

Three-Year General Fund Financial Outlook
FY 2009-10 to FY 2011-12

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

State Budget and Control Board
Office of State Budget

December 2008

Three-Year General Fund Financial Outlook
FY 2009-10 to FY 2011-12
Based on Enacted FY 2008-09 Budget
(Dollars in Millions)

	FY 2008-09 "Base Year"	Projections		
		FY 2009-10	FY 2010-11	FY 2011-12
Resources:				
Beginning Balance		\$0.1	\$0.0	\$0.0
Adjustments	30.4			
Revenue (BEA Long Range Revenue Forecast, 12/10/2008)	6,327.3	6,324.6	6,599.5	6,851.7
Tax Relief Trust Fund Transfers	(527.7)	(541.1)	(562.0)	(582.3)
General Reserve Fund Transfer	(13.0)			
Total Revenue/Resources	\$5,817.0	\$5,783.6	\$6,037.5	\$6,269.4
Expenditures and Reserve Fund Contributions:				
Baseline (Adjusted FY 08-09 Recurring Budget)*	\$5,864.3	\$5,864.3	\$5,864.3	\$5,864.3
Constitutional/ Statutory Items:				
Reserve Funds: General Reserve and Capital Reserve (CRF)		58.6	16.5	(0.1)
Local Government Fund		7.5	7.4	(0.1)
Debt Service		(28.6)	(0.1)	(10.5)
Capital Reserve Fund: Eliminated due to Revenue Shortfall	(133.2)			
Homestead Exemption Fund Shortfall (Act 388 of 2006)	46.9	81.5	69.6	74.5
Correctional Agencies' FY08-09 Deficits	50.2			
Major Expenditure Categories:				
K-12 Education		151.1	211.3	273.6
Medicaid		80.0	155.0	225.9
Social Services and Corrections		76.3	88.1	96.5
Higher Education Scholarship Growth (LIFE & Palmetto Fellows)		15.6	27.6	40.3
State Employee Health Plan-retiree growth + rate increase		12.3	48.7	107.5
Total Expenditures	\$5,828.2	\$6,318.6	\$6,488.4	\$6,671.9
Ending Balance (Deficit Indicates Potential Budget Gaps)	(\$11.2) *	(\$535.0)	(\$450.9)	(\$402.5)

*On August 12, 2008, the Budget and Control Board voted to apply the 2008 Capital Reserve Fund of \$133.2 million against the budget shortfall. The General Assembly returned in October 2008 and made statewide targeted reductions totaling \$487.9 million. Due to further revenue shortfalls, the Budget and Control Board approved 7% across-the-board agency base reductions totaling \$383.5 million on December 11, 2008. Should a budget gap exist at the end of FY 08-09, it would have to be offset by additional mid-year reductions and the General Reserve Fund.

Projected CRF Funds Available for Nonrecurring Expenditures \$0.0 \$127.8 \$126.5

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

Notes

The three-year General Fund Outlook is prepared by the Office of State Budget 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 FY2008-09 General Fund operating budget. Due to revenue shortfalls, the FY2008-09 General Fund operating budget was reduced by \$487.9 million in October 2008 through the appropriations rescission bill, H.5300. Revenues again fell short of expectations after passage of the rescission bill, and on December 11, 2008, the Budget and Control Board approved 7% across-the-board agency base reductions totaling \$383.5 million. ***The Outlook incorporates both the reductions made in H.5300 and the actions taken by the Budget and Control Board on December 11, 2008. Projections are calculated from the adjusted FY08-09 base. In order to restore EFA and Medicaid back to service levels prior to these reductions, the budget gap would increase by an additional \$350 million in FY09-10.***

The spending projections are cumulative and the estimates are based on the FY2008-09 enacted budget and major expenditure categories contained therein. Unless noted below, future years do not include any increases over the baseline expenditures (FY2008-09 enacted budget).

