

Three-Year General Fund Financial Outlook
FY 2014-15 to FY 2016-17

Prepared Pursuant to Act 156 of 2005
§11-11-350

State Budget and Control Board
Division of State Budget

December 2013

Three-Year General Fund Financial Outlook

FY 2014-15 to FY 2016-17

Based on Enacted FY 2013-14 Budget

(Dollars in Millions)

	Projections			
	FY 2013-14 "Base Year"	FY 2014-15	FY 2015-16	FY 2016-17
Resources:				
Beginning Balance	\$68.4	\$163.8	\$26.0	\$1.8
Revenue (BEA Long Range Revenue Forecast, 11/18/2013)	6,938.8	7,193.9	7,424.3	7,708.4
Adjustments	88.1			
Tax Relief Trust Fund Transfers	(544.2)	(552.7)	(557.7)	(562.7)
General Reserve Fund Transfer	(11.2)	(26.6)	(4.7)	(7.9)
Total Revenue/Resources	\$6,539.9	\$6,778.4	\$6,887.9	\$7,139.6
Expenditures and Reserve Fund Contributions:				
Baseline (Adjusted FY 13-14 Recurring Budget)	\$6,376.1	\$6,375.9	\$6,375.9	\$6,375.9
Constitutional/ Statutory Items:				
Reserve Funds: Capital Reserve (CRF)		10.6	12.5	15.7
Local Government Fund		30.0	30.0	30.0
Debt Service		7.0	(19.2)	(61.0)
Homestead Exemption Fund Shortfall (Act 388 of 2006)		0.0	(3.6)	(6.5)
Major Expenditure Categories:				
K-12 Education		70.8	104.7	139.9
Medicaid and Health (net of earmarked cigarette tax revenue)		170.3	225.2	277.0
Social Services and Correctional Agencies		7.2	7.2	7.2
Higher Education Scholarship Growth (LIFE & Palmetto Fellows)		20.0	29.5	39.4
State Employee Health Plan - Retiree Growth + Rate Increase		60.6	123.9	214.1
Total Expenditures	\$6,376.1	\$6,752.4	\$6,886.1	\$7,031.7
Ending Balance	\$163.8	\$26.0	\$1.8	\$107.9
Projected CRF Funds Available for Nonrecurring Expenditures		\$117.2	\$127.8	\$129.7
Projected General Reserve Fund Balance	\$292.9	\$319.5	\$324.1	\$332.1

The Notes and Assumptions are an integral part of this Financial Outlook.

Notes

The three-year General Fund Outlook is prepared by the State Budget Division in consultation with the Board of Economic Advisors in accordance with Section 11-11-350 of the S. C. Code of Laws, 1976. The Outlook is a three-year revenue and spending projection based on the enacted FY 2013-14 General Fund operating budget.

The spending projections are cumulative and the estimates are based on the FY 2013-14 enacted budget and major expenditure categories contained therein. Unless noted below, future years do not include any increases over the baseline expenditures (FY 2013-14 enacted budget).

This document is intended to be used for planning purposes only and should not be viewed as requiring that the major expenditure items listed must be funded by the General Assembly. The Outlook does not attempt to capture every agency's needs or budget requests.

Resource/Revenue Assumptions

- ❖ The beginning balance for each fiscal year equals the ending balance of the prior fiscal year (difference between Revenue and Expenditures). If the balance for the prior fiscal year is less than zero, the beginning balance for the next fiscal year is assumed to be zero.

- ❖ The adjustments of \$88.1 million in FY 13-14 reflect certain nonrecurring revenue adjustments included in the enacted budget.

❖ **Board of Economic Advisors Forecast** – The Board of Economic Advisors (BEA) long-range general fund revenue forecast is based upon its November 18, 2013 forecast for FY 2014-15. The FY 2014-15 revenue estimate serves as the base for the long-range forecast. The plan is built upon an assumed growth rate in personal income, historical elasticities for the major revenue components (sales and individual income taxes), and historical growth rates or patterns in the remaining revenue sources.

