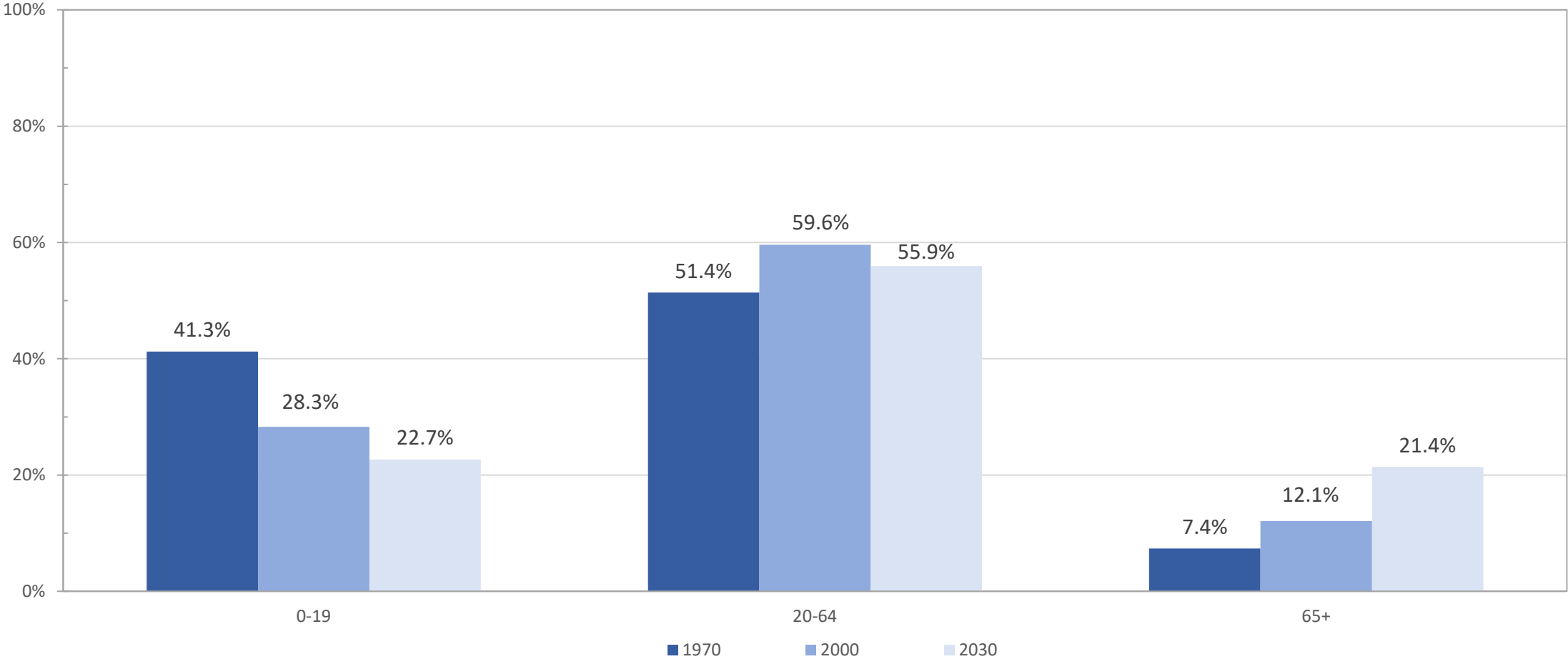


Source: US Census Bureau Population Estimates 321-RFA/9/12/2023

SC Population Projections