The budget gap on the previous page reflects a structural imbalance between projected revenue growth and expenditure increases based on the FY2008-09 enacted budget. The budget gap is primarily the result of the slowing of South Carolina's economic growth which mirrors the national economy. South Carolina's constitutional requirement that the state have a process to produce a balanced state budget will require the General Assembly to eliminate this gap by making revenue enhancements and/or expenditure adjustments in the upcoming FY2009-10 general fund 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 \$30.4 million in FY2008-09 reflect the nonrecurring revenue sources included in the enacted budget.
- ❖ The Board of Economic Advisors (BEA) long-range general fund revenue forecast is based upon the December 10, 2008 forecast for FY2009-10 adopted by the BEA. The FY2009-10 revenue estimate serves as the base for the long-range forecast. The forecast projects each revenue source for FY 2010-11 and FY 2011-12 at its latest completed 10-year compound average growth. The long-range forecast methodology is summarized as follows:
 - The 10-year growth rate for sales tax was 3.5%.
 - The 10-year growth rate for the individual income tax was 4.8%.
 - The first year that school districts received reimbursement from the Homestead Exemption Fund was FY 2007-08. The estimate for reimbursements for FY 2008-09 was the actual reimbursements to the school districts for FY 2007-08 increased by the 10-year average growth rates of inflation and population. The

sales tax projection for the Homestead Exemption Fund equals the estimates of sales tax collections adopted by the BEA for FY 2009-10 and increased by its 10-year growth rate. The estimate of reimbursements to the school districts equals the FY 2009-10 estimate by the sum of the 10-year growth rate in the Consumer Price Index (CPI) and the 10-year growth rate in population. The detailed three year general fund revenue forecast by revenue category is included on page 10.

Expenditure Assumptions

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 FY2007-08. 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 three-year revenue forecast for the Homestead Exemption Fund projects a \$81.5 million impact on the General Fund in FY09-10 due to revenue shortfalls. The inflation and population growth rate forecast for school reimbursement is 4.4% in FY2009-10 through FY2011-12.

K-12 EDUCATION

- ❖ **Education Finance Act (EFA)** – Due to revenue shortfalls, the FY08-09 Base Student Cost was reduced twice – first in the October 2008 rescission bill and then by the Budget and Control Board on December 11, 2008. After these reductions, the FY08-09 Base Student Cost is \$2,237. The Base Student Cost is estimated to be \$2,331 in FY2009-10, \$2,401 in FY2010-11, and \$2,473 in FY2011-12. The corresponding inflation factors are 4.2% for FY2009-10 and 3.0% for FY2010-11 and FY2011-12. The Weighted Pupil Units growth rate was estimated at

0.005% annually over the BEA's FY2009-10 estimate. Estimated incremental cost: FY2009-10 \$73.6 million, FY2010-11 \$58.3million, FY2011-12 \$60.3 million.

- ❖ **Early Childhood Education (CDEEP)** – Pursuant to the State Circuit Court’s December 2005 ruling in Abbeville County School District et. al. vs. South Carolina, a two-year 4-K pilot program for Child Development Early Education was established. This pilot program provided funding based on the EFA formula plus \$185 per student for transportation. Grants of \$10,000 are available for equipping and furnishing each additional classroom. Estimated cost for FY2009-10 assumes continuation of the pilot program serving 4,500 children at a funding level of \$21.0 million. No incremental increase is estimated for FY 2010-11 and FY 2011-12 pending the EOC’s recommendations.

- ❖ **School Bus Maintenance** - To replace nonrecurring funding. Estimates are for operating expenses and fuel costs at \$3.00/gallon, plus all other operating costs at FY2008-09 levels. The volatility of fuel costs has a major impact on the estimates for school bus maintenance. Every increase or decrease of eight cents per gallon results in a \$1 million change in the estimate. Future years include a 5% inflation rate for fuel only. Estimated incremental cost: FY2009-10 \$29.5 million, FY2010-11 \$1.9 million, FY2011-12 \$2.0 million.

- ❖ **School Buses** - Act 79 of 2007 established a school bus replacement cycle that will result in a complete replacement of the fleet every fifteen years. Estimated incremental cost: FY2009-10 \$27.0 million. Additional funds are not needed in FY2010-11 or FY2011-12.