The assumptions and methodologies for this long range forecast include:

- An annual personal income growth rate of 3.75%;
- A sales tax growth rate of 3.4% based on a historical elasticity of 0.9;
- An individual income tax growth rate of 4.1% based on a historical elasticity of 1.1;
- Corporate income tax holding steady throughout the forecast period;
- Historical trends and patterns and other legislative factors affecting the remaining revenues.

The annual growth rates for FY 2013-14, FY 2014-15, FY 2015-16 and FY 2016-17 are 0.2%, 3.7%, 3.2%, and 3.8%, respectfully. The detailed three year general fund revenue forecast by revenue category is included as an attachment to this document.

❖ **Tobacco Master Settlement Agreement** – The State’s “tobacco bonds” securitized by its Tobacco Master Settlement Agreement (MSA) payments were retired June 1, 2012. By statute future MSA receipts are available for appropriation. The revenue expected based on historical MSA payments to the state and settlement credits is estimated at \$68 million annually. Current statute earmarks these funds primarily for healthcare programs and economic development; however specific program appropriation is at the discretion of the General Assembly. For

FY 2014-15 through FY 2016-17 \$68.0 million is estimated to be available for appropriation annually, but is not shown as additional revenue in the Outlook as it was appropriated in the base year.

RESERVE FUNDS

- ❖ **General Reserve Fund** – On November 2, 2010, a constitutional amendment was adopted increasing the General Reserve Fund from three percent to five percent by adding a cumulative one-half percent each year beginning in FY 2011-12 until the fund reaches five percent. The General Assembly fully funded the General Reserve Fund in FY 2013-14 ahead of schedule at \$292.9 million. Annual contributions for FY 2014-15 through FY 2016-17 are \$26.6 million, \$4.7 million, and \$7.9 million, respectively, with the fund maintaining 5% funding for all years.

- ❖ **Capital Reserve Fund** – The Capital Reserve Fund (CRF) is used to offset year end deficits and to replenish, when needed, the required amount in the General Reserve Fund. If not needed to offset a year end deficit or to replenish the General Reserve Fund, the CRF may be appropriated for the following purposes: (1) to finance in cash previously authorized capital improvement bond projects, (2) to retire the interest or principal on bonds previously issued, or (3) for capital improvements or other nonrecurring purposes.

Expenditure Assumptions

LOCAL GOVERNMENT FUND

- ❖ The Local Government Fund is a statutorily defined transfer of funds to counties and municipalities equal to 4.5% of general fund revenues of the latest completed fiscal year. For the last five years the requirement to fund this account at the defined 4.5% level has been suspended. This report assumes funding at FY 2013-14 levels with an

annualization of \$30.0 million of non-recurring funds. Annual increases for FY 2014-15 through FY 2016-17 are \$30.0 million, \$0.0 million and \$0.0 million, respectively. **However, if funding were returned to statutorily mandated levels in FY 2014-15 it would require an additional \$74.9 million (total of \$104.9 million) which would contribute to a budgetary gap.** A budget gap reflects a structural imbalance between projected revenue growth and expenditure increases based on the adjusted enacted budget.

DEBT SERVICE

- ❖ Future Debt Service needs will produce incremental adjustments of \$7.0 million in FY 2014-15, \$(26.2) million in FY 2015-16 and \$(41.8) million in FY 2016-17. Estimate reflects existing law and does not include potential impact of proposed legislation.