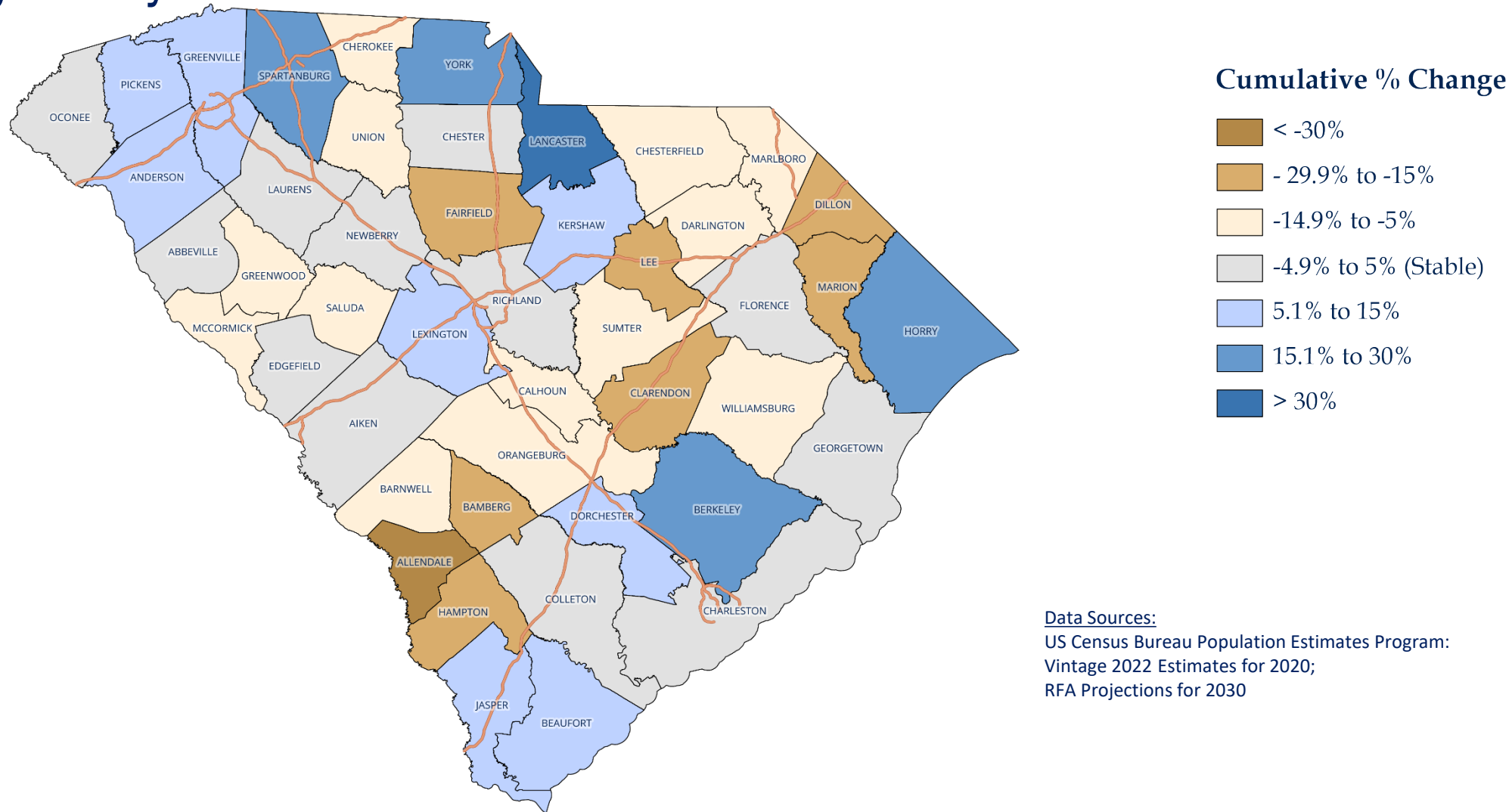
By 2030 there will be almost as many people over 65+ people as under 20

