



# **Three-Year General Fund Financial Outlook**

## **FY 2016-17 to FY 2018-19**

Prepared Pursuant to Act 156 of 2005

§11-11-350

South Carolina Revenue and Fiscal Affairs Office

December 2015

**Three-Year General Fund Financial Outlook**

**FY 2016-17 to FY 2018-19**

**Based on Enacted FY 2015-16 Budget**

**(Dollars in Millions)**

	<b>Projections</b>			
	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
	"Base Year"			
<b><u>Resources:</u></b>				
Beginning Balance	\$86.8	\$326.6	\$679.2	\$1,311.6
Revenue (BEA Long Range Revenue Forecast, 11/10/2015)	7,856.2	8,235.8	8,596.6	9,026.3
Adjustments				
Tax Relief Trust Fund Transfers	(571.2)	(578.0)	(598.8)	(620.4)
General Reserve Fund Transfer		(20.4)	(16.3)	(18.5)
<b>Total Revenue/Resources</b>	<b>\$7,371.8</b>	<b>\$7,984.4</b>	<b>\$8,677.0</b>	<b>\$9,717.5</b>
<b><u>Expenditures and Reserve Fund Contributions:</u></b>				
<b>Baseline (Adjusted Recurring Budget)</b>	<b>\$7,045.2</b>	<b>\$6,891.2</b>	<b>\$6,891.2</b>	<b>\$6,891.2</b>
<b><u>Constitutional/ Statutory Items:</u></b>				
Reserve Funds: Capital Reserve (CRF)		8.2	14.7	22.1
Local Government Fund		12.5	12.5	12.5
Debt Service		(58.5)	(82.3)	(100.0)
Homestead Exemption Fund Shortfall (Act 388 of 2006)		(37.4)	(53.6)	(70.8)
<b><u>Major Expenditure Categories:</u></b>				
K-12 Education		168.1	234.2	303.1
Medicaid and Health (net of earmarked cigarette tax revenue)		136.5	190.5	249.2
Social Services and Correctional Agencies		7.2	7.2	7.2
Higher Education Scholarship Growth (LIFE & Palmetto Fellows)		6.4	15.4	24.7
State Employee Health Plan - Retiree Growth + Rate Increase		24.6	70.8	164.9
State Employee Compensation Changes (2% Per Year)		32.4	64.8	97.2
FEMA Match (October 2015 Floods)		114.0	0.0	0.0
<b>Total Expenditures</b>	<b>\$7,045.2</b>	<b>\$7,305.2</b>	<b>\$7,365.4</b>	<b>\$7,601.2</b>
<b>Ending Balance</b>	<b>\$326.6</b>	<b>\$679.2</b>	<b>\$1,311.6</b>	<b>\$2,116.3</b>
Projected CRF Funds Available for Nonrecurring Expenditures		\$131.0	\$139.2	\$145.7
Projected General Reserve Fund Balance	\$327.6	\$348.0	\$364.4	\$382.9

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

## **Notes**

The three-year General Fund Outlook is prepared by the South Carolina Revenue and Fiscal Affairs Office 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 2015-16 General Fund operating budget.

The spending projections are cumulative and the estimates are based on the FY 2015-16 enacted budget and major expenditure categories contained therein. Unless noted below, future years do not include any increases over the baseline expenditures (FY 2015-16 enacted recurring budget). If the projected balance is negative in any year, a budget gap exists. A budget gap reflects a structural imbalance between projected revenue growth and expenditure increases based on the adjusted 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.

❖ **Board of Economic Advisors Forecast** – The Board of Economic Advisors (BEA) long-range General Fund revenue forecast is based upon its November 10, 2015 forecast for FY 2016-17. The FY 2016-17 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 4.9%;
- A sales tax growth rate of 4.7% based on a historical elasticity of 0.95;
- An individual income tax growth rate of 5.4% based on a historical elasticity of 1.1;
- Corporate income tax holding steady throughout the forecasted period; and
- Historical trends and patterns and other legislative factors affecting the remaining revenues.