HOMESTEAD EXEMPTION FUND

- ❖ The Property Tax Reform Act, Act No. 388 of 2006, eliminated all school operating taxes on owner-occupied homes and increased the state sales tax by one cent to replace the reduced property tax revenue stream. The new revenue from the one-cent sales tax increase is earmarked for the Homestead Exemption Fund, which replaces lost property taxes as of FY 2007-08. Funding to school districts in the first year was based on what would have been collected under the old system. For subsequent years, the school district funding requirement is based on inflation plus population growth factors. The Act provides that, should there be a shortfall of revenue in the Homestead Exemption Fund the general fund will pay the difference.
- ❖ The FY 2013-14 base budget includes \$120.5 million dedicated to offset this shortfall which is sufficient to cover the FY14-15 need with no adjustments. Incremental adjustments for FY 2015-16 and FY 2016-17 are \$(3.6) and \$(2.9) million. The growth projection forecast for the Homestead Exemption Fund, which includes inflation,

population growth rate and the minimum distribution, is -0.7% in FY 2014-15, -2.4% in FY 2015-16 and -2.5% in FY 2016-17.

K-12 EDUCATION

- ❖ **Education Finance Act (EFA)** – The FY 2013-14 Base Student Cost is \$2,101. The Base Student Cost is estimated to be \$2,101 in FY 2014-15, \$2,126 in FY 2015-16, and \$2,152 in FY 2016-17. The corresponding inflation factors are 0.0% for FY 2014-15 and 1.2% for FY 2015-16 and FY 2016-17. The Weighted Pupil Units estimate for FY 2014-15 is 886,926 with FY 2015-16 and FY 2016-17 increasing to 894,908 and 902,963 respectively. The incremental cost for FY 2014-15 is \$34.9 million. FY 2015-16 and FY 2016-17 will have incremental cost increases of \$33.9 and \$35.2, respectively.

- ❖ **Instructional Materials** - The State has adopted new academic standards in the 4 core subject matters and when grouped with an annualization requires an incremental change of \$35.9 million in FY 2014-15 for Instructional Materials and Testing.

MEDICAID AND HEALTH

- ❖ **Medicaid Program** – In 2010, the General Assembly increased the state's cigarette tax by fifty cents. The annual revenue from the increase is dedicated to the Medicaid program. During FY 2013-14 \$158.0 million of cigarette tax revenue will be used to support the Medicaid program. The cigarette tax revenue dedicated to Medicaid is estimated to be \$120.8 million in FY 2014-15. The Medicaid expenditure estimates on Page 1 are adjusted to reflect this dedicated source of revenue.

The Affordable Care Act (ACA) will have significant effects on the State's Medicaid cost beginning in FY 2013-14. Medicaid enrollment is expected to substantially increase because of the Affordable Care Act. ACA related growth projections are based on the latest census information, but have a high projection risk due to estimates of participation rates. Participation rates are difficult to establish given the law's uncertain effect on the insurance and employment marketplace. Additionally, the agency plans on continuing enhanced reimbursement rates for primary care physicians that were mandatory through FY 2013-14.

The Medicaid estimate assumes an approximate 160,000 enrollment growth by the end of FY 2014-15 with total enrollment nearing 1.2 million with additional annual enrollment growth of 1.5% for non-waiver enrollees during FY 2015-16 and FY 2016-17. Additionally, the projection assumes Federal reimbursement rates will remain at the current composite level of 29.43% with any reductions in rates creating additional budgetary need. The estimated incremental cost (to include replacement of non-recurring FY 2013-14 funding) for Maintenance of Effort on the adjusted Medicaid base is: \$149.6 million for FY 2014-15, \$42.1 million for FY 2015-16 and \$43.7 million for FY 2016-17.

- ❖ **Department of Mental Health** – Reduction of Medicaid Cost Settlement funds will require transition to General Funds to cover operating costs at Community Mental Health Centers and inpatient facilities. Estimated recurring costs for FY 2014-15 are \$16.9 million with an additional \$10.3 and \$5.6 million respectively in FY 2015-16 and FY 2016-17. Additionally, population growth in the Sexually Violent Predator Program and Forensic Inpatient Services requires funding of \$3.8 million in FY 2014-15 with an additional \$2.5 million in both FY 2015-16 and FY 2016-17.