MEDICAID

- ❖ **Medicaid Program** – The estimate assumes 6% growth in FY2009-10 with a .2973 State match rate; 6% growth in FY2010-11 with a .2936 State match rate; with 6% growth in FY2011-12 with a .2936 State match rate. The estimate for Medicaid incorporates the impact of the Healthy Connections (Coordinated Care) rollout, which is expected to assist in containing growth rates. Medicaid was reduced by \$76,674,589 in October 2008 and then by \$61,125,680 in December 2008. Estimated incremental cost for Maintenance of Effort on the adjusted Medicaid base: FY2009-10 \$80.0 million, FY2010-11 \$75 .0 million, FY 2011-12 \$70.9 million.

SOCIAL SERVICES AND CORRECTIONAL AGENCIES

- ❖ **Department of Social Services Child Support Enforcement** - Child Support Enforcement Statewide Automated System Development - Funding is required to develop and implement a federally mandated statewide automated system for Child Support Enforcement as well as to pay for penalties currently imposed on the state by the federal government. Estimated recurring and non-recurring incremental cost: FY2009-10 \$18.1 million and FY2010-11 \$8.0 million. Additional funds are not needed in FY2011-12.
- ❖ **Department of Corrections Inmate Population** - Estimate based on the Department of Corrections FY08-09 \$45.6 million deficit and allows for a 2% increase of the inmate population plus inflation. Estimated incremental cost: FY2009-10 \$53.6 million, FY2010-11 \$8.4 million, and FY2011-12 \$8.4 million per year.
- ❖ **Department of Juvenile Justice** - Estimate based on the Department of Juvenile Justice FY08-09 \$4.6 million deficit. Estimated incremental cost: FY2009-10 \$4.6 million, FY2010-11 \$0, and FY2011-12 \$0.

HIGHER EDUCATION SCHOLARSHIP GROWTH

- ❖ **LIFE & Palmetto Fellows Scholarships** – In FY2007-08, the LIFE and Palmetto Fellows scholarships were enhanced to include additional stipends for math and science majors. The estimate for FY2009-10 assumes 4.1% and 21.9% growth rates over FY2008-09 for LIFE and Palmetto Fellows scholarships, respectively. Estimates for FY2010-11 and FY2011-12 assume 5% and 7.5% growth rates over the previous year's estimates. Estimated incremental cost: FY2009-10 \$15.6 million, FY2010-11 \$12.0 million, FY2011-12 \$12.7 million.

STATE EMPLOYEE COMPENSATION

- ❖ Due to the dire economic climate and state revenue shortfalls, no projections are made in the base year for state employee compensation increases. However, the cost for a 1% increase = \$18.3 million.

STATE EMPLOYEE HEALTH PLAN

- ❖ Retiree Growth and Rate Increase - Calendar Year 2009 employer base (State funds only) is \$585,388,429; Annualization involves funding final six months (Jul-Dec) of increase effective prior January; Employer rate increase involves funding first six months (Jan-Jun) of increase effective January of the fiscal year. Projected annual premium growth rate effective 1/2010 2.2%; 1/2011 8.0%; 1/2012 8.0%.
- ❖ Employer pays in the same proportion that is in place in January 2009 for 2010, 2011, and 2012; Retiree enrollment growth for FY2009-10 based on recent experience plus 2.7% net growth; Retiree enrollment growth for

FY2010-11 and FY2011-12 estimated at 3.0% per year net growth. Estimated cost: FY2009-10 \$12.3 million, FY2010-11 \$36.4 million, FY2011-12 \$58.8 million.

OTHER POST EMPLOYMENT BENEFITS (OPEB)

- ❖ Beginning with the FY2007-08 Comprehensive Annual Financial Report (CAFR), the state will implement the reporting requirements of the Government Accounting Standards Board (GASB) Statement #45 pertaining to other post-employment benefits (OPEB). Currently, the health insurance benefit for retirees is provided on a pay-as-you-go basis with this cost included in the FY2008-09 “base” operating budget.