The annual growth rates for FY 2016-17, FY 2017-18, and FY 2018-19 are 4.8%, 4.4%, and 5.0%, 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 \$70.0 million annually. Current statute earmarks these funds primarily for healthcare programs; however, specific program appropriations is at the discretion of the General Assembly. For FY 2016-17 through FY

2018-19, \$70.0 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. Currently, the General Reserve Fund is fully funded at \$327.6 million. Annual contributions for FY 2016-17 through FY 2018-19 are \$20.4 million, \$16.3 million, and \$18.5 million, respectively, with the fund maintaining five percent 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 non-recurring purposes.

### **Expenditure Assumptions**

#### **LOCAL GOVERNMENT FUND**

- ❖ The Local Government Fund is a statutorily defined transfer of funds to counties and municipalities equal to four and one-half percent of General Fund revenues of the latest completed fiscal year. For the last seven years, the requirement to fund this account at the defined four and one-half percent level has been suspended. This report assumes funding at FY 2015-16 levels with an annualization of \$12.5 million of non-recurring funds. Annual increases

for FY 2016-17 through FY 2018-19 are \$12.5 million, \$0.0 million and \$0.0 million, respectively. **However, if funding were returned to statutorily mandated levels in FY 2016-17, it would require an additional \$100.6 million (total of \$113.1 million).**

### **DEBT SERVICE**

- ❖ Future Debt Service needs will produce incremental adjustments of \$(58.5) million in FY 2016-17, \$(23.9) million in FY 2017-18 and \$(17.7) million in FY 2018-19. 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 2015-16 base budget includes \$86.6 million dedicated to offset this shortfall. Incremental adjustments for FY 2016-17, FY 2017-18, and FY 2018-19 are \$(37.4), \$(16.2), and \$(17.2) million, respectively.

## K-12 EDUCATION

- ❖ **Supreme Court Ruling** – In November 2014, the South Carolina Supreme Court ruled the state was not meeting its obligation to provide a minimally adequate education to children in low income schools. In their ruling, the Supreme Court directed the state to develop a plan to improve the education provided in these schools. As a result, special committees have been created to provide recommendations to the General Assembly. The education projections on page one do not reflect any additional funding proposals that may be recommended to the General Assembly.
  
- ❖ **Education Finance Act (EFA)** – The FY 2015-16 Base Student Cost is \$2,220 with a Weighted Pupil Unit count of 966,029. This forecast assumes a 2.5% inflation factor for the three year period. The Weighted Pupil Unit grow rate is 0.8% for FY 2016-17, FY 2017-18 and FY 2018-19. The FY 2016-17 projection also includes a large increase in the South Carolina Public Charter School District due to enrollment growth in existing and new charter schools and the addition of grade levels offered. The Base Student Cost and Weighted Pupil Units for the projected period are:
  - FY 2016-17
    - \$2,280
    - 982,299
  - FY 2017-18
    - \$2,337
    - 990,157
  - FY 2018-19
    - \$2,396
    - 998,079

The incremental adjustments for the three year period are \$147.6 million, \$66.1 million, and \$68.8 million, respectively.

- ❖ **Instructional Materials** - The state has adopted new academic standards in the four core subject matters and when grouped with an annualization of prior year, non-recurring funding, it requires an incremental change of \$20.5 million in FY 2016-17 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 2015-16, \$115.6 million of cigarette tax revenue will be used to support the Medicaid program. The cigarette tax revenue dedicated to Medicaid is estimated to be \$114.0 million in FY 2016-17. The Medicaid expenditure estimates on Page 1 are adjusted to reflect this dedicated source of revenue.

The Medicaid projections reflect additional state funds needed to maintain current service levels based on enrollment and inflationary cost projections. The projections over the three year period include annualizations of declining revenue from the cigarette surtax and tobacco settlement funds along with maintaining enhanced reimbursement rates for primary care physicians that were implemented pursuant to the Affordable Care Act (ACA). These projections also account for the federally mandated increase to Medicare premiums. The projected General Fund growth rate is 12.1% for FY 2016-17, 3.7% for FY 2017-18 and 3.9% for FY 2018-19.

The total additional recurring state funding needed to provide sustainable funding for the current Medicaid program for FY 2016-17 thru FY 2018-19 is \$229.70 million. The incremental adjustments for FY 2016-17, FY 2017-18, and FY 2018-19 are \$130.0 million, \$47.5 million, and \$52.2 million, respectively.