SOCIAL SERVICES AND CORRECTIONAL AGENCIES

- ❖ **Department of Social Services Child Support Enforcement - Child Support Enforcement Statewide Automated System Development** - Funding is required to finish development and implementation of a federally

mandated statewide automated system for Child Support Enforcement as well as to support the State Disbursement Unit (SDU). Estimated recurring cost for FY 2014-15 through FY 2016-17 is \$7.2 million.

HIGHER EDUCATION SCHOLARSHIP GROWTH

- ❖ **LIFE & Palmetto Fellows Scholarships** – The estimate for FY2014-15 includes historical growth and the annualization of scholarship surpluses used in FY2013-14. The estimate for FY2015-16 and FY2016-17 assumes growth rates of 3.5% and 4.7% over the previous year for LIFE and Palmetto Fellows scholarships, respectively. Estimated incremental costs are: \$20.0 million in FY 2014-15, \$9.5 million in FY 2015-16, and \$9.9 million in FY 2016-17.

STATE EMPLOYEE HEALTH PLAN

- ❖ **Retiree Growth and Rate Increase** – The Employee Insurance Program estimates that the general fund amounts needed for the operation of the State Health Plan for retiree growth and health plan increases as follows:
 1. Retiree Growth and Rate Increase
 - a. Calendar Year 2014 employer base (State funds only) is \$690,584,623;
 - b. Annualization involves funding the final six months (Jul-Dec) of an increase that is effective the prior January;
 - c. The employer rate increase involves funding the first six months (Jan-Jun) of an increase that is effective January of the fiscal year;
 - d. The projected annual premium growth rate effective each year equals 4.5% in 1/2015, 8.0% in 1/2016 and 9.2% in 1/2017.

2. The projection assumed the employer pays the same proportion that is in place in January 2014 for 2015, 2016, and 2017;
3. Retiree growth for FY 2014-15 and FY 2015-16 is estimated at 2.3% per year net growth.
4. The estimated amount of general fund dollars for the State Health Plan is \$60.6 million in FY 2014-15, \$63.3 million in FY 2015-16 and \$90.2 million in FY 2016-17.

STATE EMPLOYEE COMPENSATION

- ❖ While a base pay increase is not included in the Outlook, the following estimate is provided for informational purposes. The estimate is based on total State Employee salary, with the exception of exempted groups (Agency Heads, Members of the Legislature and Constitutional Officers), plus other included groups (Local Health Care Providers, County Auditors and Treasurers and School Bus Drivers). The cost for a 1% increase equals approximately \$15 million per year to include all applicable fringe benefits.

OTHER POST EMPLOYMENT BENEFITS (OPEB)

- ❖ Beginning with the FY 2007-08 Comprehensive Annual Financial Report (CAFR), the State implemented the reporting requirements of the Government Accounting Standards Board (GASB) Statement #45 pertaining to other post-employment benefits (OPEB). GASB does not require funding an entity's OPEB obligations only to calculate and report these obligations. Currently, the health insurance benefit for retirees is primarily on a pay-as-you-go basis with this cost included in the FY 2013-14 "base" operating budget.
- ❖ The state's unfunded liability with regard to OPEB is estimated at \$9.7 billion with \$4.5 billion of the liability for State Employees and \$5.2 billion for School District Employees. Act 195 of 2008 created the South Carolina Retiree Health Insurance Trust Fund to accumulate sufficient funds to provide post-employment health insurance

benefits for retired state and school district employees. The three-year General Fund Financial Outlook does not include funding projections beyond the pay-as-you-go basis included in the FY 2013-14 operating budget.

**South Carolina Board of Economic Advisors
Long Range General Fund Revenue Forecast
Fiscal Years 2013-14 to 2016-17**

Methodology and Historical Economic Growth Rates

The Board of Economic Advisors (BEA) provides a long range forecast for General Fund Revenues each year based on its November estimate of revenues for the upcoming fiscal year. The current long range forecast was adopted on November 18, 2013 and is based on the BEA estimate of General Fund Revenues for FY 2014-15. The plan is built upon an assumed growth rate in personal income, historical elasticities for the major revenue components (sales and individual income taxes), and historical growth rates or patterns in the remaining revenue sources.