- ❖ The state’s unfunded liability with regard to OPEB is estimated at \$8.6 billion. 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 General Assembly placed \$312 million in the Trust Fund as the first installment payment towards the State’s current unfunded liability. The three-year General Fund Financial Outlook does not include funding projections beyond the pay-as-you go basis included in the FY08-09 operating budget.

PERSONAL INCOME GROWTH
FY09 - (6.2)%; FY10 - 0.0%

LONG RANGE GENERAL FUND REVENUE FORECAST
FISCAL YEARS FY2006-07 TO FY2011-12
(DOLLARS)

REVENUE CATEGORIES	FINAL FY 2006-07	FINAL FY 2007-08	12/10/08 ESTIMATE FY 2008-09	12/10/08 ESTIMATE FY 2009-10	WORKING ESTIMATE FY 2010-11	WORKING ESTIMATE FY 2011-12
RETAIL SALES TAX 1/	2,609,151,501	2,444,198,397	2,298,682,405	2,298,682,405	2,379,136,289	2,462,406,059
EXCISE, CASUAL SALES TAX	22,070,729	21,366,645	15,670,780	15,670,780	16,187,916	16,722,117
INDIVIDUAL INCOME TAX	3,347,490,746	3,327,774,540	3,099,154,075	3,099,154,075	3,247,913,471	3,403,813,318
CORPORATION INCOME TAX	300,608,201	312,554,756	167,893,717	167,893,717	171,251,591	174,676,623
SALES AND INCOME TAXES	6,279,321,177	6,105,894,338	5,581,400,977	5,581,400,977	5,814,489,267	6,057,618,117
ADMISSIONS/BINGO TAX	33,505,171	34,067,084	34,173,324	34,173,324	35,881,990	37,676,090
ADMISS. TAX TRANSFER TO COMMERCE	(5,740,048)	(6,369,143)	(6,706,708)	(6,706,708)	(7,042,043)	(7,394,146)
AIRCRAFT TAX	5,904,422	6,145,104	5,115,477	5,115,477	5,263,826	5,416,477
ALCOHOLIC LIQUOR TAX	56,065,761	56,652,160	56,237,031	57,361,772	58,661,092	60,030,757
BANK TAX	25,569,805	19,313,042	7,425,001	7,425,001	7,618,051	7,816,120
BEER AND WINE TAX	99,568,753	100,610,827	104,825,325	107,385,376	109,533,084	111,723,745
BUSINESS LICENSE TAX	31,672,210	31,072,833	29,670,954	29,670,954	29,374,244	29,080,502
COIN-OPERATED DEVICES	1,146,711	1,597,573	1,284,316	1,517,694	1,438,434	1,441,810
CORPORATION LICENSE TAX	65,161,042	74,408,043	86,918,514	92,132,150	95,909,568	99,841,850
DEPARTMENTAL REVENUE 3/	44,195,692	43,908,550	43,992,056	43,992,056	43,992,056	43,992,056
DOCUMENTARY TAX	75,205,284	57,966,115	37,966,115	37,966,115	40,092,217	42,337,382
LESS: CONSERVATION BANK TRUST FUND	(19,006,698)	(14,781,204)	(9,491,529)	(9,491,529)	(10,023,054)	(10,584,345)
EARNED ON INVESTMENTS	128,756,090	123,633,239	77,000,000	72,000,000	72,000,000	72,000,000
ELECTRIC POWER TAX	28,145,254	27,874,092	27,386,399	27,934,127	28,772,151	29,635,315
LESS: TRANSFER TO NON-FED HGWY FUND	(14,000,000)	(27,874,092)	(27,386,399)	(27,934,127)	(28,772,151)	(29,635,315)
ESTATE AND GIFT TAXES	1,542,120	343,510	0	0	0	0
LESS: FEDERAL CHANGE TO ESTATE TAX	0	0	0	0	0	0
INSURANCE PREMIUM TAX	159,060,984	161,103,334	163,788,749	172,602,958	182,786,533	193,570,938
INSURANCE LICENSE TAX	23,089,265	11,934,114	26,386,461	13,183,231	29,684,769	14,842,384
INSURANCE RETALIATORY & OTHER TAX	4,852,160	6,757,323	5,000,000	5,000,000	5,000,000	5,000,000
LESS: INSURANCE CREDITS	(19,504,715)	(20,180,944)	(17,196,097)	(17,196,097)	(17,196,097)	(17,196,097)
MOTOR TRANSPORT FEES	4,427	3,875	20,000	10,000	20,000	11,000