- ❖ **Department of Mental Health** – To continue to cover operating costs at Community Mental Health Centers and inpatient facilities along with population growth in the Forensic Inpatient Services and the Sexually Violent Predators programs, additional funding of \$6.5 million will be required in each year for FY 2016-17 through FY 2018-19.

### **SOCIAL SERVICES AND CORRECTIONAL AGENCIES**

- ❖ **Department of Social Services - 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. Estimated recurring cost for FY 2016-17 through FY 2018-19 is \$7.2 million.

### **HIGHER EDUCATION SCHOLARSHIP GROWTH**

- ❖ **LIFE & Palmetto Fellows Scholarships** – The estimate for FY 2016-17 through FY 2018-19 assumes three year average growth rates of 3.3% and 3.6% over the previous year for LIFE and Palmetto Fellows scholarships, respectively. Estimated incremental costs are \$6.4 million in FY 2016-17, \$9.0 million in FY 2017-18, and \$9.3 million in FY 2018-19.

### **STATE EMPLOYEE HEALTH PLAN**

- ❖ **Retiree Growth and Rate Increase** – The South Carolina Public Employee Benefit Authority (PEBA) estimates the General Fund amounts needed for the operation of the State Health Plan for retiree growth and health plan increases are as follows:

1. Retiree Growth and Rate Increase
  - a. Calendar Year 2016 employer base (state funds only) is \$830,460,430;
  - 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; and
  - d. The projected annual premium growth rate effective each year equals 0.6% in 1/2017, 9.25% in 1/2018 and 10.0% in 1/2019.
2. The projection assumed the employer pays the same proportion that is in place in January 2016 for 2017, 2018, and 2019;
3. Retiree growth for FY 2016-17 through FY 2018-19 is estimated at 1.8% per year net growth.
4. The estimated amount of general fund dollars for the State Health Plan is \$24.6 million in FY 2016-17, \$46.2 million in FY 2017-18, and \$94.1 million in FY 2018-19.

### **STATE EMPLOYEE COMPENSATION**

- ❖ 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 two percent increase equals approximately \$32.4 million per year to include all applicable fringe benefits.

### **OCTOBER 2015 FLOODS**

- ❖ South Carolina's infrastructure experienced severe damage and loss as a result of catastrophic flooding in October 2015. The federal government provided approximately 75% of the funds needed to repair these damages. In addition

to the funds state agencies have already expensed to address these repairs, it is estimated South Carolina will need to provide \$114.0 million in FY 2016-17 in order to achieve the federally required 25% match.

### **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 #43 and #45 pertaining to other post-employment benefits (OPEB). GASB does not require funding an entity's OPEB obligations, but 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 2015-16 "base" operating budget.
  
- ❖ The state's unfunded liability with regard to OPEB is estimated at \$9.4 billion with \$4.3 billion of the liability for State Employees and \$5.1 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 2015-16 operating budget.

**South Carolina Board of Economic Advisors  
Long Range General Fund Revenue Forecast  
Fiscal Years 2015-16 to 2018-19**

**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 10, 2015 and is based on the BEA estimate of General Fund Revenues for FY 2016-17. 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 4.9 percent;
- a sales tax growth rate of 4.7 percent based on a historical elasticity of 0.95;
- an individual income tax growth rate of 5.4 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 16, FY 17, FY 18, and FY19 are 4.6%, 4.8%, 4.4%, and 5.0%, 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.

PERSONAL INCOME GROWTH  
 FY16 - 5.25%; FY17 - 4.9%  
 FORECAST PERIOD - 4.9%

LONG RANGE GENERAL FUND REVENUE FORECAST  
 FISCAL YEARS FY2013-14 TO FY2018-19  
 (DOLLARS)