The assumptions and methodologies for this long range forecast include:

- an annual personal income growth rate of 3.75 percent;
- a sales tax growth rate of 3.4 percent based on a historical elasticity of 0.9;
- an individual income tax growth rate of 4.1 percent based on a historical elasticity of 1.1;
- corporate income tax holding steady throughout the forecast period;
- historical trends and patterns and other legislative factors affecting the remaining revenues.

The annual growth rates for FY 14, FY 15, FY 16, and FY17 are 0.2%, 3.7%, 3.2%, and 3.8%, respectfully.

Other items in the forecast include:

- the Property Tax Relief Fund which is funded by a transfer of revenue from Sales and Individual Income Taxes. The Fund is designed to reimburse local governments for various property tax exemptions.
- the Homestead Exemption Fund which is funded by an additional 1 percent sales tax, but expenditure growth is based on a formula of inflation and population growth. Any shortfall of revenue under expenses is transferred out of the General Fund.

Source: Board of Economic Advisors' Preliminary FY 2014-15 General Fund Revenue Forecast adopted November 18, 2013.

BEA – November 19, 2013

PERSONAL INCOME GROWTH
 FY14 - 3.25%; FY15 - 3.75%
 FORECAST PERIOD: 3.75%

LONG RANGE GENERAL FUND REVENUE FORECAST
 FISCAL YEARS FY2011-12 TO FY2016-17
 (DOLLARS)