SOUTH CAROLINA POPULATION BY AGE RANGE



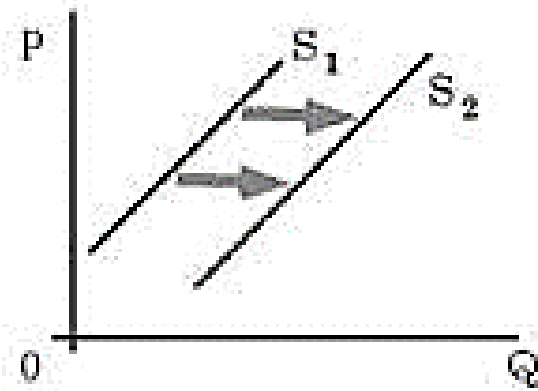
Source: United States Census Bureau population estimates; South Carolina Revenue and Fiscal Affairs population projections

SC Estimated Workforce Age (18 – 64) Population, 2020 – 2030 By County

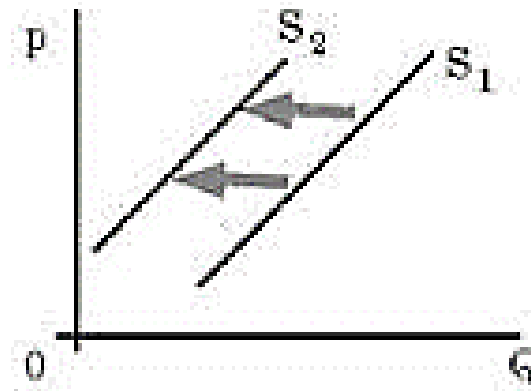


Data Sources:
 US Census Bureau Population Estimates Program:
 Vintage 2022 Estimates for 2020;
 RFA Projections for 2030

So ... How Might the Demographic Trends Affect Your Agency ?



An increase in supply



A decrease in supply

SC State Government Employment

To estimate the need for state government employees, we examined the ratio of state government employment to population in 2019:

- There were 5,127,233 people of all ages and 2,952,983 working-age people (age 20-64) in South Carolina
- State government employment averaged 108,433
- This results in a ratio of 1 state job for every 47 total people, or 1 state job for every 27 working-age people

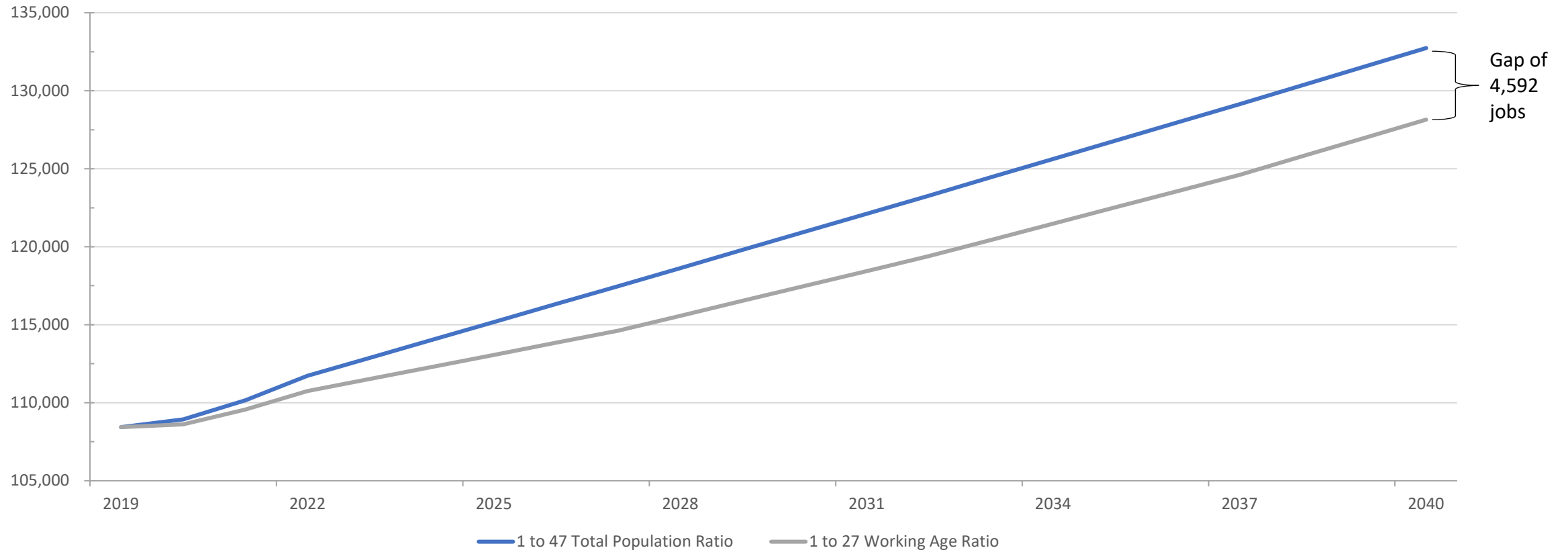
Note: numbers are subject to rounding.

Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs calculations

SC State Gov't Employment – Service Level v. Supply Estimates

The changing population demographics will make it difficult for state government to find workers

TOTAL STATE EMPLOYEE PROJECTIONS



Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs population projections

SC Local Government Employment

To estimate the need for local government employees, we examined the ratio of local government employment to the population:

- In 2019, there were 5,127,233 people of all ages and 2,952,983 working-age people (age 20-64) in South Carolina
- There was an annual average of 230,325 local government jobs
- There was a ratio of 1 local government job for every 22 people, or 1 job for every 13 working-age people

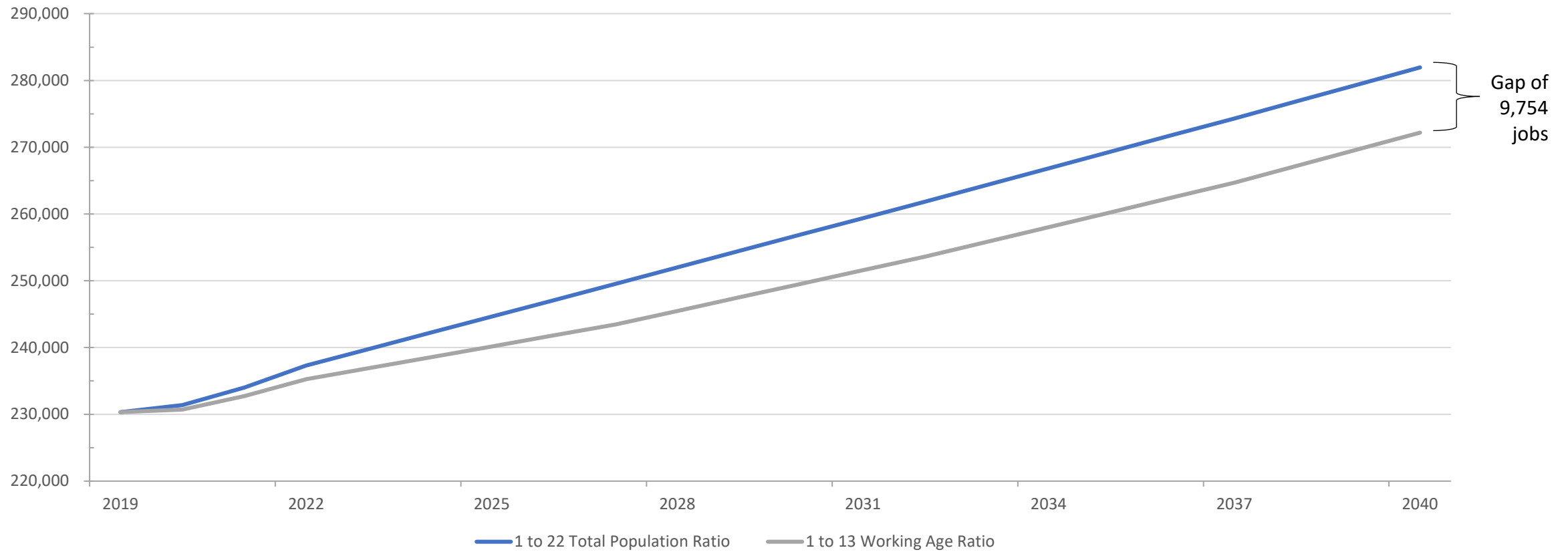
Note: numbers are subject to rounding.

Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs calculations

SC Local Gov't Employment – Service Level v Supply Estimates

The changing population demographics will make it difficult for local governments to find workers

TOTAL LOCAL GOVERNMENT EMPLOYMENT PROJECTIONS



Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs population projections

SC State and Local Government Employment

Combining both state and local government employment together, there were 338,758 state and local government jobs in South Carolina in 2019, with a ratio of 1 job per 15 total people, or 1 job per 9 working-age people

- As the population grows and ages, there will be more working-age people to fill government jobs, but demand for government services may rise even more due to higher total population growth
- If state and local governments need jobs at the 1:15 ratio but fill them at a rate of 1:9 working-age people, this would create a difference of 14,346 workers by 2040

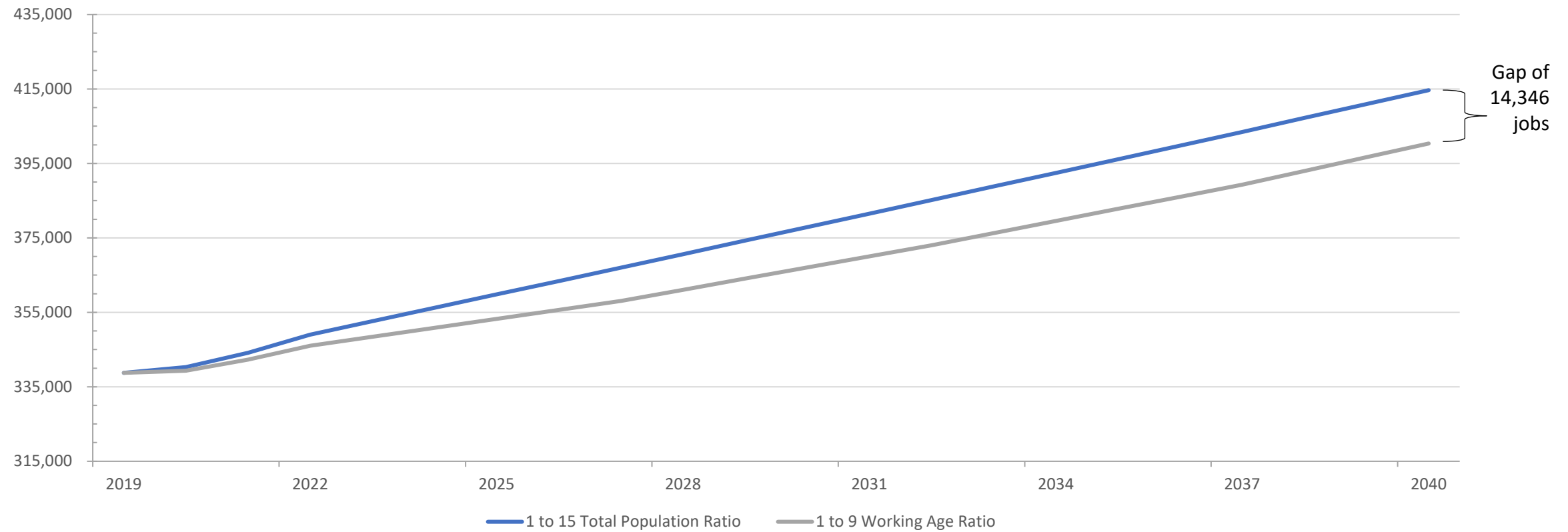
Note: numbers are subject to rounding.

Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs calculations

SC State & Local Gov't Emp. – Service Levels v Supply Estimates

The changing population demographics will make it difficult for state and local governments to find workers

TOTAL STATE AND LOCAL EMPLOYMENT PROJECTIONS



Source: Bureau of Labor Statistics, U.S. Department of Labor; S.C. Revenue and Fiscal Affairs population projections



Questions

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