REVENUE CATEGORIES	FINAL FY 2013-14	FINAL FY 2014-15	11/10/15 ESTIMATE FY 2015-16	11/10/15 ESTIMATE FY 2016-17	WORKING ESTIMATE FY 2017-18	WORKING ESTIMATE FY 2018-19
RETAIL SALES TAX 1/	2,504,914,814	2,643,740,083	2,785,498,000	2,925,768,000	3,061,960,000	3,204,494,000
EXCISE, CASUAL SALES TAX	12,162,908	13,208,594	13,900,000	14,581,000	15,260,000	15,970,000
INDIVIDUAL INCOME TAX	3,422,604,314	3,661,194,579	3,888,050,000	4,068,867,000	4,285,860,000	4,516,868,000
CORPORATION INCOME TAX	331,148,048	377,669,258	393,154,000	393,154,000	393,154,000	393,154,000
<b>SALES AND INCOME TAXES</b>	<b>6,270,830,084</b>	<b>6,695,810,514</b>	<b>7,080,600,000</b>	<b>7,400,168,000</b>	<b>7,756,234,000</b>	<b>8,130,486,000</b>
ADMISSIONS/BINGO TAX	34,528,926	39,232,391	41,087,000	41,878,000	42,685,000	43,507,000
ADMISS. TAX TRANSFER TO PRT	(6,673,499)	(6,489,637)	(7,720,000)	(7,875,000)	(8,032,000)	(8,193,000)
AIRCRAFT TAX	4,233,944	4,492,414	4,672,000	4,859,000	5,053,000	5,255,000
ALCOHOLIC LIQUOR TAX	66,694,937	70,363,644	72,193,000	74,070,000	75,996,000	77,972,000
BANK TAX	33,106,652	31,268,111	32,519,000	33,820,000	35,173,000	36,580,000
BEER AND WINE TAX	102,547,783	104,865,231	106,438,000	108,035,000	109,656,000	111,301,000
BUSINESS LICENSE TAX	25,631,758	25,482,166	25,100,000	24,724,000	24,353,000	23,988,000
COIN-OPERATED DEVICES	1,124,810	1,197,813	1,069,000	1,342,000	1,016,000	1,503,000
CORPORATION LICENSE TAX	95,139,381	129,851,012	103,226,000	109,110,000	115,329,000	121,903,000
DEPARTMENTAL REVENUE 3/	78,782,546	55,468,773	52,036,000	52,036,000	52,036,000	52,036,000
DOCUMENTARY TAX	46,724,819	53,876,792	59,842,000	62,982,000	66,509,000	70,234,000
LESS: CONSERVATION BANK TRUST FUND	(11,341,147)	(13,236,818)	(14,911,000)	(15,746,000)	(16,627,250)	(17,558,500)
EARNED ON INVESTMENTS	19,537,585	17,711,197	16,000,000	17,000,000	17,000,000	17,000,000
INSURANCE PREMIUM TAX	171,659,351	185,323,181	195,331,000	205,879,000	216,996,000	228,714,000
INSURANCE LICENSE TAX	16,963,766	38,405,118	19,203,000	43,207,000	21,604,000	48,609,000
INSURANCE RETALIATORY & OTHER TAX	6,606,945	6,098,067	6,100,000	6,100,000	6,100,000	6,100,000
LESS: INSURANCE CREDITS	(9,582,532)	(13,236,442)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
MOTOR VEHICLE LICENSES	10,287,660	10,602,698	10,815,000	11,031,000	11,252,000	11,477,000
PRIVATE CAR LINES TAX	3,592,401	4,020,484	4,234,000	4,458,000	4,694,000	4,943,000