REVENUE CATEGORIES	FINAL FY 2011-12	FINAL FY 2012-13	11/18/13 ESTIMATE FY 2013-14	11/18/13 ESTIMATE FY 2014-15	WORKING ESTIMATE FY 2015-16	WORKING ESTIMATE FY 2016-17
RETAIL SALES TAX 1/	2,335,590,217	2,428,994,198	2,478,377,856	2,560,045,268	2,646,446,796	2,735,764,375
EXCISE, CASUAL SALES TAX	18,878,543	19,354,004	20,077,360	20,754,971	21,455,451	22,179,573
INDIVIDUAL INCOME TAX	3,096,834,299	3,357,517,669	3,402,169,322	3,512,845,430	3,657,750,304	3,808,632,504
CORPORATION INCOME TAX	252,903,577	386,668,590	325,000,000	345,000,000	345,000,000	345,000,000
SALES AND INCOME TAXES	5,704,206,636	6,192,534,461	6,225,624,538	6,438,645,669	6,670,652,551	6,911,576,452
ADMISSIONS/BINGO TAX	34,784,034	35,164,432	35,593,741	36,393,360	37,092,406	37,805,145
ADMISS. TAX TRANSFER TO PRT	(6,163,235)	(6,671,789)	(6,673,499)	(6,806,969)	(6,943,108)	(7,081,970)
AIRCRAFT TAX	3,998,908	4,404,948	4,550,311	4,700,472	4,855,587	5,015,821
ALCOHOLIC LIQUOR TAX	61,175,206	64,062,481	65,664,043	67,305,644	68,988,285	70,712,992
BANK TAX	15,083,428	34,104,685	38,197,247	40,000,000	40,000,000	40,000,000
BEER AND WINE TAX	100,650,171	100,542,813	101,548,241	102,563,724	103,589,361	104,625,254
BUSINESS LICENSE TAX	26,247,497	27,677,135	27,400,364	27,126,360	26,855,096	26,586,545
COIN-OPERATED DEVICES	1,555,657	1,402,113	1,477,874	1,570,367	1,403,980	1,758,811
CORPORATION LICENSE TAX	101,707,552	74,208,001	81,628,801	83,832,779	86,096,264	88,420,863
DEPARTMENTAL REVENUE 3/	42,395,005	53,681,223	36,450,056	36,450,056	36,450,056	36,450,056
DOCUMENTARY TAX	29,941,728	38,496,980	42,346,678	43,828,812	45,362,820	46,950,519
LESS: CONSERVATION BANK TRUST FUND	0	(9,504,102)	(10,586,670)	(10,957,203)	(11,340,705)	(11,737,630)
EARNED ON INVESTMENTS	29,235,561	26,374,158	19,000,000	20,000,000	20,000,000	20,000,000
ELECTRIC POWER TAX	22,045,245	26,831,396	27,743,663	28,686,948	29,662,304	30,670,823
LESS: TRANSFER TO COMMERCE/SIB	(22,045,245)	(26,831,396)	(27,743,663)	(28,686,948)	(29,662,304)	(30,670,823)
ESTATE AND GIFT TAXES	(140,871)	0	0	0	0	0
LESS: FEDERAL CHANGE TO ESTATE TAX	0	0	0	0	0	0
INSURANCE PREMIUM TAX	165,403,506	169,007,401	175,261,140	184,725,241	194,700,404	205,214,226
INSURANCE LICENSE TAX	14,524,267	34,459,234	17,229,617	38,766,638	19,383,319	43,612,468
INSURANCE RETALIATORY & OTHER TAX	5,614,329	6,619,961	6,000,000	6,000,000	6,000,000	6,000,000
LESS: INSURANCE CREDITS	(14,414,485)	(9,091,254)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
MOTOR TRANSPORT FEES	0	0	0	0	0	0
MOTOR VEHICLE LICENSES	10,448,808	9,639,310	9,835,058	10,031,759	10,232,395	10,437,042