MOTOR VEHICLE LICENSES	32,534,443	24,285,770	15,350,888	15,657,804	15,971,062	16,290,483
PETROLEUM INSPECTION TAX	8,116,825	8,170,043	9,374,473	9,374,473	9,505,716	9,638,796
LESS: TRANSFER TO NON-FED HGWY FUND	(6,492,949)	(8,169,856)	(9,374,473)	(9,374,473)	(9,505,716)	(9,638,796)
PRIVATE CAR LINES TAX	2,917,749	3,595,122	4,034,169	4,034,169	4,231,843	4,439,204
PUBLIC SERVICE AUTHORITY	14,993,000	15,720,000	16,340,234	16,340,234	17,418,689	18,568,323
RETAILERS LICENSE TAX	884,264	847,161	883,722	883,722	898,745	914,024
SAVINGS & LOAN TAX	2,985,050	3,356,902	2,002,478	2,002,478	1,962,428	1,923,180
WORKERS COMP. INSURANCE	14,473,981	13,559,040	14,655,680	14,655,680	15,212,596	15,790,674
CIRCUIT/FAMILY COURT FINES	9,977,637	10,640,349	10,664,363	10,664,363	10,856,322	11,051,735
DEBT SERVICE TRANSFERS	2,148,612	1,722,838	237,911	188,108	188,108	188,108
INDIRECT COST RECOVERIES	15,736,374	15,837,054	16,679,391	16,679,391	16,679,391	16,679,391
MENTAL HEALTH FEES	3,600,000	3,400,000	3,200,000	3,200,000	3,200,000	3,200,000
PAROLE / PROBATION FEES	3,402,305	3,392,808	3,392,808	3,392,808	3,392,808	3,392,808
UNCLAIMED PROPERTY FUND	15,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
CONFORMITY TO IRS CODE				(2,691,739)		
OTHER BASE SOURCES	845,470,981	796,540,666	745,850,631	743,158,891	785,026,662	794,044,464
TOTAL GENERAL FUND REVENUE	7,124,792,158	6,902,435,004	6,327,251,608	6,324,559,868	6,599,515,929	6,851,662,580
APPROPRIATION ACT REVENUE	6,589,516,369	7,107,825,466	7,246,362,115	6,324,559,868		
LESS: TAX RELIEF TRUST FUND	(515,396,670)	(520,192,424)	(531,097,956)	(542,519,869)	(562,050,584)	(582,284,405)
PLUS: TAX RELIEF FUND CARRYFORWARD	10,752,036	13,797,464	5,145,216	1,451,372		
LESS: HOMESTEAD EXEMPT. FUND SHORTFALL		(14,545,708)	(46,917,763)	(81,548,694)	(69,625,936)	(74,505,418)
EXCLUDING TRUST FUNDS	6,084,871,735	6,586,884,798	5,754,381,105	5,701,942,677	5,957,839,409	6,194,872,757
CAPITAL RESERVE FUND (2%) - BEG. BAL	111,821,213	124,520,532	0	127,644,852		
GENERAL RESERVE FUND (3%) - BEG. BAL	167,731,819	186,780,797	95,122,617			
TOTAL RESERVES	279,553,032	311,301,329	95,122,617			
REVENUE EXCESS / SHORTAGE FROM ACT	535,275,789	(205,390,462)	(919,110,507)			
EDUCATION IMPROVEMENT ACT 2/	648,381,569	635,302,264	563,394,107	563,394,107	599,931,051	620,882,044
EIA FUND	625,101,707	607,243,384	562,294,107	562,294,107	598,831,051	619,782,044
EIA HOLD HARMLESS	19,309,722	26,000,000				
EIA INTEREST	3,970,139	2,058,880	1,100,000	1,100,000	1,100,000	1,100,000
S.C. EDUCATION LOTTERY FUND (NET)	273,416,933	266,128,271	252,400,000	252,400,000		
HOMESTEAD EXEMPTION FUND		550,484,062	538,646,607	537,440,585	572,709,999	592,328,818
TOTAL REVENUE AVAILABLE						
SCHOOL REIMBURSEMENT	435,018,878	534,887,270	558,605,698	594,857,889	621,031,427	648,356,810
\$2.5 MILLION REIMBURSEMENT		30,142,500	26,958,672	24,131,590	21,304,508	18,477,426
TOTAL REIMBURSE. FOR SCHOOL OPERATIONS		565,029,770	585,564,370	618,989,279	642,335,935	666,834,236
COUNTY TAX RELIEF		(14,545,708)	(46,917,763)	(81,548,694)	(69,625,936)	(74,505,418)