PUBLIC SERVICE AUTHORITY	20,859,000	20,116,000	20,458,000	20,806,000	21,160,000	21,520,000
RETAILERS LICENSE TAX	740,380	803,686	843,000	884,000	927,000	972,000
SAVINGS & LOAN TAX	2,008,669	1,994,090	1,974,000	1,954,000	1,934,000	1,915,000
WORKERS COMP. INSURANCE	8,227,554	8,171,254	8,090,000	8,009,000	7,929,000	7,850,000
CIRCUIT/FAMILY COURT FINES	8,606,344	8,446,184	8,531,000	8,616,000	8,702,000	8,789,000
DEBT SERVICE TRANSFERS	524,177	538,627	539,000	539,000	539,000	539,000
INDIRECT COST RECOVERIES	13,693,548	13,511,580	13,984,000	14,473,000	14,980,000	15,504,000
PAROLE / PROBATION FEES	3,392,808	3,392,808	3,393,000	3,393,000	3,393,000	3,393,000
UNCLAIMED PROPERTY FUND	15,000,000	15,000,000	5,750,000	15,000,000	15,000,000	15,000,000
<b>OTHER BASE SOURCES</b>	<b>762,418,546</b>	<b>817,270,604</b>	<b>775,596,000</b>	<b>835,584,000</b>	<b>840,356,750</b>	<b>895,852,500</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>7,033,248,630</b>	<b>7,513,081,118</b>	<b>7,856,196,000</b>	<b>8,235,752,000</b>	<b>8,596,590,750</b>	<b>9,026,338,500</b>
APPROPRIATION ACT REVENUE	6,848,108,606	7,212,839,711	7,668,473,000	8,235,752,000	8,596,590,750	9,026,338,500
LESS: TAX RELIEF TRUST FUND	(552,409,253)	(561,562,557)	(568,961,000)	(577,989,000)	(596,796,604)	(620,353,282)
PLUS: TAX RELIEF FUND CARRYFORWARD	0	0	0	0	0	0
EXCLUDING TRUST FUNDS	6,293,699,353	6,651,277,154	7,287,235,000	7,657,763,000	7,997,794,146	8,405,985,218
CAPITAL RESERVE FUND (2%) - BEG. BAL.	117,155,905	127,789,918	131,047,797	139,207,769	145,744,700	153,155,260
GENERAL RESERVE FUND (5%) - BEG. BAL.	292,889,764	319,478,812	327,619,492	348,019,473	364,361,750	382,888,150
TOTAL RESERVES	410,045,669	447,268,730	458,667,289	487,227,262	510,106,450	536,043,410
REVENUE EXCESS / SHORTAGE FROM ACT	187,140,024	300,241,407	189,723,000	0	0	0
EDUCATION IMPROVEMENT ACT 2/	643,252,466	678,380,702	716,345,000	751,585,000	769,383,000	805,194,000
EIA FUND	643,210,977	678,315,088	699,849,000	735,067,000	769,305,000	805,116,000
EIA HOLD HARMLESS			16,420,000	16,420,000	16,420,000	16,420,000
EIA INTEREST	41,489	65,614	76,000	78,000	78,000	78,000
S.C. EDUCATION LOTTERY FUND (NET)	323,365,255	350,110,184	341,300,000	341,300,000	341,300,000	341,300,000
HOMESTEAD EXEMPTION FUND						
TOTAL REVENUE AVAILABLE	579,001,045	615,064,029	650,191,000	682,203,000	713,176,000	745,591,000
LESS: HOMESTEAD EXEMPT. FUND SHORTFALL	(110,397,500)	(90,710,964)	(74,711,000)	(49,176,000)	(32,976,000)	(15,765,000)