PETROLEUM INSPECTION TAX	7,947,159	7,993,120	8,105,024	8,218,494	8,333,553	8,450,223
LESS: TRANSFER TO NON-FED HGWY FUND	(7,947,159)	(7,993,120)	(8,105,024)	(8,218,494)	(8,333,553)	(8,450,223)
PRIVATE CAR LINES TAX	3,820,831	3,638,486	3,678,509	3,718,973	3,759,882	3,801,240
PUBLIC SERVICE AUTHORITY	19,617,000	20,394,000	21,000,000	22,000,000	22,660,000	23,339,800
RETAILERS LICENSE TAX	858,816	810,225	818,328	826,510	834,775	843,122
SAVINGS & LOAN TAX	1,304,593	3,074,066	3,166,288	3,261,277	3,359,115	3,459,888
WORKERS COMP. INSURANCE	10,118,949	11,543,478	9,720,652	10,206,684	10,717,019	11,252,870
CIRCUIT/FAMILY COURT FINES	9,157,948	8,537,814	8,367,058	8,199,717	8,035,722	7,875,008
DEBT SERVICE TRANSFERS	468,907	491,081	89,557	65,234	65,234	65,234
INDIRECT COST RECOVERIES	11,022,484	10,846,036	11,061,222	11,061,222	11,061,222	11,061,222
MENTAL HEALTH FEES	0	0	0	0	0	0
PAROLE / PROBATION FEES	3,392,808	3,392,808	3,392,808	3,392,808	3,392,808	3,392,808
UNCLAIMED PROPERTY FUND	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
OTHER BASE SOURCES	696,809,402	732,305,724	713,217,425	755,263,465	753,611,937	796,861,336
TOTAL GENERAL FUND REVENUE	6,401,016,038	6,924,840,185	6,938,841,962	7,193,909,133	7,424,264,488	7,708,437,787
APPROPRIATION ACT REVENUE	6,020,099,711	6,653,699,117	6,846,108,606	7,193,909,133	7,424,264,488	7,708,437,787
LESS: TAX RELIEF TRUST FUND	(536,610,045)	(542,785,918)	(547,668,316)	(552,691,659)	(557,665,884)	(562,684,877)
PLUS: TAX RELIEF FUND CARRYFORWARD	0	0	0	0	0	0
EXCLUDING TRUST FUNDS	5,483,489,666	6,110,913,199	6,391,173,646	6,641,217,474	6,866,598,604	7,145,752,910
CAPITAL RESERVE FUND (2%) - BEG. BAL.	104,837,916	112,656,555	117,155,905	127,641,085	127,823,473	132,824,349
GENERAL RESERVE FUND (5%) - BEG. BAL.	183,466,352	281,641,388	292,889,764	319,102,713	319,558,682	332,060,874
TOTAL RESERVES	288,304,268	394,297,943	410,045,669	446,743,799	447,382,155	464,885,223
REVENUE EXCESS / SHORTAGE FROM ACT	380,916,327	271,141,068	92,733,356	0		
EDUCATION IMPROVEMENT ACT 2/	590,499,989	611,823,605	635,038,804	645,325,060	667,100,562	689,610,987
EIA FUND	590,416,245	611,710,075	634,963,804	645,200,060	666,975,562	689,485,987
EIA HOLD HARMLESS						
EIA INTEREST	83,744	113,530	75,000	125,000	125,000	125,000
S.C. EDUCATION LOTTERY FUND (NET)	299,669,290	302,965,599	261,500,000	261,600,000	261,600,000	261,600,000
HOMESTEAD EXEMPTION FUND						
TOTAL REVENUE AVAILABLE	537,540,291	553,390,318	577,164,120	585,785,943	605,161,176	625,172,947
LESS: HOMESTEAD EXEMPT. FUND SHORTFALL	(107,482,098)	(116,912,046)	(112,060,334)	(119,727,554)	(116,883,075)	(114,013,117)