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.
 4/ Figure is net of General Fund revenue estimate
 Source: S. C. Board of Economic Advisors /12/16/08

PERSONAL INCOME GROWTH
FY09 - (6.2)%; FY10 - 0.0%

LONG RANGE GENERAL FUND REVENUE FORECAST
FISCAL YEARS FY2006-07 TO FY2011-12
(PERCENT CHANGE OVER PRIOR FISCAL YEAR)

REVENUE CATEGORIES	PERCENT CHANGE FY06/FY07	PERCENT CHANGE FY07/FY08	PERCENT CHANGE FY08/FY09	PERCENT CHANGE FY09/FY10	PERCENT CHANGE FY10/FY11	PERCENT CHANGE FY11/FY12
RETAIL SALES TAX 1/	5.1	-6.3	-6.0	0.0	3.5	3.5
EXCISE, CASUAL SALES TAX	1.1	-3.2	-26.7	0.0	3.3	3.3
INDIVIDUAL INCOME TAX	11.8	-0.6	-6.9	0.0	4.8	4.8
CORPORATION INCOME TAX	5.1	4.0	-46.3	0.0	2.0	2.0
SALES AND INCOME TAXES	8.5	-2.8	-8.6	0.0	4.2	4.2
ADMISSIONS/BINGO TAX	7.0	1.7	0.3	0.0	5.0	5.0
ADMISS. TAX TRANSFER TO COMMERCE						
AIRCRAFT TAX	28.9	4.1	-16.8	0.0	2.9	2.9
ALCOHOLIC LIQUOR TAX	8.0	1.0	-0.7	2.0	2.3	2.3
BANK TAX	-9.4	-24.5	-61.6	0.0	2.6	2.6
BEER AND WINE TAX	1.6	1.0	4.2	2.4	2.0	2.0
BUSINESS LICENSE TAX	-1.0	-1.9	-4.5	0.0	-1.0	-1.0
COIN-OPERATED DEVICES	-2.8	39.3	-19.6	18.2	-5.2	0.2
CORPORATION LICENSE TAX	-8.9	14.2	16.8	6.0	4.1	4.1
DEPARTMENTAL REVENUE 3/	-10.0	-0.6	0.2	0.0	0.0	0.0
DOCUMENTARY TAX	-11.6	-22.9	-34.5	0.0	5.6	5.6
LESS: CONSERVATION BANK TRUST FUND						
EARNED ON INVESTMENTS	84.3	-4.0	-37.7	-6.5	0.0	0.0
ELECTRIC POWER TAX	13.6	-1.0	-1.7	2.0	3.0	3.0
LESS: TRANSFER TO NON-FED HGWY FUND						
ESTATE AND GIFT TAXES	-97.5	-77.7	-100.0			
LESS: FEDERAL CHANGE TO ESTATE TAX						
INSURANCE PREMIUM TAX	12.8	1.3	1.7	5.4	5.9	5.9
INSURANCE LICENSE TAX	121.5	-48.3	121.1	-50.0	125.0	-50.0
INSURANCE RETALIATORY & OTHER TAX	1.4	39.3	-26.0	0.0	0.0	0.0
LESS: INSURANCE CREDITS	13.4	3.5	-14.8	0.0	0.0	0.0
MOTOR TRANSPORT FEES	-59.1	-12.5	416.1	-50.0	100.0	-45.0
MOTOR VEHICLE LICENSES	-36.3	-25.4	-36.8	2.0	2.0	2.0