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.

Source: S. C. Board of Economic Advisors/11/10/15

PERSONAL INCOME GROWTH  
 FY16 - 5.25%; FY17 - 4.9%  
 FORECAST PERIOD - 4.9%

LONG RANGE GENERAL FUND REVENUE FORECAST  
 FISCAL YEARS FY2013-14 TO FY2018-19  
 (DOLLARS)

REVENUE CATEGORIES	PERCENT CHANGE FY13/FY14	PERCENT CHANGE FY14/FY15	PERCENT CHANGE FY15/FY16	PERCENT CHANGE FY16/FY17	PERCENT CHANGE FY17/FY18	PERCENT CHANGE FY18/FY19
RETAIL SALES TAX 1/	3.1	5.5	5.4	5.0	4.7	4.7
EXCISE, CASUAL SALES TAX	-37.2	8.6	5.3	4.9	4.7	4.7
INDIVIDUAL INCOME TAX	1.9	7.0	6.2	4.8	5.4	5.4
CORPORATION INCOME TAX	-14.4	14.0	4.1	0.0	0.0	0.0
<b>SALES AND INCOME TAXES</b>	<b>1.3</b>	<b>6.8</b>	<b>5.7</b>	<b>4.5</b>	<b>4.8</b>	<b>4.8</b>
ADMISSIONS/BINGO TAX	-1.8	13.6	4.7	1.9	1.9	1.9
ADMISS. TAX TRANSFER TO PRT						
AIRCRAFT TAX	-3.9	6.1	4.0	4.0	4.0	4.0
ALCOHOLIC LIQUOR TAX	4.1	5.5	2.8	2.6	2.6	2.6
BANK TAX	-2.9	-5.8	4.0	4.0	4.0	4.0
BEER AND WINE TAX	2.0	2.3	1.5	1.5	1.5	1.5
BUSINESS LICENSE TAX	-7.4	-0.6	-1.5	-1.5	-1.5	-1.5
COIN-OPERATED DEVICES	-19.8	8.5	-10.8	25.5	-24.3	47.9
CORPORATION LICENSE TAX	28.2	36.5	-20.5	5.7	5.7	5.7
DEPARTMENTAL REVENUE 3/	46.8	-29.6	-6.2	0.0	0.0	0.0
DOCUMENTARY TAX	21.4	15.3	10.7	5.6	5.6	5.6
LESS: CONSERVATION BANK TRUST FUND						
EARNED ON INVESTMENTS	-25.9	-9.3	-9.7	6.3	0.0	0.0
INSURANCE PREMIUM TAX	1.6	8.0	5.4	5.4	5.4	5.4
INSURANCE LICENSE TAX	-50.8	126.4	-50.0	125.0	-50.0	125.0
INSURANCE RETALIATORY & OTHER TAX	-0.2	-7.7	0.0	0.0	0.0	0.0
LESS: INSURANCE CREDITS	5.4	38.1	13.3	0.0	0.0	0.0
MOTOR VEHICLE LICENSES	6.7	3.1	2.0	2.0	2.0	2.0
PRIVATE CAR LINES TAX	-1.3	11.9	5.3	5.3	5.3	5.3
PUBLIC SERVICE AUTHORITY	1.3	-2.8	1.7	1.7	1.7	1.7
RETAILERS LICENSE TAX	-8.8	8.6	4.9	4.9	4.9	4.9
SAVINGS & LOAN TAX	-34.7	-0.7	-1.0	-1.0	-1.0	-1.0
WORKERS COMP. INSURANCE	-28.7	-0.7	-1.0	-1.0	-1.0	-1.0
CIRCUIT/FAMILY COURT FINES	0.8	-1.9	1.0	1.0	1.0	1.0
DEBT SERVICE TRANSFERS	6.7	2.8	0.1	0.0	0.0	0.0
INDIRECT COST RECOVERIES	26.3	-1.3	3.5	3.5	3.5	3.5
PAROLE / PROBATION FEES	0.0	0.0	0.0	0.0	0.0	0.0
UNCLAIMED PROPERTY FUND	0.0	0.0	-61.7	160.9	0.0	0.0
<b>OTHER BASE SOURCES</b>	<b>4.1</b>	<b>7.2</b>	<b>-5.1</b>	<b>7.7</b>	<b>0.8</b>	<b>6.8</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>1.8</b>	<b>6.8</b>	<b>4.6</b>	<b>4.8</b>	<b>4.4</b>	<b>5.0</b>
APPROPRIATION ACT REVENUE	2.9	5.4	6.3	7.4		
LESS: TAX RELIEF TRUST FUND	1.8	1.7	1.3	1.6	3.8	3.6
PLUS: TAX RELIEF FUND CARRYFORWARD						
EXCLUDING TRUST FUNDS	3.0	5.7	9.6	5.1	4.4	5.1
CAPITAL RESERVE FUND (2%) - BEG. BAL.	4.0	9.1	2.5	6.2	4.7	5.1
GENERAL RESERVE FUND (5%) - BEG. BAL.	4.0	9.1	2.5	6.2	4.7	5.1
TOTAL RESERVES	4.0	9.1	2.5	6.2	4.7	5.1
REVENUE EXCESS / SHORTAGE FROM ACT						
EDUCATION IMPROVEMENT ACT 2/	5.1	5.5	5.6	4.9	2.4	4.7
EIA FUND	5.1	5.5	3.2	5.0	4.7	4.7
EIA HOLD HARMLESS				0.0		
EIA INTEREST	-83.5	58.1	15.8	2.6	0.0	0.0
<b>S.C. EDUCATION LOTTERY FUND (NET)</b>	<b>7.6</b>	<b>8.3</b>	<b>-2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
HOMESTEAD EXEMPTION FUND						
TOTAL REVENUE AVAILABLE	4.6	6.2	5.7	4.9	4.5	4.5
LESS: HOMESTEAD EXEMPT. FUND SHORTFALL						

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

2/: Includes interest earnings.

3/: Includes former Dept. of Agriculture agency