1/ Excludes (1%) Education Improvement Act and (2%) Accommodations Taxes.

2/ Includes interest earnings.

3/ Includes former Dept. of Agriculture agency revenue other than the Petroleum Inspection Tax now shown separately.

PERSONAL INCOME GROWTH
 FY14 - 3.25%; FY15 - 3.75%
 FORECAST PERIOD: 3.75%

LONG RANGE GENERAL FUND REVENUE FORECAST
 FISCAL YEARS FY2011-12 TO FY2016-17
 (PERCENTAGE CHANGE OVER PREVIOUS FISCAL YEAR)

REVENUE CATEGORIES	PERCENT CHANGE FY11/FY12	PERCENT CHANGE FY12/FY13	PERCENT CHANGE FY13/FY14	PERCENT CHANGE FY14/FY15	PERCENT CHANGE FY15/FY16	PERCENT CHANGE FY16/FY17
RETAIL SALES TAX 1/	4.9	4.0	2.0	3.3	3.4	3.4
EXCISE, CASUAL SALES TAX	0.9	2.5	3.7	3.4	3.4	3.4
INDIVIDUAL INCOME TAX	6.5	8.4	1.3	3.3	4.1	4.1
CORPORATION INCOME TAX	17.0	52.9	-15.9	6.2	0.0	0.0
SALES AND INCOME TAXES	6.3	8.6	0.5	3.4	3.6	3.6
ADMISSIONS/BINGO TAX	5.7	1.1	1.2	2.2	1.9	1.9
ADMISS. TAX TRANSFER TO PRT						
AIRCRAFT TAX	4.9	10.2	3.3	3.3	3.3	3.3
ALCOHOLIC LIQUOR TAX	3.4	4.7	2.5	2.5	2.5	2.5
BANK TAX	-38.3	126.1	12.0	4.7	0.0	0.0
BEER AND WINE TAX	-0.8	-0.1	1.0	1.0	1.0	1.0
BUSINESS LICENSE TAX	6.3	5.4	-1.0	-1.0	-1.0	-1.0
COIN-OPERATED DEVICES	-0.2	-9.9	5.4	6.3	-10.6	25.3
CORPORATION LICENSE TAX	14.6	-27.0	10.0	2.7	2.7	2.7
DEPARTMENTAL REVENUE 3/	-2.4	26.6	-32.1	0.0	0.0	0.0
DOCUMENTARY TAX	4.7	28.6	10.0	3.5	3.5	3.5
LESS: CONSERVATION BANK TRUST FUND						
EARNED ON INVESTMENTS	-12.6	-9.8	-28.0	5.3	0.0	0.0
ELECTRIC POWER TAX	-22.4	21.7	3.4	3.4	3.4	3.4
LESS: TRANSFER TO COMMERCE/SIB						
ESTATE AND GIFT TAXES	-1814.0	-100.0				
LESS: FEDERAL CHANGE TO ESTATE TAX						
INSURANCE PREMIUM TAX	4.1	2.2	3.7	5.4	5.4	5.4
INSURANCE LICENSE TAX	-53.3	137.3	-50.0	125.0	-50.0	125.0
INSURANCE RETALIATORY & OTHER TAX	23.6	17.9	-9.4	0.0	0.0	0.0
LESS: INSURANCE CREDITS	92.8	-36.9	-12.0	0.0	0.0	0.0
MOTOR TRANSPORT FEES						
MOTOR VEHICLE LICENSES	-32.0	-7.7	2.0	2.0	2.0	2.0
PETROLEUM INSPECTION TAX	0.3	0.6	1.4	1.4	1.4	1.4
LESS: TRANSFER TO NON-FED HGWAY FUND						
PRIVATE CAR LINES TAX	-2.7	-4.8	1.1	1.1	1.1	1.1
PUBLIC SERVICE AUTHORITY	5.2	4.0	3.0	4.8	3.0	3.0
RETAILERS LICENSE TAX	-2.0	-5.7	1.0	1.0	1.0	1.0
SAVINGS & LOAN TAX	-23.6	135.6	3.0	3.0	3.0	3.0
WORKERS COMP. INSURANCE	-11.4	14.1	-15.8	5.0	5.0	5.0
CIRCUIT/FAMILY COURT FINES	-4.3	-6.8	-2.0	-2.0	-2.0	-2.0
DEBT SERVICE TRANSFERS	-16.6	4.7	-81.8	-27.2	0.0	0.0
INDIRECT COST RECOVERIES	-1.2	-1.6	2.0	0.0	0.0	0.0
MENTAL HEALTH FEES	-100.0					
PAROLE / PROBATION FEES	0.0	0.0	0.0	0.0	0.0	0.0
UNCLAIMED PROPERTY FUND	0.0	0.0	0.0	0.0	0.0	0.0
OTHER BASE SOURCES	-3.0	5.1	-2.6	5.9	-0.2	5.7
TOTAL GENERAL FUND REVENUE	5.2	8.2	0.2	3.7	3.2	3.8
APPROPRIATION ACT REVENUE	8.0	10.5	2.9	5.1		
LESS: TAX RELIEF TRUST FUND	0.4	1.2	0.9	0.9	0.9	0.9
PLUS: TAX RELIEF FUND CARRYFORWARD						
EXCLUDING TRUST FUNDS	8.8	11.4	4.6	3.9	3.4	4.1
CAPITAL RESERVE FUND (2%) - BEG. BAL.	-5.5	7.5	4.0	8.9	0.1	3.9
GENERAL RESERVE FUND (5%) - BEG. BAL.	10.3	53.5	4.0	8.9	0.1	3.9
TOTAL RESERVES	4.0	36.8	4.0	8.9	0.1	3.9
REVENUE EXCESS / SHORTAGE FROM ACT						
EDUCATION IMPROVEMENT ACT 2/	4.0	3.6	3.8	1.6	3.4	3.4
EIA FUND	4.0	3.6	3.8	1.6	3.4	3.4
EIA HOLD HARMLESS						
EIA INTEREST	-21.3	35.6	-33.9	66.7	0.0	0.0
S.C. EDUCATION LOTTERY FUND (NET)	10.4	1.1	-13.7	0.0	0.0	0.0
HOMESTEAD EXEMPTION FUND						
TOTAL REVENUE AVAILABLE						
LESS: HOMESTEAD EXEMPT. FUND SHORTFALL						

1/: Excludes (1%) Education Improvement Act and (2%)

2/: Includes interest earnings.

3/: Includes former Dept. of Agriculture agency revenue