PETROLEUM INSPECTION TAX	-7.9	0.7	14.7	0.0	1.4	1.4
LESS: TRANSFER TO NON-FED HGWY FUND						
PRIVATE CAR LINES TAX	-13.5	23.2	12.2	0.0	4.9	4.9
PUBLIC SERVICE AUTHORITY	0.3	4.8	3.9	0.0	6.6	6.6
RETAILERS LICENSE TAX	6.2	-4.2	4.3	0.0	1.7	1.7
SAVINGS & LOAN TAX	-12.7	12.5	-40.3	0.0	-2.0	-2.0
WORKERS COMP. INSURANCE	10.1	-6.3	8.1	0.0	3.8	3.8
CIRCUIT/FAMILY COURT FINES	3.3	6.6	0.2	0.0	1.8	1.8
DEBT SERVICE TRANSFERS	-0.6	-19.8	-86.2	-20.9	0.0	0.0
INDIRECT COST RECOVERIES	-12.6	0.6	5.3	0.0	0.0	0.0
MENTAL HEALTH FEES	-5.3	-5.6	-5.9	0.0	0.0	0.0
PAROLE / PROBATION FEES	0.6	-0.3	0.0	0.0	0.0	0.0
UNCLAIMED PROPERTY FUND	0.0	-20.0	0.0	0.0	0.0	0.0
CONFORMITY TO IRS CODE						
OTHER BASE SOURCES	5.7	-5.8	-6.4	-0.4	5.6	1.1
TOTAL GENERAL FUND REVENUE	8.2	-3.1	-8.3	-0.0	4.3	3.8
APPROPRIATION ACT REVENUE	10.5	7.9	1.9			
LESS: TAX RELIEF TRUST FUND	0.3	0.9	2.1	2.2	3.6	3.6
PLUS: TAX RELIEF FUND CARRYFORWARD						
LESS: HOMESTEAD EXEMPT. FUND SHORTFALL						
EXCLUDING TRUST FUNDS	11.5	8.3	-12.6	-0.9	4.7	3.8
CAPITAL RESERVE FUND (2%) - BEG. BAL.	9.3	11.4	-100.0			
GENERAL RESERVE FUND (3%) - BEG. BAL.	9.3	11.4	-49.1			
TOTAL RESERVES	9.3	11.4	-69.4			
REVENUE EXCESS / SHORTAGE FROM ACT						
EDUCATION IMPROVEMENT ACT 2/	-1.7	-2.0	-11.3	0.0	6.5	3.5
EIA FUND	-4.8	-2.9	-7.4	0.0	6.5	3.5
EIA HOLD HARMLESS						
EIA INTEREST	38.5	-48.1	-46.6	0.0	0.0	0.0
S.C. EDUCATION LOTTERY FUND (NET)	-8.9	-2.7	-5.2	0.0		
HOMESTEAD EXEMPTION FUND						
TOTAL REVENUE AVAILABLE						
SCHOOL REIMBURSEMENT						
\$2.5 MILLION REIMBURSEMENT						
TOTAL REIMBURSE. FOR SCHOOL OPERATIONS						
COUNTY TAX RELIEF						

1/: Excludes (1%) Education Improvement Act
2/: Includes interest earnings.
3/: Includes former Dept. of Agriculture agency
*: Figure is net of General Fund revenue estimate
Source: S. C. Board of Economic Advisors